



Walden Asset Management

Advancing sustainable business practices since 1975

February 22, 2013

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 response to the Board's statement of opposition to Walden Asset Management's shareholder proposal requesting that C.R. Bard expand sustainability reporting. This proposal was joined by twenty co-filers this year.

Although the Board's statement describes briefly C.R. Bard's commitment to the community, employees, customers and patients, as well as the environment, we note that the information provided in the statement has not changed from last year. The statement seems to be a copy of last year's statement by the Board. We would have hoped that the statement would be updated to reflect progress in areas such as sustainable energy and recycling. Such data is reviewed by investors who evaluate corporate environmental, social and corporate governance (ESG) performance on an ongoing or annual basis. Other than the replication of this dated information in the statement no further specific data is provided to support C.R. Bard's work to meet sustainability challenges and opportunities.

We are also disappointed the Board has not responded to the investors who believe sustainability reporting is of value to the company. The votes cast in favor of the proposal have been consistent at nearly one third for the past three years. As C.R. Bard has also received a corporate governance proposal seeking the separation of the Chair and CEO roles we hope you will consider these two proposals a call for overall improved management and stewardship of the company's ESG related policies and practices.

As we did last year we provide our rationale for the shareholder proposal seeking sustainability reporting. We hope these points illustrate the growing relevance of the proposal.

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 and 2012 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 in the vote results. Thus, 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. Even though the company does not seem to have set a baseline or reduction target for packaging, emissions or energy and water use, the company does provide information that seems to indicate there are efforts underway. 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 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, the claims related to sustainability efforts the company makes appear only aspirational. Investors are essentially required to trust a company’s own general assessment of its performance and progress with virtually no substantiation. As long term investors we seek assurance 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. As C.R. Bard suggests in the company website some customers seek ESG performance from suppliers to “support their own environmental initiatives and goals.” We believe this is a trend that is likely to continue to grow.

Investors and a growing number of companies consider the 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 by selecting 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.

Some of our Board members serve as directors on boards of companies that have robust sustainability reporting. We note that four members of the board also serve as directors at companies such as 3M, CVS Caremark and Ingersoll-Rand. These companies have already developed comprehensive sustainability reporting and have identified ESG-related risks and opportunities to better manage the company long term. Board members are valued for bringing a diverse background to the

table and should be encouraged to relate their experiences on helping to manage sustainability risks and opportunities in their companies and the benefits of increased transparency on long term shareowner value.

Walden's position reflects the view of more than one thousand investors who are signatories to the Principles for Responsible Investment (UN PRI), who believe ESG factors can effect shareholder value long term and thus integrate these factors into investment decision-making. UN PRI signatories together represent more than \$32 billion in assets (or 15% of the world's investable assets), up from \$4 trillion at the PRI's launch in 2006.

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: Ms. Jean Holloway, 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, G. Mason Morfit, Gail K. Naughton, Tommy G. Thompson, John H. Weiland, Anthony Welters, Tony L. White