



CORPORATE SOCIAL  
RESPONSIBILITY REPORT

2018





# A message from our CEO

Perrigo Company has a reputation for delivering strong results, conducting business with integrity and supporting our communities. These were key factors in my decision to join the Company as President and Chief Executive Officer. They also are characteristics that make us a trusted partner for our customers, the regions in which we operate and the millions of people who rely on our products as their healthcare solutions.

This trust must be earned and renewed every day by holding ourselves accountable for driving long-term value the right way and not just for short-term results. We view this accountability as our Triple Bottom Line – a balance of our People, the Planet and our Financial Performance. This means we manage our complex supply chain with efficiency and by setting goals that reduce our environmental impact. It requires a culture focused on quality, integrity and customer service. One that encourages volunteerism, as well as supporting health and education initiatives that uplift the well-being of our communities.

A sense of corporate citizenship can be found in each of the regions where we operate. There were many great activities during 2017 that have been shared with me, including:

- **Perrigo, along with major U.S. retailers, have joined the How2Recycle® initiative to help consumers understand the correct way to recycle product packaging.**
- **Employees in Perrigo India rolled up their sleeves to till soil and plant nearly 500 saplings of native trees in their surrounding communities to both bolster the environment and beautify their community.**
- **When hurricanes inflicted record amounts of damage in the U.S. and Caribbean, The Perrigo Foundation donated both funding and products to assist relief efforts.**

Each of these efforts was backed by the exceptional passion, talent and versatility of our employees. Their drive and positivity help us meet increasing customer demands, and their generosity makes it possible for residents in our surrounding communities to access quality healthcare and educational opportunities.

In a world that faces global challenges such as climate change, water scarcity, and socioeconomic disparity, I am proud of the efforts we have made to support the sustainability of our planet and its population. My goal is to build upon each of our accomplishments and aspire to set new objectives that help us deliver innovative and affordable healthcare solutions in the most sustainable, socially responsible manner for years to come.

Thank you for doing your part!

**Murray Kessler**

President and CEO



*Perrigo has long been committed to providing consumers, patients and families with **Quality Affordable Healthcare Products®***

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In an environment of rising healthcare costs and aging populations, Perrigo's dedication to helping people around the world access healthcare solutions that are high in quality and value not only serves as a sustainable business model, but one that greatly benefits society.

Each year, Perrigo saves consumers billions of dollars by offering low cost, yet high-quality comparable medicines, infant formula, diabetes care products, pet care products and nutritional products that are typically priced 30 to 50 percent less than comparable national brands. Yet, improving the lives of others through our products is not our only goal. We believe that we also have an important role in building thriving communities that provide a high quality of life for their residents and preserving as much of the planet's natural resources as possible.

We made great strides during 2017. With that said, there's always room to do more. With record levels of carbon dioxide in the atmosphere that is warming and disrupting the Earth's climate, the disturbing rise of human trafficking and modern slavery, or the growing need of local communities to maintain balance amidst growing populations, there is no shortage of opportunity. We recognize these opportunities within our company, and continuously seek to address them through aggressive goals and a commitment to ensure long-term social, environmental, and financial sustainability.

To learn more about Perrigo's CSR commitments, visit [www.perrigo.com/responsibility](http://www.perrigo.com/responsibility).



A person is walking away from the camera through a forest of tall, thin trees. The sun is low in the sky, creating a warm, golden glow and long shadows. The person is wearing a dark t-shirt and shorts. The forest floor is covered with dry leaves and some green plants.

# ENVIRONMENTAL STEWARDSHIP

Since 2015, Perrigo has implemented an environmental sustainability program, which we call the Environmental Stewardship Program (ESP). A core function of the ESP, is to measure and track energy, water and waste data throughout each of Perrigo's global sites and facilities. In turn, this data is used to not only measure the current performance, but to drive initiatives that will reduce our usage and ultimately improve our environmental footprint.

In January of 2016, we implemented a formal sustainability target to reduce our Greenhouse Gas Emissions (GHG), energy usage, water withdrawn and total waste by 15% by 2020, using 2015 data as a baseline. This data will be normalized by total company sales for this report and by unit produced where appropriate internally, to accommodate for production growth, facility expansions, acquisitions, and divestitures.

We capture this data for approximately 80 different sites and facilities around the globe, with special focus on production factories. Any new sites, due to acquisition or expansion, will be included in our reporting after the first full fiscal year under Perrigo, with data restated as appropriate. The exception to this is Perrigo's branded consumer healthcare division (formerly Omega). The data from these office buildings and four European factories are not yet included in the environmental section of this report, but are in scope to roll in no later than 2020.

