

Building a successful future at embecta



Your Retirement Transition Brochure

February 2022

For U.S. associates transitioning to embecta





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Active eligible U.S. associates will transition from BD's retirement benefits—which include the BD Retirement Plan (also called the Cash Balance Plan), BD 401(k) Plan, and BD Deferred Compensation Plan (DCP)—to the Embecta 401(k) Plan and Embecta DCP (if eligible) on Day One. This brochure supplements your Total Retirement Income Statement and explains how your retirement benefits will transition from BD to embecta. Learn how your BD and embecta retirement benefits fit in with your personal savings and government benefits, such as Social Security and Medicare, and how you can take advantage of available resources and tools to help you build your retirement savings strategy.

When is Day One?

“Day One” is the day embecta stock begins trading publicly and the company begins operating independently from BD under its own name, with its own Board of Directors, management team, and associates. **The date of the transition has now been set for April 1, 2022.**



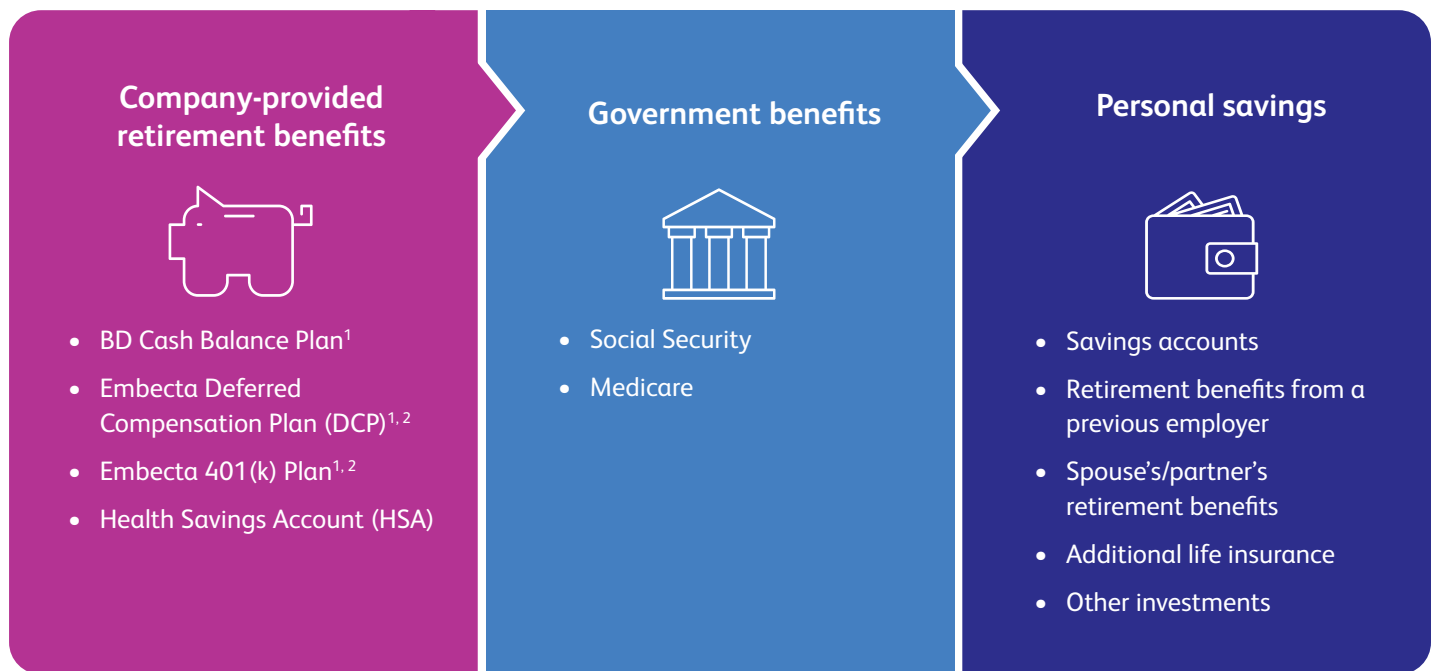
This brochure is intended to help you gain a deeper understanding of your Total Retirement Income Statement. Keep your statement handy as you read through the brochure, and watch for this statement symbol highlighting additional details and information on key sections of your statement.



Sources of your retirement income

embecta will offer a comprehensive program of retirement benefits, resources, and tools.

Building a financially secure retirement takes active planning and preparation. When you retire, your retirement income will come from many sources. Your BD and embecta benefits and available government benefits will provide a good portion, and your personal savings and other sources will make up the rest. Your retirement savings strategy will need to take all of these sources into consideration.



