Supporting documents: Walden Asset Management's shareholder proposal to C.R. Bard

This brief serves to describe the case behind Walden Asset Management's (Walden) resolution with C.R. Bard (ticker: BCR). Please also find appended below a letter from Walden to the board of directors responding to their statement of opposition, Walden's shareholder resolution text to C.R. Bard and the company's opposition statement (extracted pages from the official 2012 proxy statement).

For the third year in a row Walden has made the business case for sustainability reporting to C.R. Bard and encouraged the company to develop a system for doing so. As we have noted in discussions with the company, evaluative data needed to assess corporate performance on environmental, social and governance (ESG) factors relevant to its business are not included in the company website, which only has general descriptions of the company's commitments to sustainability. In addition, the company has not responded to Carbon Disclosure Project's (CDP) questionnaire, which would provide investors with information on the company's management of greenhouse gas (GHG) emissions and abatement goals and targets.

As you will note in Walden's letter to the members of the Board of Directors we expand on the following points countering some of the Board's claims for recommending a vote Against the proposal:

1. *C.R. Bard's Shareholders have demonstrated demand for improved ESG disclosure.*
2. *C.R. Bard provides evidence in the proxy that some of the desired ESG information is already being tracked; hence, disclosure should not be burdensome.*
3. *Claims related to C.R. Bard's ESG performance are not readily substantiated.*
4. *Companies are increasingly calling for ESG disclosure from their suppliers.*
5. *Investors and a growing number of companies consider Global Reporting Initiative (GRI) reporting guidelines to be the best practice standard.*

To summarize, we believe the company lacks meaningful disclosure of ESG factors and has not taken investors' feedback on the issue seriously. Walden and the eighteen other co-filers will continue to seek meaningful dialogue and increased transparency from C.R. Bard.

Background

The health care sector has a sizeable environmental footprint, consuming substantial amounts of energy and materials and generating large volumes of hazardous waste. Some of the chemicals used in health care applications, such as mercury, PVC, and phthalates, raise both environmental and human health concerns. Large healthcare providers such as Kaiser Permanente are now requiring suppliers to provide environmental data on all medical equipment and products purchased. Kaiser Permanente asks suppliers to complete a scorecard based on the environmental impacts of production, use and disposal of their products and uses this information in purchasing decision-making.

Summary rationale for filing this shareholder resolution:

- C.R. Bard's core business is primarily focused on supplying single-patient-use healthcare products to providers and consumers worldwide, such as hospitals.
- Given C.R. Bard's industry, data on product safety and quality, facility health and safety and environmental impacts of manufacturing (e.g. water, energy and waste) and reduction targets are especially critical. In addition, due to the disposable nature of C.R. Bard's products and concerns about medical waste, information on the recyclability and safe disposal of these products would be helpful. Other ESG factors such as efforts to promote diversity in the workplace and on the board of directors would make sustainability reporting comprehensive.
- Industry peers such as Baxter International and Medtronic have identified relevant ESG factors and address them in robust sustainability reports. Improved management and reporting could help C.R. Bard mitigate risks and identify opportunities to improve its business practices and positioning for long term prosperity.
- CDP has classified C.R. Bard as DP, "Declined to Participate".

Walden Asset Management
Advancing sustainable business practices since 1975

February 29, 2012

Mr. Timothy M. Ring
Chairman and Chief Executive Officer and Members of the Board of Directors
C. R. Bard, Inc.
730 Central Avenue
Murray Hill, N.J. 07974
Directors@crbard.com

Dear Mr. Ring and members of the Board of Directors,

We are writing in regard to the Board's statement of opposition in the draft proxy in response to Walden Asset Management's shareholder proposal requesting that C.R. Bard expand sustainability reporting. The proposal has been co-filed by 18 other investors.

While we greatly appreciate the thoughtful statements provided in the 2012 draft proxy describing C.R. Bard's commitment to its community, employees, customers and patients, as well as the environment, information describing how these commitments are implemented is lacking. This information is of paramount importance to investors seeking to evaluate C.R. Bard's environmental, social and corporate governance (ESG) record and progress.

