

2013 Global Sustainability Report

Boston
Scientific
Advancing science for life™





A MESSAGE FROM PRESIDENT & CEO, MIKE MAHONEY

2013 was an exciting year for Boston Scientific. In addition to growing our business and launching new products, we significantly advanced our global sustainability program against our five-year targets. For many years, we have been working to reduce our impact on the environment, and that has required innovative thinking and approaches. As a global company, we strive to couple meaningful innovation with global collaboration, two of our core values. We take ideas and successes from our workforce, and leverage them across the globe.

2013 is the fourth year in our five-year sustainability plan, and we are pleased to report that we are meeting or exceeding our targets for ISO 14001 certification,

greenhouse gas emissions reduction, water use reduction, solid waste reduction, and solid waste recycling/reuse. All 14 of our major operations sites were certified to the ISO 14001 Environmental Management System standard and we received our 10th consecutive certification to the FTSE4Good Sustainability Index.

IN 2013, ALL 14 OF OUR MAJOR OPERATIONS SITES WERE CERTIFIED TO THE ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEM STANDARD

A common theme in this year's report is the role our employees play in delivering these results. It is our people who make the difference at Boston Scientific. In 2013, Boston Scientific locations across the globe conducted numerous Green Team volunteer events, including environmental restoration projects, employee education and engagement programs, and community outreach. Our facilities recycled more materials and were recognized in their communities for their positive impact, all while consistently meeting business and customer needs.

I am proud of the outcomes that our global team has delivered; they are a reflection of Boston Scientific's ongoing commitment to sustainability. In shaping our program to date, we have listened to our customers and shareholders, our employees and communities, and we look forward to what the future holds.



YOU CAN LEARN MORE ABOUT BOSTON SCIENTIFIC'S ENVIRONMENT, HEALTH AND SAFETY POLICY AT:
www.bostonscientific.com

GREEN TEAMS ENGAGE ACROSS THE GLOBE

In 2013, **Boston Scientific Green Teams** from 15 locations in 4 different countries were active in nearly 20 projects and events. Many locations participated in clean-up events, removing litter and debris from rivers, beaches and woodlands, others removed invasive species and replanted areas with native trees and shrubs. Community outreach is another important part of Green Team activities; employees work in community gardens to provide locally grown food to food banks, restore/build trails and bridges in public nature areas, and renovate buildings operated by non-profit organizations. In addition to these projects, numerous employee, family and community environmental education sessions were held to help increase internal and external community members' awareness of the environment, and learn what they can do to reduce their environmental impacts. Many of these events and projects are featured here in this report. To learn more about these and other global Boston Scientific Green Team events, please go to **BostonScientific.com**.



KERKRADE, THE NETHERLANDS

Always innovating, the **Kerkrade Green Team** took a different approach to advancing sustainability at their location. One portion of the European Distribution Center property consists of open fields and areas to allow natural infiltration of site storm water, effectively eliminating storm water discharges from the facility. Rather than using conventional heavy equipment to mow the fields, the team came up with a more natural solution.

Partnering with a local farmer, the Green Team arranged for the farmer to bring his sheep to the Boston Scientific property and have them graze in the fields. The sheep take care of maintaining the vegetation in the field, and the facility has eliminated the use of fuel powered machinery for this purpose.

DID YOU KNOW? THE ST. PAUL, MINNESOTA GREEN TEAM HAS BEEN ACTIVE SINCE 1996!

The **Dorado, Puerto Rico Green Team** was formed by a group of Boston Scientific employees and family members who wanted to make a difference in the environment. Their first volunteer event was a beach clean-up in April 2009, and since then, they have continued to hold a variety of events, such as hosting environmental awareness events with speakers and prizes, inviting vendors offering sustainable products and services to the site, and planting trees on the facility property.

"Pledging an Act of Green" was the highlight for 2013, with more than one-third of the plant population making a pledge to improve the environment in their homes or at work.