Please note: Data has, and can continue to be restated due to a number of acquisitions, divestitures, facility expansions, and availability of more accurate information.



# GREENHOUSE GAS EMISSIONS AND ENERGY

According to NASA, 17 of the last 18 warmest years on record have occurred since 2001. The emission of greenhouse gases (GHG), such as carbon dioxide, into the atmosphere are often most associated with this warming, due to their ability to absorb infrared radiation and trap heat. At 418 parts per million, carbon dioxide levels in the air at their highest in 650,000 years. Reduction in GHGs is crucial to minimizing the impact of global warming. To learn more, visit [climate.nasa.gov](https://climate.nasa.gov).

While the pharmaceutical sector is not known for being particularly energy intensive, it is still important for Perrigo to do its part. It's not only good for the environment, but it's just good business.



## GLOBAL GHG EMISSIONS AND ENERGY

Corporately, absolute GHG emissions were reduced by an estimated 12.8% from 2016 to 2017, with a 9% reduction when normalized by sales dollar, which is on track to meeting our 2020 reduction goal in GHG Emissions. While there were a variety of energy reduction and efficiency projects during 2017, the largest reason for such a decline is due to the conversion factors. The largest source of Perrigo GHG emissions is through purchased electricity (see emission scope section), which now emit less carbon due to clean energy advancements made by energy companies, notably in the U.S.

Notable activities in 2017 included, but were not limited to:

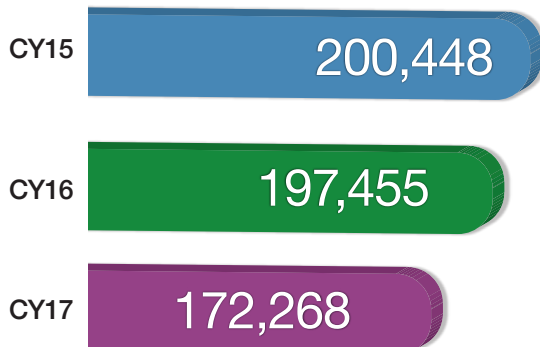
- **Ongoing installation of LED lighting, high-efficiency ceiling fans, and heating/cooling upgrades**
- **Converting to natural gas for one of our plants in Perrigo Israel**
- **Conducting two in depth plant energy audits**
- **Steam trap and compressed air audits**
- **Joining Walmart Inc. and other organizations to make commitments yielding one gigaton of reductions of greenhouse gas emissions from operations and supply chain networks by 2030**

Looking forward into 2018, a number of initiatives have already began, including but not limited to:

- **Creating a holistic energy management plan across North American operations**
- **Expanding of the energy audit program to our largest sites**
- **Creating environmental action plans targeting energy reduction**