We are sure Mr. Long has kept you informed of the discussions over the past two years regarding the business case for increased tracking and disclosure of ESG factors that are important to long-term business success. Below we respond specifically to the draft statement of opposition and append the resolution text to underscore the case for expanded sustainability reporting. We hope this letter will bolster the case for expanding the company's reporting, which in our view at present consists of only general claims and commitments.

C.R. Bard's Shareholders have demonstrated demand for improved ESG disclosure. C.R. Bard states the sustainability reporting proposal has been defeated because it did not receive a majority vote. However, a highly significant percentage of shareholder votes have been cast in support of sustainability reporting. In 2010, fully one-third of votes cast for or against reporting supported the proposal, and again in 2011 nearly one-third of votes were cast in favor of the resolution. We believe that the Board should not be dismissive of the perspective of these shareholders and should give serious consideration to their request.

Also noteworthy is the large number of abstentions and broker non votes, although unfortunately the abstentions and broker non-votes are not broken out. However, we infer that a significant portion of votes did not automatically support management's recommendation.

C.R. Bard provides evidence in the proxy that some of the desired ESG information is already being tracked. For example, C.R. Bard reports that "one of our manufacturing facilities was recycling about 66 percent of the waste it generated". To the extent that the company has systems in place to monitor ESG performance, improved disclosure should not be burdensome.

Claims related to C.R. Bard's ESG performance are not readily substantiated. The proxy states that C.R. Bard's Environmental, Health and Safety policy requires the company to encourage suppliers, customers and partners in their environmental, health and safety efforts, as well as "continuous

A Division of Boston Trust & Investment Management Company
One Beacon Street Boston, Massachusetts 02108 617.726.7250 Fax: 617.227.2690

improvement" within the company's own operations. Additionally, the website assures investors that "the company's dedication [to protecting human health, natural resources, and the global environment] reaches further than compliance with the law to encompass the integration of sound environmental and safety practices into our business decisions." Although this is a laudable goal there are no meaningful metrics provided to investors to evaluate such statements in key issue areas such as resource efficiency or emissions/waste reduction.

We seek to learn how the company tracks these and other critical factors in order to make improvements. In the absence of metrics, investors are essentially required to blindly trust a company's general assessment of its performance and progress. As long term investors we seek to be assured via supporting data that C. R. Bard is managing ESG aspects of its business with the same degree of attention and efficiency it gives to the stewardship of the health of its customers and patients.

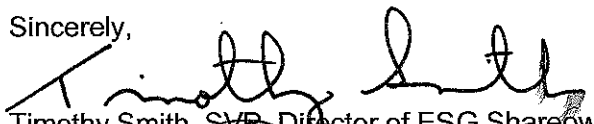
Companies are increasingly calling for ESG disclosure from their suppliers. The business case for sustainability reporting made by Walden and other investors is buttressed by an increasing number of companies who are asking their suppliers to provide ESG information to ensure that they meet various environmental and social standards. C.R. Bard customers may soon begin to request this information as well. Companies that already ask for ESG performance information to help to make procurement decisions include Baxter, Broadlane, Johnson Controls, Kaiser Permanente, Philips, Procter&Gamble and Wal-Mart, among many other companies.

Investors and a growing number of companies consider Global Reporting Initiative (GRI) reporting guidelines to be the best practice standard. GRI, the most widely used sustainability reporting framework in the world, is recognized as an effective approach to assess and report on material ESG considerations. The guidelines are particularly flexible in that an initial "materiality assessment" allows for companies to identify key performance indicators that the company can track, such as C.R. Bard has done when selecting central business issues such as packaging of its products. Furthermore, numerous companies now require performance data from suppliers and request reporting based on GRI indicators. Additionally, the world's largest procurement body, the U.S. General Services Administration, recently trained its own staff on GRI reporting. Globally, GRI reporting standards are being referenced or integrated in national regulations, stock exchange listing rules and procurement policies.

We encourage the Board to revisit its thinking on sustainability reporting. We believe strongly that C.R. Bard should take steps to better monitor and assess ESG risks and opportunities and move forward on this important call for disclosure.