¹ Federal law limits the benefits payable from qualified plans such as the BD Cash Balance Plan and the Embecta 401(k) Plan. If you are affected by these limits, you also may be eligible for the Embecta DCP. For information about these plans, please call Ayco at 800.334.0823.

² Includes your BD DCP and BD 401(k) Plan balances.



How much money will you need when you retire?

A key part of developing an effective retirement income strategy is setting attainable goals. You'll want to understand how much income you'll need, so you can put a plan in place that's right for you.

Think of it this way. Right now, you have a certain amount of income. Your income needs to cover all your expenses, with some left over for savings, leisure, charitable giving, etc. Once you retire, your spending habits will change, shifting your income needs. Some expenses may go down—no more work clothes, no more commuting costs, maybe no more mortgage. However, some expenses may increase, such as healthcare costs. Regardless, it's important to estimate what your retirement income needs will be.

Generally, experts think you won't need as much income after you retire as you do while you're working. They suggest you'll need between 70% and 90% of your pre-retirement annual income to maintain a similar standard of living in retirement. For example, if your income before retirement is \$50,000, you might aim for \$40,000 a year (which is 80% of \$50,000) after you retire. Refer to your Total Retirement Income Statement for other examples. You may wish to call Ayco at 800.334.0823 for help determining your personal retirement income needs.



Your cash balance benefit: a solid foundation

As you build your future retirement income, you need to start with a strong foundation.

The cash balance benefit you have earned at BD can serve as a foundation of your future financial stability, providing a dependable source of income.

Recap of how the BD Cash Balance Plan works

Under the BD Retirement Plan, your benefit is shown as a cash balance account that currently grows with monthly pay and interest credits. The cash balance “account” is a notional account used as a way of keeping track of how your benefit is growing.

Here’s how your cash balance account works:



Every month, a pay credit equal to a percentage of your eligible earnings is added to your account.



Your account also grows with monthly interest credits.



Once you’re fully vested in your cash balance account, it will be yours to keep, even if you leave the company. You’re 100% vested after three years of service. Service with both BD and embecta counts for vesting purposes.



What are eligible earnings?

In the BD Cash Balance Plan, your eligible earnings include your regular salary, overtime, bonuses, commissions, and sales incentives.

You can see your eligible earnings from December 1, 2020 through November 30, 2021, in your Total Retirement Income Statement under “Your personal information.” The statement also shows estimated future projections based on certain assumptions. Note that your actual future salary increases, overtime, bonuses, and/or sales incentives may vary.

Pay credits

On the last day of each month, your cash balance account is credited with a pay credit equal to a percentage of your eligible earnings. Pay credits are based on a combination of your age plus service (in years and months). As your age and years of service increase, your pay credits increase, as shown here.

If your total age + years of service as of the upcoming December 31 will be...	Your pay credit percentage is...
Less than 40	3%
40-49	4%
50-59	5%
60-69	6%
70+	7%

Interest credits

Your cash balance account also grows with monthly interest credits, which are credited as of the last day of each month. The rate used for interest credits is set by the plan each September for the following year and is based on U.S. Treasury rates. The annual interest credit rate may change from time to time but it is never less than 3.79%, which is 0.31% per month.

Managing your BD cash balance account

Once you become an embecta associate, your BD cash balance account will no longer earn pay credits. You have three choices for what you can do with this account. You can:

1 **Leave the money in the account** where it will continue to earn interest until you choose to receive payment or turn 65. Even though you will be working for embecta, you will continue to earn service toward meeting eligibility requirements for early retirement in the BD Cash Balance Plan (age 55 with 10 years of service), as long as you remain continuously employed by embecta.

2 **Roll it over** into the Embecta 401(k) Plan or another eligible retirement plan.

3 **Cash it out**, but keep in mind that benefits are taxable upon distribution if you don't roll them into a tax-deferred plan. If you are 65 or older when your BD employment ends, you will be cashed out automatically.

Important! If you participate in the BD Restoration Plan, your full account balance will be paid to you through BD's payroll in cash as a taxable disbursement as soon as administratively possible following Day One. See "A word about taxes" on **page 10** for more information. **Note:** This benefit **does not** continue at embecta and cannot be rolled over to another qualified retirement plan.



How much is my cash balance account?

You can find your account balance in your Total Retirement Income Statement. In the "Your personal information" section, look for "BD cash balance account" under "Estimated pension benefits as of 4/1/2022."



Building your future with the Embecta 401(k) Plan

Make the most of the 401(k) plan to meet your retirement income goals.