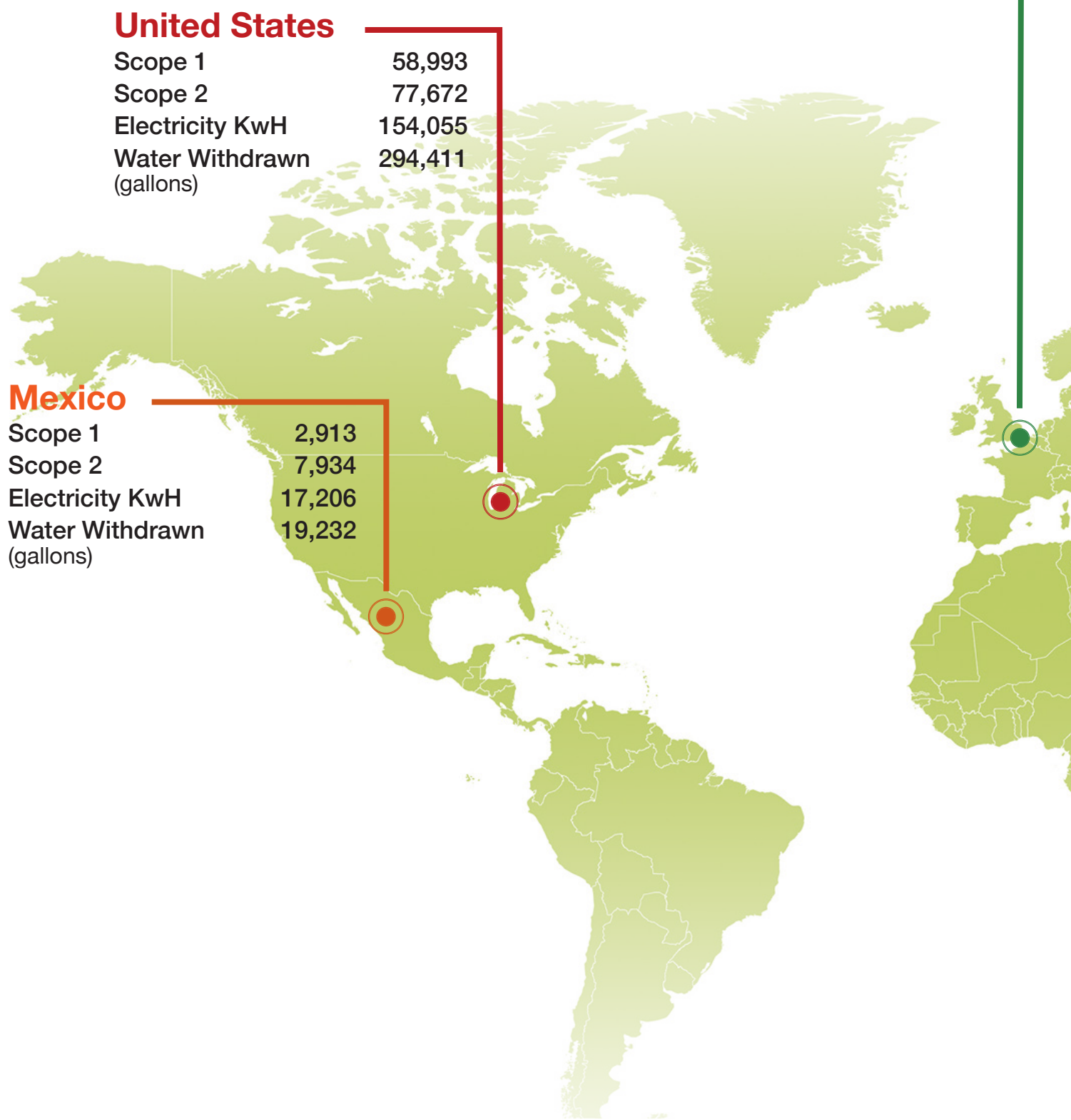
### GREENHOUSE GAS EMISSIONS BY YEAR

mtons CO<sub>2</sub>-e





## TOP 5 REGIONS FOR EMISSIONS AND UTILITIES



Data includes Perrigo-owned facilities and leased facilities where direct manufacturing occurs. This information may be restated due to acquisitions, divestitures, or the availability of more accurate information.



## U.K. and Ireland

Scope 1	5,705
Scope 2	3,632
Electricity Kwh	10,051
Water Withdrawn (gallons)	8,887

## Israel

Scope 1	2,244
Scope 2	11,147
Electricity Kwh	18,292
Water Withdrawn (gallons)	19,232

## Australia

Scope 1	65
Scope 2	906
Electricity Kwh	1,195
Water Withdrawn (gallons)	2,977



# WATER

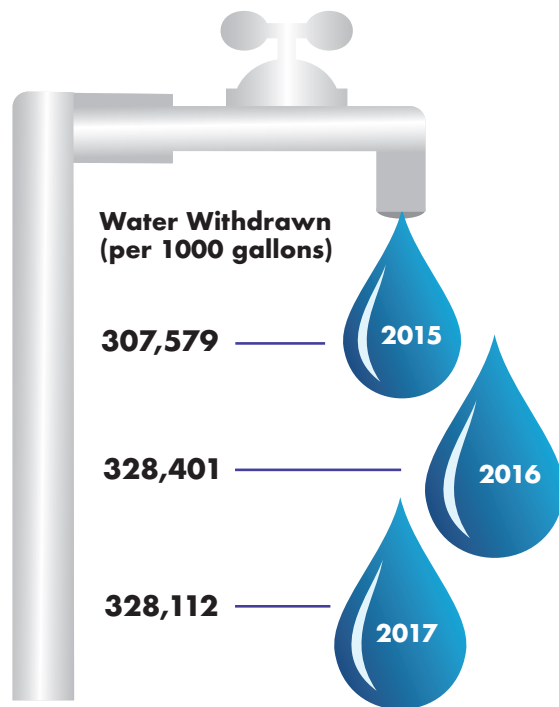
As mentioned in previous reports, typical to the broader pharmaceutical industry, Perrigo's operations use a high amount of water to clean and validate in order to meet necessary requirements by regulators such as the Food and Drug Administration (FDA) and the Medicines and Healthcare Products Regulatory Agency (MHRA). However we recognize the growing concern of water scarcity and actively take measures to reduce our consumption.