DORADO, PUERTO RICO



VALENCIA, CALIFORNIA

In September, 2013, the Boston Scientific **Valencia, California Green Team** joined the City of Santa Clarita 19th Annual River Rally. Forty Green Team members joined community volunteers to clean a portion of the Santa Clara River, which is the longest free-flowing river and one of the last two natural river systems

remaining in Southern California. A total of 10,400 pounds of trash and recyclables were collected during the event. The Team also held a Rideshare Green Event during Earth Week in April, 2013, designed to help employees and Boston Scientific reduce the site's carbon footprint by embracing alternative transportation options, which will reduce emissions generated from employee commutes.

ENVIRONMENTAL SUSTAINABILITY RESULTS

PROGRESS AGAINST OUR GOALS

As part of our global sustainability program, Boston Scientific works to achieve both its annual goals and milestones against its 5-year targets. For 2013, we are reporting results as part of 5-year sustainability objectives.

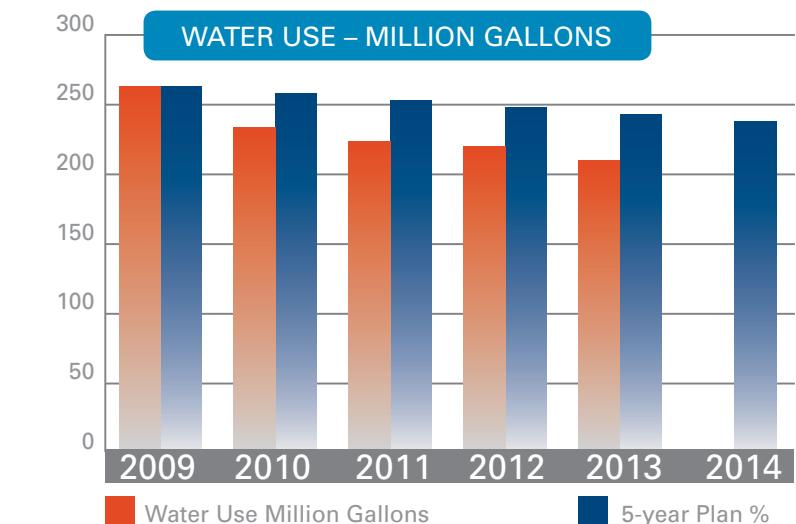
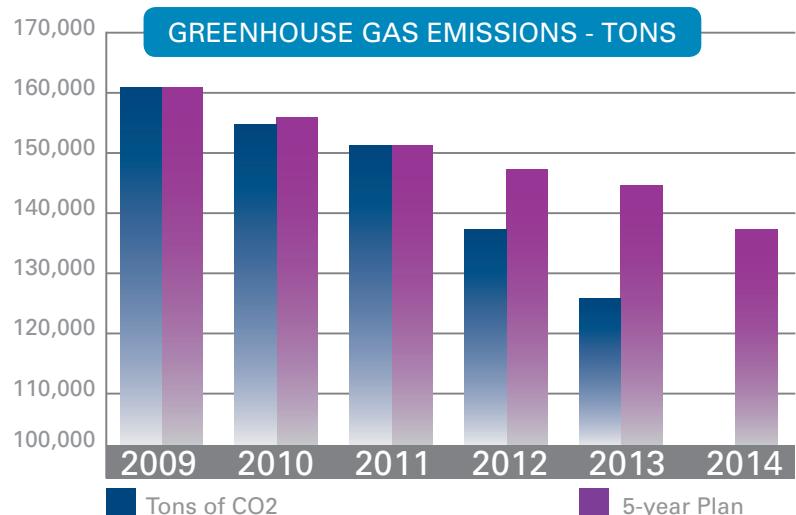
FIVE YEAR TARGETS