Starting Day One, you're eligible for the Embecta 401(k) Plan. With this plan, you can continue building your retirement savings. The plan features an annual 3% non-elective contribution that is paid in addition to any embecta matching contributions you may receive. You gradually vest in company matching contributions and the annual 3% non-elective contribution after four years of service, following the same vesting schedule as the BD 401(k) Plan. Service with both BD and embecta counts for purposes of vesting. If you are currently participating in the BD 401(k) Plan, your account balance will be transferred to your embecta 401(k) account with Fidelity automatically as soon as administratively possible after Day One.



Don't leave free money on the table.

embecta will help you save for retirement by providing the same matching contribution to your 401(k) account as BD (\$0.75 on the dollar, up to 6% of your eligible pay). So try to contribute at least 6% of your eligible pay to maximize the match. You can see your current BD 401(k) Plan contribution rate (as of November 30, 2021) under "Your personal information" in your Total Retirement Income Statement. Your BD contribution rate in effect as of Day One will be carried over to your embecta 401(k) account automatically.

How the Embecta 401(k) Plan works

The Embecta 401(k) Plan offers a tax-advantaged way to save for retirement. Here are some key highlights of the plan:

- **Convenient payroll deductions.** Your contributions are deducted from your pay automatically and deposited into your 401(k) account. You can adjust them at any time during the year.
- **Your contributions.** The plan offers several ways to save:
 - **Pre-tax and Roth contributions.** You may save up to 60% of your eligible pay with pre-tax and/or Roth contributions, up to the IRS maximum (\$20,500 for 2022). You don't pay taxes on pre-tax contributions or their earnings until you withdraw them from your account. If you choose Roth contributions, you pay taxes on those savings now, but later on, qualified distributions are completely tax free.
 - **Catch-up contributions.** If you're 50 or older—or will turn 50 before the end of the year—you can make additional catch-up contributions (up to \$6,500 in 2022) beyond the pre-tax/Roth contribution limit.
 - **After-tax contributions.** You may save up to 60% of your eligible pay on an after-tax basis. You pay taxes on these contributions before they go into the plan, but earnings are not taxed until you withdraw them from the plan.



Wondering whether to increase your 401(k) contributions?

If you're thinking of increasing your BD 401(k) contribution rate, there's no reason to delay. Do it today! Your BD 401(k) account will transfer to the Embecta 401(k) Plan automatically.





- **Company matching contributions.** You get paid to save—embecta matches 75% of your pre-tax, Roth, and/or after-tax contributions, up to the first 6% of eligible pay. This means if you contribute 6% of eligible pay, embecta will add another 4.5%!
- **Annual 3% non-elective contribution.** This contribution¹ is in addition to the company matching contributions you receive when you contribute to the plan. You will receive the annual non-elective contribution even if you make no contributions of your own.
- **Multi-year temporary supplemental transition benefit.** This company-provided supplemental credit will be provided to you through 2024 to ease the transition from the BD Cash Balance Plan to the Embecta 401(k) Plan.¹ The transition benefit is in addition to the annual 3% non-elective contribution, and you are 100% vested in it. You will receive this benefit even if you make no contributions of your own, subject to the plan's eligibility requirements.

To understand how the amount of this benefit is determined, please refer to the “Focus on your future” home mailer you received in late January/early February. **Note:** If your 2022 BD cash balance pay credit is 3%, you will not receive a temporary supplemental transition benefit because the annual 3% non-elective contribution in the Embecta 401(k) Plan will replace the cash balance pay credit you would have received in the BD Cash Balance Plan.

- **Investment control.** You choose how to invest your savings from a wide range of investment options.
- **Flexibility.** You may change your contribution rate or your investment elections at any time.
- **Portability.** If you leave embecta, you can leave your balance in your account or roll it over to another qualified plan or an individual retirement account (IRA).

¹ You must be actively employed with embecta on December 31 to receive that year's contribution.



How much is my estimated temporary supplemental transition benefit?

You can view your estimated supplemental transition benefit amounts for 2022, 2023, and 2024 under “Your personal information” in your Total Retirement Income Statement.



What is eligible pay?

In the 401(k) plan, eligible pay is generally your W-2 pay (including your regular pay, overtime, bonuses, and/or sales incentives and commissions, where applicable). Note that your actual future salary increases, overtime, bonuses, and/or sales incentives and commissions may vary. For a more detailed definition of pay used in this plan, see the BD 401(k) Plan Summary Plan Description (SPD) on **HROne**. The Embecta 401(k) Plan SPD will be available after Day One.



Let's build faster together.