In terms of total water withdrawn, 2017 was flat to 2016 with <1% reduction, and increased by 4% when normalized by sales dollar. This increase can be attributed to significant increases in production at our Perrigo Vermont, Ohio and Mexico facilities.

Perrigo Michigan, which makes up about 45% of Perrigo's total water withdrawn, is leading the company with a 3% decrease in water withdrawn from 2016. This can be attributed to a number of water reduction initiatives, including but not limited to:

- **More water-efficient equipment cleaning**
- **Reduced landscape watering**
- **Bulk storage tank calibration**

In terms of compliance violations, while it is Perrigo's goal to always be compliant at a minimum, we did receive one small fine in 2017 of \$1,000 due to waste water exceedance.



# RECYCLING AND WASTE

Like GHG, energy and water, waste is closely monitored as part of Perrigo's Environmental Stewardship program, with the goal to decrease total waste, while increasing the amount of materials recycled. While corporate-level data is not available this year due to a system transition, site-specific information is trending positively, especially at Perrigo's Michigan facilities.

## PROJECT: GROW (Gaining Responsible Ownership of our Waste)

Perrigo made significant progress in its recycling efforts at several locations in 2017. Not only did Perrigo partner with new recycling vendors to expand the number of items that can be collected, but we also expanded our existing fiber drum reuse project to the Allegan campus in Michigan, generating significant reductions in both waste and costs.

Additionally, some of Perrigo's largest office areas started to address recycling behaviors in a big way, through Project: GROW. Project: GROW was introduced in 2017 as a small, but impactful initiative: The removal of individual trash cans from offices and cubicles, with the addition of more individual paper recycling bins. Initiated in the Perrigo Minnesota facility, and expanded to the Michigan campus, individual desk-side trash cans were removed in favor of centralized trash and recycling bins. While walking trash and recycling to centralized locations initially felt like an inconvenience to some, most employees discovered the experience was much like they have in their own homes, where trash and recycle bins are typically centralized to kitchens and bathrooms. As a result of this initiative, office recycling has increased significantly in 2017 and custodial costs were reduced by approximately \$200,000.





# PACKAGING SUSTAINABILITY AND HOW2RECYCLE®

Since the core of Perrigo's business consists of over-the-counter store brand healthcare products where most retailers expect packaging equivalent to the national brands, packaging sustainability for Perrigo looks much different than it does for other companies, and is often more challenging.

Additionally, many consumers do not understand what is, or is not, recyclable. Too often, if a package or container is not marked appropriately, it either gets sent to a landfill instead of being recycled, or recycled when it should have been landfilled. Perrigo, along with major U.S. retailers, have joined the How2Recycle® initiative in order to remove misunderstanding as an obstacle to recycling.

How2Recycle® is simply a label icon that communicates the correct way to recycle. While simple in form, the How2Recycle® label has the potential to improve recycling globally by indicating to the consumer if the materials are widely recyclable, not recyclable, or if local recycling requirements should be checked. Throughout 2017, Perrigo added the H2R symbol to hundreds of products for a variety of retailers, and is continuing to do so into 2018. Once labeling is complete, the next step will be to improve the recyclability for those products labeled as not or limited recyclable.

For more information on How2Recycle, visit [How2Recycle.info](http://How2Recycle.info).



## ENVIRONMENTAL HIGHLIGHTS AND ACTIVITIES IN 2017

From the annual traditions of Earth Week and tree plantings, to pledges and recycling, employees continued to serve as advocates for the environment



## SAVING THE ENVIRONMENT – ONE TREE AT A TIME

The scorching heat didn't deter many employees in Perrigo India from planting nearly 500 saplings of Tulsi, otherwise known as Basil, last summer in a field near Bhoj Dam. Additionally, the team planted several native trees, such as Neem, Ashoka, Gooseberry and Jungle Tree at their work location in Ambernath, which is situated in the Sahyadri mountain ranges in Western Maharashtra near Mumbai.

This annual tradition by Perrigo India seeks to not only bolster the environment, but beautify their community.



## E-WASTE DRIVES

Anyone who has purchased a newer TV or electronics may quickly realize, it's not always easy to dispose of the old one, and few people want your old electronics. To help relieve our employees of the clutter plaguing their basements and attics, several Perrigo sites partnered with local electronics recyclers to host a personal e-waste recycling event. Employees were encouraged to bring in their personal electronics, including TV's, microwaves, and computers. Over the last few years, almost 35,000 pounds of electronics were captured and recycled in Perrigo's Allegan, Holland, and Minnesota locations alone!