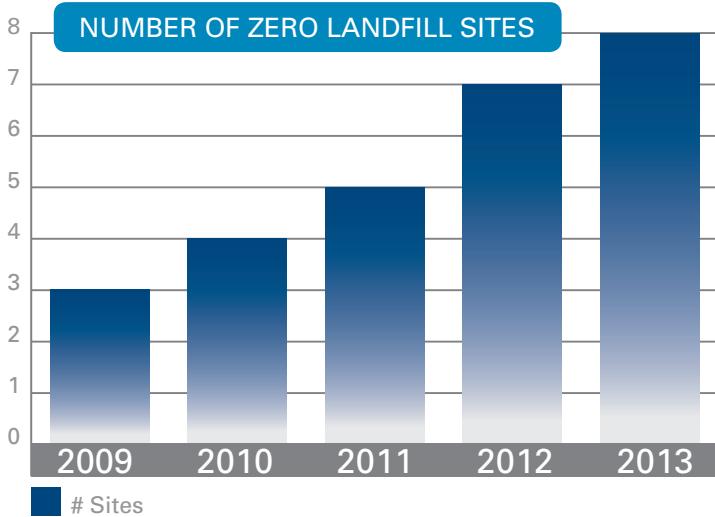
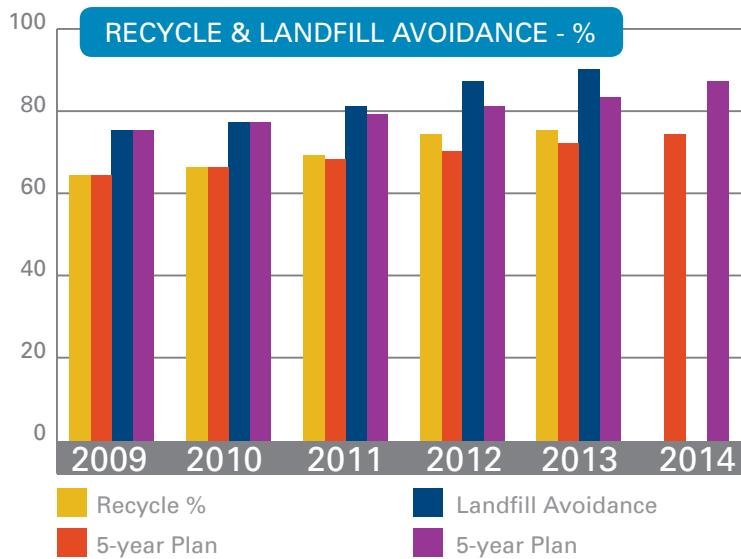
2013 is the fourth year in this five-year plan, and we are pleased to report that we are meeting or exceeding our targets for ISO 14001 certification, greenhouse gas emissions reduction, water use reduction, solid waste reduction, and solid waste recycling/reuse. We attribute our successes to the commitment and innovative thinking of our people, and their effective implementation of plans across our network. We are proud to announce that in 2013, eight of our significant global locations operated as zero-landfill sites, with all off their solid waste recycled or used.

WORKPLACE SAFETY



The Employee safety recordable incident rate for 2013 remains flat against 2012 results, at 0.79, sustaining the gains against the 2009 baseline, but not achieving the improvements desired. These results provided the impetus to review the overall safety program during the year, and redefine key program elements for improved performance in 2014.





HAZARDOUS WASTE MANAGEMENT MOVES TO ZERO-LANDFILL STATUS

Working with our hazardous waste service providers, we were able to confirm that all hazardous waste was diverted from disposal at a landfill, and is either reclaimed, recycled, treated or used to produce energy. Leveraging strategies from our programs to increase solid waste recycle/reuse and divert solid waste from landfills, we were able to identify and adopt various hazardous waste management practices and eliminate landfill disposal.

"Boston Scientific Corporation has developed very mature and effective environmental management systems under ISO 14001: 2004 at each location. In addition, several noteworthy practices have been observed due to their innovation, creativity and/or effectiveness."

– TUV Rheinland of North America



YOKOHAMA FACILITY JOINS GLOBAL SUSTAINABILITY PROGRAM

In 2013, our new Yokohama, Japan distribution center joined the global sustainability program. The center's recycling program was substantially expanded, along with a pilot program to re-use some packing materials. Together these resulted in the facility reducing their solid waste rate about 40% compared to 2012.