How much should you be saving for retirement? Everyone's retirement needs are unique. One way to gauge whether you're saving enough would be to review the "So, how are YOU doing?" section of your Total Retirement Income Statement to see how you're doing in terms of your expected annual retirement income. If you're not where you want to be, consider increasing your contributions to the 401(k) plan and speaking with an Ayco counselor and/or a personal financial planner to determine the best retirement strategy for your personal situation.

Your investment options

You have the flexibility to select from investment options that range from conservative to aggressive, making it easy for you to develop a well-diversified investment portfolio. Details about your Embecta 401(k) Plan investment options will be provided in advance of Day One. For more information about your current BD 401(k) Plan investment options, visit Fidelity NetBenefits® at netbenefits.com or call 866.715.2068. For help creating an investment strategy, call Ayco at 800.334.0823.

How the Embecta DCP works

The Embecta DCP will mirror the BD DCP. If your annual base salary is \$235,000 or more in 2022, you're eligible for the Embecta DCP as soon as administratively possible after Day One, which enables you to save more for retirement. You can make contributions to this plan in excess of the federal limit on contributions you make to the Embecta 401(k) Plan.



If you're currently participating in the BD DCP, you'll see your projected future benefits in your Total Retirement Income Statement under "A look at your retirement benefits." Your BD DCP balance will be transferred automatically to the Embecta DCP.





A word about taxes

Here are a few points to keep in mind about taxes and retirement benefits.

Retirement benefits are generally treated as taxable income at the time you receive payment. Tax consequences may vary depending on the type of distribution and where you live.

If you take a lump-sum payment from any retirement plan, there may be significant tax consequences, including ordinary income tax and, in some cases, an additional 10% penalty tax if you are younger than 59½. Generally, you can defer taxation of a lump sum by electing to roll over the distribution to another employer's eligible retirement plan or an IRA. When you request a distribution, you'll receive a special tax notice about the tax consequences of taking a distribution. If you are 65 or older when your BD employment ends, your cash balance benefit will automatically be cashed out as soon as administratively possible. If you wish, you may roll over your cash balance benefit to another eligible retirement plan, including the Embecta 401(k) Plan.

Note: If you have a BD Restoration Plan benefit, it will be paid out automatically when your BD employment ends, and it cannot be rolled over.

Because the tax laws governing payments from retirement plans are complex, we encourage you to speak with your tax and/or financial advisor before Day One to discuss the transition to embecta, your cash balance account, your overall savings portfolio, and the tax options for your personal situation.

Other important benefits

These benefits help you meet your retirement income, healthcare, and financial protection needs.

To get the full picture of your financial future, it's important to consider your other company-provided and government benefits.

✓ Are you participating in a Health Savings Account (HSA)?

Studies show that almost 20% of retiree income will be spent on healthcare. HSAs are a smart way to pay for medical expenses in retirement. They have a triple tax advantage—contributions are not taxed going into the account, while they remain in the account growing in value, or when you withdraw them, as long as you use them on qualified medical expenses. If you currently have an HSA, you will keep any HSA funds you have accrued when you transition to embecta, and you can continue to use available funds for qualified expenses. Call HealthEquity at 844.354.0118 for more information.

✓ What happens to your BD life insurance if you retire in 2022?

There will be no change to your BD life insurance coverage through December 31, 2022, as part of a Transition Services Agreement between BD and embecta. If you retire in 2022, your BD basic life insurance coverage will end, but you can convert your BD supplemental life insurance coverage into an individual policy within 31 days of your last day of employment. To learn more about your BD life insurance options, call MetLife at 800.438.6388.

✓ Have you considered your Social Security benefit?

Currently, Social Security benefits can begin any time after you turn 62. Full Social Security benefits are payable at your full retirement age, as defined below:

- Age 66 if you were born between 1943 and 1954,
- Gradually increases to age 67 for those born between 1955 and 1960, or
- Age 67 for anyone born in 1960 or later.

If your Social Security benefit begins before your full retirement age, the monthly amount you receive will be reduced for the rest of your life. Your monthly benefit amount will be increased if you begin receiving it after you reach your full retirement age.

Naming beneficiaries

Your current beneficiary designations on file with BD will automatically transfer to embecta after Day One. It's important to review your designations periodically to ensure they are up to date.

To name or update beneficiaries, visit each plan's website (see "For more information" at the end of this brochure for contact information).



You and the company contribute toward your Social Security benefits. You can find an estimate of your Social Security benefits under "How much annual retirement income can you expect?" in your Total Retirement Income Statement. To see your estimated benefits based on your actual Social Security earnings record, use the online Retirement Estimator at ssa.gov/estimator.

✓ How does Medicare work?