We appreciate your time and look forward to continuing our discussion on this matter.

Sincerely,



Timothy Smith, SVP, Director of ESG Shareowner Engagement, Walden Asset Management

Marcela Pinilla, ESG Analyst, Walden Asset Management

C: Stephen J. Long, Vice President, General Counsel and Secretary, C.R. Bard

C. R. Bard Board of Directors: David M. Barrett, Marc C. Breslawsky, Herbert L. Henkel, John C. Kelly, Theodore E. Martin, Gail K. Naughton, Tommy G. Thompson, John H. Weiland, Anthony Welters, Tony L. White

SUSTAINABILITY REPORTING

We believe tracking and reporting on environmental, social and governance (ESG) business practices makes a company more responsive to a global business environment which is characterized by finite natural resources, changing legislation, and heightened public expectations for corporate accountability. Reporting also helps companies better integrate and gain strategic value from existing sustainability efforts, identify gaps and opportunities in products and processes, develop company-wide communications, publicize innovative practices, and receive feedback.

Today, companies like Bloomberg provide information on ESG performance that investors including Goldman Sachs and Morgan Stanley utilize in investment decisions. Carbon Disclosure Project (CDP), representing 551 institutional investors globally with $71 trillion in assets, has for years requested greater disclosure from companies on their climate change management programs. The 2010 company response rate to CDP for the S&P 500 and the FTSE Global Equity Index Series 500 was 70% and 82%, respectively. In contrast C.R. Bard (Bard) declined to participate, reflecting seeming unresponsiveness to greenhouse gas (GHG) emissions abatement targets and goals.

Investors are increasingly concerned about a lack of active environmental leadership such as this by companies in which they invest. Peers such as Baxter International and Medtronic are already actively engaged in sustainability reporting.

Sustainability reporting is on the rise as an increasing number of corporations worldwide produce reports. In 2009, there was a 25% increase in the number of organizations worldwide using the Global Reporting Initiative's (GRI) guidelines for their ESG reporting. Almost 20% of all Fortune 500 companies are now reporting according to the GRI Framework, up from 5% 4 years ago.

In contrast, Bard does not report on either its sustainability efforts or greenhouse gas management plans.

Climate change is one of the most financially significant environmental issues currently facing investors. Occupational safety and health, vendor and labor standards, waste and water reduction targets and product-related environmental impacts are particularly important ESG considerations in Bard's sector and may have the potential to pose significant regulatory, legal, reputational and financial risks.

Bard notes that one of its policies is to ensure continuous improvement in its environmental, health and safety management systems, pollution prevention practices, and safety programs. However, investors do not have access to evaluative data on how the company is meeting these goals or managing these business factors.

Last year's resolution received a 28% vote of shares cast for and against in favor.

RESOLVED
Shareholders request that Bard issue a sustainability report describing the company's ESG performance including GHG reduction targets and goals. The report should be available by September 1, 2012, prepared at reasonable cost, omitting proprietary information.

SUPPORTING STATEMENT
We recommend the report include a company-wide review of policies, practices and metrics related to ESG performance and that Bard commit to continuous improvement in reporting. We encourage Bard to consider the use of the GRI Guidelines (G3). The GRI (www.globalreporting.org) is a globally accepted reporting framework considered the "gold standard of reporting". The GRI also provides a flexible reporting system that allows companies to report incrementally over time.

eliminate a related supermajority voting provision will be approved if the holders of 75% of the outstanding shares of common stock vote in favor of such amendment. If approved, this proposal would become effective upon the filing of an amendment to the Amended and Restated Certificate of Incorporation with the Treasurer of the State of New Jersey. Corresponding changes to our By-Laws will also be made.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSAL NO. 6.

PROPOSAL NO. 7 — SHAREHOLDER PROPOSAL RELATING TO SUSTAINABILITY REPORTING

We have received a shareholder proposal from Walden Asset Management, a division of Boston Trust & Investment Management Company (collectively "Walden"), as primary filer, whose address is One Beacon Street, Boston, Massachusetts 02108. Walden indicated in its proposal that it holds 150,000 shares of our common stock and intends to submit the following resolution for action at the Annual Meeting and has furnished a statement in support of the proposal that is also set forth below. There were also 18 co-filers to the proposal who collectively indicated that they hold 16,461 shares of our common stock. The names, addresses and shareholdings of the co-filers will be furnished by the Company to any person promptly upon the receipt of any oral or written request.