SUPPLIER AWARD RECIPIENT- STAPLES

SUSTAINABILITY SUPPLIER AWARD

The Procurement Sustainability Program was expanded in 2013 to include selection of the supplier with the strongest overall performance in this area. In 2013, we had the pleasure of recognizing Staples based upon their demonstrated sustainability commitment and performance.

RECOGNITION OF SUCCESS

2013 has included ongoing recognition of the success of Boston Scientific's sustainability results as shown through our continued certification to the FTSE4Good Index, expanded certification to the ISO 14001 Environmental Management System Standard, and various new forms of recognition at company, site and individual levels. We view these certifications and awards as a means of recognizing the results we achieve, and the contribution our people make in our sustainability journey.



GLOBAL StAR AWARD

GLOBAL ISO 14001

In 2009, Boston Scientific established a 5-year goal to have our 14 major operations sites certified to the ISO 14001 Environmental Management System (EMS) standard. In 2013, the **Coventry, Rhode Island** sterilization facility became the 14th site to achieve this certification. In recognition of this achievement, project members received a Global Strategic Activity Review (StAR) Award at Boston Scientific's annual Recognize Success Event. One of two Global StAR Awards in 2013, the project highlighted how sites have leveraged elements across the network to implement effective programs supporting the achievement of annual sustainability goals.

GALWAY, IRELAND SITE WINS NATIONAL SAFETY AWARD

The **Galway, Ireland** site recently won the prestigious National Institute of Safety Organization (NISO) award for their safety program and associated safety results. In evaluating the site's application, NISO gave particular attention to the pro-active and leading aspects of Galway's Health & Safety Program, recognizing the importance of prevention in delivering superior safety results. The NISO competition attracts submissions from many major multinational organizations based in Ireland and is recognized as the leading safety award in the country.



GALWAY, IRELAND



SHANGHAI, CHINA

BUILDING GREEN

Boston Scientific uses the US Green Building Council Leadership in Energy and Environmental Design (LEED) framework for new construction and major renovation projects to build sustainability into our locations from the ground up. The framework provides a structured process to assess various

building aspects and optimize the associated environmental impacts. In 2013, Boston Scientific's new **Shanghai, China** Headquarters and Innovation Center was awarded Silver LEED certification – our seventh LEED certified facility.

BAY AREA, CALIFORNIA FACILITY RECOGNIZES SUSTAINABILITY SUCCESS

Launched in 2013, the Environmental Sustainability Project Award was developed to recognize individuals who make a meaningful contribution in reducing their site's environmental footprint. Rethinking local processes and eliminating material use and waste at the facility, the **Bay Area, California** project team eliminated the use of disposal "tacky mats" and shoe covers in select locations within the campus and replaced them with washable control mats. The project resulted in reduced materials use, waste generation, and cost.



BAY AREA, CALIFORNIA

GALWAY'S SUSTAINABILITY JOURNEY



This year Boston Scientific celebrates **twenty years in Galway, Ireland**. The Plant is a key facility in the Boston Scientific global operations network, now employing approximately 2,500 people.

SUSTAINABILITY HAS ALWAYS BEEN ON THE PLANT'S AGENDA

As early as 1995, the site implemented energy improvements when converting a warehouse into cleanrooms and when designing later expansions. In 1999 the site won an Irish national energy efficiency award, recognizing these and other successes. In 2000, the site formalized their sustainability journey when they achieved certification to the ISO 14001 Environmental Management System (EMS). The EMS incorporated sustainability into existing operations and helped identify significant aspects to focus their efforts.

Initially, Galway focused on developing a waste management program and introduced a simple recycling regime to divert waste from landfill; **now they recycle over 80% of solid waste generated (approximately 700 tons/year)**. The remaining waste is used to generate electricity with zero waste going to landfill. The ISO 14001 philosophy of continuous improvement and reducing environmental impact means that Galway's efforts are not limited to recycling, but also include reduction in hazardous and non-hazardous waste generation, with **one project alone resulting in a 50% reduction (over 400 tons) of an acid hazardous waste stream**.