Medicare is the federal government's health insurance program for people who are 65 and older or disabled. There are four parts to Medicare (Parts A, B, C, and D), each covering specific services. You'll want to apply for Medicare when you turn 65. If you delay, you might pay higher premiums for coverage. To learn more about Medicare, the kinds of plans that are offered, and the deadlines to apply, visit medicare.gov.



Important retirement planning resources

Get help to plan for your future.

You may have questions about changes to your retirement benefits and how they will affect you personally. We encourage you to take advantage of the resources available from embecta, BD, and our benefit partners to help you plan for your future.

Resource	Location/contact
 <p>Total Retirement Income Statement</p> <ul style="list-style-type: none"> • See the total estimated amount you can expect from all your BD and embecta retirement benefits combined, plus Social Security • Understand how much future retirement income you might accumulate • Make informed decisions about your financial future 	<p>Included in this kit</p>
 <p>Benefits Direct</p> <p>Obtain a pension benefit estimate</p>	<p>800.234.9855</p> <p>Access Benefits Direct on HROne or at bd.com/benefits</p>
 <p>BD 401(k) benefits Fidelity NetBenefits®</p> <p>Model your savings benefits and/or plan for retirement. To model how your 401(k) savings can grow on netbenefits.com:</p> <ul style="list-style-type: none"> • Log in with your username and password • Go to “Your financial wellness journey” • Select “Retirement milestone” • At the prompts, enter your annual salary, how often you’re paid (every two weeks), and your retirement age • Select “Your retirement goal” 	<p>866.715.2068</p> <p>netbenefits.com</p> <p>Log in and click the “Planning” link to visit the Planning & Guidance Center where you can use Fidelity’s tools to build your personal retirement plan</p>

Webinars and personal financial counseling

Planning for your future isn't easy, and we all have different concerns competing for our time and attention, so the company is offering even more support during the transition with retirement education webinars and personal financial counseling.

Learn more at a webinar in March

Total Rewards and Ayco are offering one-hour educational retirement and financial planning webinars. Get answers to questions about your retirement benefits and so much more. To view the webinars and to find dial-in information, visit growingwithembecta.com.



Retirement Education Webinars

Total Rewards is hosting educational webinars on these topics:

- What's changing and why
- Helping you understand your retirement statement
- Financial planning resources
- Developing your retirement strategy



Financial Planning Webinars

Ayco is presenting a series of webinars on these topics:

- Saving and investing
- Planning your retirement
- Introduction to financial wellness
- The psychology of financial decision-making



Use your smart phone to scan this QR code or visit growingwithembecta.com to access the webinars and other resources at any time.

Personal financial counseling with Ayco

For personalized support with retirement planning, take advantage of financial planning services through Ayco. These confidential services are provided at no cost to you by BD and embecta. Ayco coaches can help you develop a retirement savings strategy that will work for your personal situation.

To sign up for coaching, call Ayco at 800.334.0823 or visit ayco.com/login/bd.



For more information

If you have questions or need more information, the following resources can help.

Resource	Contact information
Retirement benefits	
Fidelity NetBenefits® For questions about your 401(k) benefits	866.715.2068 netbenefits.com
HealthEquity For questions about the Health Savings Account (if enrolled in a medical plan with an HSA)	844.354.0118 healthequity.com/bd
Resources and tools	
Ayco For overall financial and retirement planning support	800.334.0823 ayco.com/login/bd
BD Associate Service Center (ASC) For questions about your personal information	855.234.3577 (available through Dec. 31, 2022)
Benefits Direct For questions about the BD Cash Balance Plan	800.234.9855 bd.com/benefits
Government benefits	
Medicare To learn more about government health plans available to you once you turn 65	1.800.Medicare medicare.gov
Social Security Administration For questions about your Social Security benefit, as well as to obtain an estimate	800.772.1213 ssa.gov

This communication highlights certain provisions of the benefit plans available to eligible U.S. associates of Becton, Dickinson and Company and its affiliates (“BD”), who are transitioning to embecta. It is meant to provide only a brief overview of these benefits as well as benefit plans intended to be made available to eligible associates of embecta. If there is any difference between the benefits as described in this communication and the formal plan documents, the formal language of the plan documents as construed and interpreted by the plan administrator govern. The benefits described in this communication are subject to change, and in the case of embecta, not yet adopted, and BD or embecta, as applicable, reserves the right to amend, modify, suspend, or terminate these plans and policies, in whole or in part, at any time and for any reason by action of BD or embecta, as applicable, to the extent permitted by applicable law and the plan. This communication and the benefits and policies described within do not imply any guarantee and are not an employment contract and should not be considered to be a promise of future benefits.