The Board of Directors has concluded that it cannot support this proposal for the reasons stated in the Board of Directors' statement below.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "AGAINST" PROPOSAL NO. 7.

SHAREHOLDER PROPOSAL

We believe tracking and reporting on environmental, social and governance (ESG) business practices makes a company more responsive to a global business environment which is characterized by finite natural resources, changing legislation, and heightened public expectations for corporate accountability. Reporting also helps companies better integrate and gain strategic value from existing sustainability efforts, identify gaps and opportunities in products and processes, develop company-wide communications, publicize innovative practices, and receive feedback.

Today, companies like Bloomberg provide information on ESG performance that investors including Goldman Sachs and Morgan Stanley utilize in investment decisions. Carbon Disclosure Project (CDP), representing 551 institutional investors globally with $71 trillion in assets, has for years requested greater disclosure from companies on their climate change management programs. The 2010 company response rate to CDP for the S&P 500 and the FTSE Global Equity Index Series 500 was 70% and 82%, respectively. In contrast C.R. Bard (Bard) declined to participate, reflecting seeming unresponsiveness to greenhouse gas (GHG) emissions abatement targets and goals.

Investors are increasingly concerned about a lack of active environmental leadership such as this by companies in which they invest. Peers such as Baxter International and Medtronic are already actively engaged in sustainability reporting.

Sustainability reporting is on the rise as an increasing number of corporations worldwide produce reports. In 2009, there was a 25% increase in the number of organizations worldwide using the Global Reporting Initiative's (GRI) guidelines for their ESG reporting. Almost 20% of all Fortune 500 companies are now reporting according to the GRI Framework, up from 5% 4 years ago.

In contrast, Bard does not report on either its sustainability efforts or greenhouse gas management plans.

Climate change is one of the most financially significant environmental issues currently facing investors. Occupational safety and health, vendor and labor standards, waste and water reduction targets and product-related environmental impacts are particularly important ESG considerations in Bard's sector and may have the potential to pose significant regulatory, legal, reputational and financial risks.

Bard notes that one of its policies is to ensure continuous improvement in its environmental, health and safety management systems, pollution prevention practices, and safety programs. However, investors do not have access to evaluative data on how the company is meeting these goals or managing these business factors.

Last year's resolution received a 28% vote of shares cast for and against in favor.

RESOLVED

Shareholders request that Bard issue a sustainability report describing the company's ESG performance including GHG reduction targets and goals. The report should be available by September 1, 2012, prepared at reasonable cost, omitting proprietary information.

SUPPORTING STATEMENT

We recommend the report include a company-wide review of policies, practices and metrics related to ESG performance and that Bard commit to continuous improvement in reporting. We encourage Bard to consider the use of the GRI Guidelines (G3). The GRI (www.globalreporting.org) is a globally accepted reporting framework considered the "gold standard of reporting". The GRI also provides a flexible reporting system that allows companies to report incrementally over time.

Recommendation of the Board of Directors on Proposal No. 7.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "AGAINST" PROPOSAL NO. 7 FOR THE FOLLOWING REASONS:

This issue was first presented to our shareholders in a comparable shareholder proposal set forth in our 2010 proxy statement. That proposal was defeated at our 2010 annual meeting, receiving only 32.43% of the votes cast on the proposal. A similar proposal was again presented to our shareholders in our 2011 proxy statement. That proposal was defeated by a larger margin at our 2011 annual meeting, receiving only 27.57% of the votes cast on this proposal. As we explained in last year's proxy statement, we continue to believe that preparing a "sustainability report" would not be a prudent use of our resources. While we recognize the importance of environmental, social and governance considerations, and while we strive to conduct our business in a socially responsible manner, we do not believe that a sustainability report would provide meaningful marginal benefits to management or would provide sufficiently useful information to our shareholders and investors to justify its cost.