As the site's energy demand peaked in 2008, it used its EMS to set goals and implement projects to reduce associated impacts on the environment. As more conventional projects were completed, the site increased its focus on innovative technologies and employee engagement to achieve the next levels of improvement. One of the site's greatest successes was installing a Combined Heat and Power (CHP) plant, which generates 25% of

their electricity, using the waste heat to meet 80% of the building's heat requirements, and holds the additional environmental benefit of eliminating the use of heavy fuel oil. **Since 2008 the electrical and thermal load has been reduced by 37% and greenhouse gas emissions reduced by 28% (over 5,400 tons)**. It would take approximately 50,000 mature trees to remove the same amount of carbon in the same timeframe.

The plant's commitment to sustainability was further demonstrated with the substitution of chemicals such as "HCFC's" with compounds that cause less damage to the ozone layer years before legislative requirement.

Continuing its sustainability journey, the Galway Plant has expanded its focus beyond the confines of the site by benchmarking with other industries and universities,

and hosting numerous events and initiatives to raise awareness. Past events included: employee collection days for household waste electrical equipment and household hazardous waste, vendor presentations on alternative energy solutions, facilitating the purchase of energy efficient lighting, and a cycle to work initiative. As noted by Mike O'Flynn, VP Operations, Galway, "**We are proud of our sustainability journey at Boston Scientific Galway, and committed to conducting business in a safe and environmentally sustainable manner.**"



GALWAY, IRELAND

DID YOU KNOW? IN 2013, BSC ACHIEVED 10 CONSECUTIVE YEARS OF CERTIFICATION TO THE FTSE4GOOD INDEX.

Hosted by CorporateRegister.com

WORKING TO REDUCE ENVIRONMENTAL FOOTPRINT, UPSTREAM AND DOWNSTREAM

At Boston Scientific, we work to reduce environmental impacts in our manufacturing processes through use of less energy and materials, minimizing our generation of waste, and reusing or recycling waste where possible. We also recognize the value of reducing the aggregate environmental impacts by considering both upstream and downstream aspects. Focusing on an upstream aspect, such as packaging materials, can reduce the footprint of those materials. Focusing on a downstream aspect, such as packaging design, can reduce impact at customer sites.

OPTIMIZING PACKAGING MATERIALS

A significant amount of material is used by our Tier 1 Distribution Centers for the boxes used to ship products to our customers or "secondary packaging." Recognizing an opportunity to reduce the environmental impacts associated with this material, Boston Scientific worked with suppliers to optimize the use of post-consumer recycled content (PCRC), without impacting the packaging's strength or durability characteristics. Our secondary packaging now contains 70-90% PCRC materials, representing the elimination of a significant amount of virgin fiberboard materials.

70-90%
PCRC
MATERIALS

REDUCING PACKAGING WASTE AT OUR CUSTOMER LOCATIONS

Packaging is a critical aspect of a medical device, ensuring that the device arrives ready to use without impacts from transportation and/or storage. Packaging can be developed to reduce the environmental footprint at our customers' locations by minimizing the amount of packaging used and labeling packaging to promote and allow for recycling. **Below are examples of Boston Scientific packaging projects completed in 2013:**

REDUCTION OF
21 TONS

The Endoscopy business completed and implemented a packaging redesign for its Gastro Biopsy Forceps product lines. The project resulted in: an annual packaging materials reduction of 21 tons, package sizes that were 24-39% smaller, and the conversion of the inner pouch to a more recyclable material.

The Cardiac Rhythm Management business focused on modifying how instructions for use and warranty booklets are provided to customers.

Using customer feedback, hard copy documents are now being replaced by e-documents. The completed project has estimated an annual savings of 25 tons of paper per year.

ANNUAL
SAVINGS
25 TONS
OF PAPER

CARTON
REDUCTION
21 TONS
ANNUALLY

The Neuromodulation business undertook a redesign of their product outer packaging, converting to a stronger, but lighter material. By the end of 2013, over 99% of this product packaging had been converted, resulting in an annual carton material reduction of over 21 tons.



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