C. R. Bard is committed to ethical business practices and compliance with the law in all areas of our operations and strives to be a good corporate citizen in the communities where we operate. The Company and our Board of Directors take the issues raised by this proposal very seriously, but believe that conducting a special review of environmental, social and governance practices for the purpose of preparing an additional report to shareholders on sustainability would be expensive, time-consuming and unnecessary.

The proposal does not convey the burden on human resources or the considerable expense involved in preparing a report, which may require the engagement of consultants with specialized expertise. The proposed report would require C. R. Bard to greatly expand the variety of information we currently gather, analyze and disclose, significantly exceeding any requirements of the Securities and Exchange Commission ("SEC"), as well as additional disclosure requirements that have been or are expected to be enacted in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Company prefers, in the exercise of our business judgment, to prudently allocate our resources and assets to the continued development of life-sustaining products, to the enhancement of our business operations and to continue to support various social initiatives, including those described below. In addition, the proponents have encouraged the use of the Global Reporting Initiative's Sustainability Reporting Guidelines (the "GRI Guidelines") in preparing the report. We believe the GRI Guidelines are a voluminous, complex and vague reporting framework that would require a substantial investment of time and funds to evaluate and apply.

As a leading manufacturer of medical, surgical, diagnostic and patient care devices, the Company is already committed to conducting our business with a conscientious regard for the environment and social issues. For

more than 100 years, C. R. Bard has developed a reputation for quality, integrity, service and innovation in every area of our business, including a commitment to the healthcare industry, the communities in which we operate and our employees. C. R. Bard's ultimate goal is to strengthen the wellness of the community by improving the quality of life for people around the world, as demonstrated by the following examples:

- **C. R. Bard's Community:** Through the efforts of the C. R. Bard Foundation and a culture of volunteerism that motivates our employees around the world, C. R. Bard is committed to strengthening the health and well-being of our communities by improving the quality of life for people around the world. We have leveraged our resources by developing a comprehensive Corporate Giving Program that includes cash grants, product donations, an employee matching gifts program, fundraising campaigns and employee volunteerism. We made "Taking a Bite Out of Hunger" the focus of our volunteer efforts in 2010 and 2011. When disaster struck in Haiti in 2010, the C. R. Bard Foundation committed a total of $100,000 in grants and $200,000 in medical products to various charitable organizations to support immediate needs and long-term recovery efforts. In 2011, we responded to the Japan earthquake and tsunami by committing a total of $150,000 to AmeriCares, Direct Relief International and Project HOPE and by encouraging our employees to donate to the cause by matching all employee contributions. Teams of Bard employees are frequently among the leading fundraisers in local events such as the American Heart Association Heart Walk, Komen Race for the Cure, and the American Cancer Society Relay for Life. In 2011, Bard received the Top Corporate Fundraiser Award from Komen North Jersey's Race for the Cure. Our employees spent over 11,000 hours in volunteer community service in 2011 on activities including coat and toy drives, Junior Achievement Projects with area schools and Habitat for Humanity projects. Since its inception in 1987, the Foundation has provided grants totaling over $27 million to organizations in the areas of health and community development, education, arts and culture, and it matches employee gifts to recognized 501(c)(3) charities.

- **C. R. Bard's Employees:** C. R. Bard cultivates a workforce that spans a variety of cultures, and does not discriminate based on race, color, religion, sex, national origin, age, disability, sexual orientation, genetic information, or status as a recently separated veteran, armed forces service medal veteran, disabled veteran or other veteran who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized or any other status protected by applicable law. We treat our employees with respect, and support their families through such programs as the Willits Foundation Scholarship and the Youth for Understanding cultural exchange program. We support their ongoing development through our tuition reimbursement program, and we reward those employees who best represent our core values of quality, integrity, service and innovation with the prestigious Charles Russell Bard Award. An ethical approach to business operations is embedded in C. R. Bard's culture. The Company has adopted a Business Ethics Policy to promote the appropriate and responsible conduct of our businesses throughout the world. This Policy applies to all personnel, and all employees certify annually that they are in compliance with the Policy.

- **C. R. Bard's Customers and Patients:** We support our customers and their patients by pursuing life-enhancing technological innovations that offer superior clinical benefits while helping to reduce expenditures on laboratory and diagnostic tests, antibiotics, physician consults and extra room and care charges. Our commitment to the AdvaMed Code of Ethics on Interactions with Healthcare Professionals demonstrates that we are open, transparent and ethical in our dealings with clinicians.

- **The Environment:** Although our operations have minimal environmental impact, the Company is dedicated to protecting natural resources and the global environment and maintains an environmental, health and safety audit program to monitor our compliance with applicable requirements. C. R. Bard's dedication to protecting human health, natural resources and the global environment reaches beyond compliance with the law to encompass the integration of sound environmental and safety practices into our business decisions. The Company's environmental efforts include, among others, hazardous and general waste handling and management, recycling, and energy and water usage optimization. Our Environmental, Health and Safety Policy requires us to conduct our business activities in a safe and environmentally responsible manner, free from recognized hazards. This policy also requires us to

encourage our customers, suppliers and partners in their environmental, health and safety management efforts, and to ensure continuous improvement in our environmental, health and safety management systems, pollution prevention practices and safety programs. We have set forth below a few examples of our initiatives and encourage shareholders to visit our website at *www.crbard.com* for more information about these projects.

- *Sustainable Energy* — A number of our facilities, comprising more than 25% of our total global operations and divisional headquarters space worldwide, are in the process of implementing an energy savings project that is expected to significantly reduce their energy use and carbon footprint, and serve as a model for our other facilities around the world. This energy savings project is expected to translate directly into a notable reduction in emissions.
- *Sustainability in Packaging* — We endeavor to use the smallest viable package size to minimize material usage and therefore landfill footprint. We perform periodic reviews of product packaging to look for ways to increase recyclability and reduce package size, weight and complexity. For example, wherever applicable: we have focused on reducing board thickness and the amount of corrugated cardboard and paperboard; we have eliminated a "box within a box" where possible; we have endeavored to reduce processing costs and eliminate the chemicals required for heat seal coating; and we are replacing large, multiple-page user manuals with compact discs for some domestic products.
- *Recycling* — We have implemented a variety of programs at our locations around the world, diverting waste electronics, paper, cardboard, metal, plastic, batteries and glass from landfills each month. For example, one of our manufacturing facilities was recycling about 66% of the waste it generated as recently as 2009, including plastic runners, empty trays and other mixed plastics and today, approximately 86% of that facility's waste is kept out of landfills and responsibly recycled. We also used paper from responsible sources certified by the Forest Stewardship Council (FSC) to print this proxy statement and the accompanying 2011 Annual Report and Form 10-K.

The Company's products and operations are subject to extensive regulations administered by the United States Food and Drug Administration ("FDA") and similar foreign agencies. These regulations relate to all aspects of the Company's business, including the manner in which we manufacture and market our products and operate our facilities. C. R. Bard is subject to periodic inspections by these agencies to ensure that our products and practices meet all applicable worldwide standards.

We regularly monitor and review our policies to ensure that the principles set forth above are appropriately implemented and to address new concerns or issues that arise through participation in a global marketplace whose standards continue to evolve.

In conclusion, we believe that our existing corporate practices, including programs and activities to ensure compliance with applicable legal requirements, existing corporate social responsibility programs, our dedication to improving the health and welfare of the communities in which we operate, and our environmental efforts adequately address the matters raised by the proposal. Therefore, conducting a special review and preparing a sustainability report is an unnecessary and ineffective use of the Company's resources. The time and expense that would be incurred would divert personnel and resources from C. R. Bard's business and operations—including the sustainability activities that such a report would be expected to highlight—and would not be in the best interests of C. R. Bard's shareholders.

Required Vote

The proposal to request the Company's Board to prepare a sustainability report will be approved if it receives the affirmative vote of a majority of the shares cast on the proposal. Abstentions and broker non-votes are not included in the determination of the shares cast on the proposal and, accordingly, will have no effect on the outcome of voting on the proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "AGAINST" PROPOSAL NO. 7.