# EMPLOYEES

## Our most important asset

Employees are the cornerstone of our business, and we take pride in ensuring that they, and our overall corporate culture, remain unique. Perrigo's culture has created a sense of purpose and community that employees can rally behind. Since our founding in 1887, Perrigo has believed that happy, healthy and safe employees are more engaged and more productive.

Perrigo is firmly committed to our employees, and to providing a culture that not just encourages, but empowers their health and wellbeing, work/life balance, learning and growth, respect for each other, sense of purpose and overall engagement. As a company, we seek to have our employees as proud of their company, as their company is of its employees.





# BEST AND BRIGHTEST<sup>®</sup> IN WELLNESS WINNER 2017

## WINNER OF THE 2017 BEST AND BRIGHTEST IN WELLNESS<sup>™</sup> AWARD

Perrigo employees can tell you that our culture has been on an impressive wellness journey over the years, and now our progress has been praised externally as well. Last year, Perrigo was recognized as a winner of the 2017 Best and Brightest in Wellness<sup>™</sup> award! Sponsored by the National Association for Business Resources (NABR), this award recognizes employers who promote a culture of wellness for their employees, making their workplace and their community a healthier place to live and work!



## HEALTHYyou WELL-BEING PROGRAM IN THE U.S.

Perrigo promotes health and well-being through the **HEALTHYyou** program, which was launched in 2016 for U.S. employees to enhance its long-running wellness program. **HEALTHYyou** is a voluntary program focused on five dimensions of well-being including **Physical**, **Emotional**, **Financial**, **Work-Life** and **Community**. This all-encompassing approach provides resources to support Perrigo employees and their families as they navigate their personal well-being journeys.

In addition to these valuable resources, U.S. employees and covered spouses who participate in the **HEALTHYyou** program, and are enrolled in a Perrigo medical plan, earn points towards a wellness discount on their health insurance.



*Well-being is a journey not a destination*



Physical



Emotional



Financial



Work-Life



Community



## PERRIGO WELLNESS CENTER

Allegan Michigan is not only home to the largest concentration of Perrigo employees, but to a state-of-the-art fitness facility known as the Perrigo Wellness Center (PWC). In addition to a wide selection of fitness equipment, various programs and classes are offered through the PWC to promote well-being and engagement. By the end of 2017, over 380 classes were offered at the PWC and an average of almost 3,000 employees checked in per month!

For those U.S. employees opting to using an alternative fitness facility, they can receive a reimbursement by way of the Fitness Funds program through **HEALTHYyou**. In 2017 alone, Perrigo reimbursed \$35,000 to employees for gym and fitness memberships.



## PERRIGO WELL-BEING WORLDWIDE

The commitment to caring and making a difference to the health and well-being of our employees extends across the globe. Many of our geographic regions are supporting employee well-being through local wellness initiatives. Our Dublin, Ireland office, hosted their first Well-Being Week. As part of this event, the Ireland team partnered with well-being vendors to provide education around:

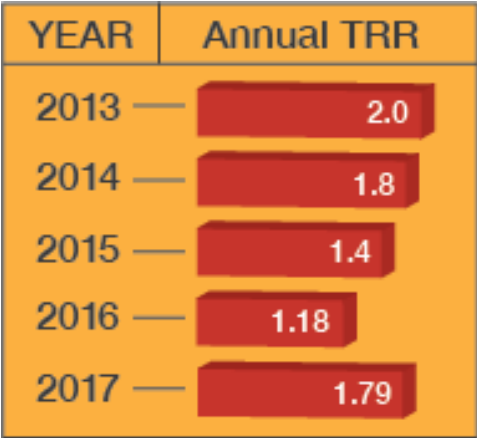
- **Emotional Well-Being** – our Employee Assistance Program (EAP) offered mental health and mindfulness workshops.
- **Financial Well-Being** – the pension scheme consultant held educational sessions about retirement benefits.
- **Physical Well-Being** – a designated massage day was hosted, with an online pod that measured the heart age of employees.
- **Work-Life Well-Being** – a company whose mission is to support taking control of technology came onsite to provide “unplug” techniques to assist with higher quality downtime, better attention management and increased productivity.

The United Kingdom (UK) offices have also made significant strides in focusing on Educational, Emotional, Physical, Occupational, Organisational and Environmental wellness. The UK office has organized and promoted wellness activities and provides education and communication through a monthly employee publication.



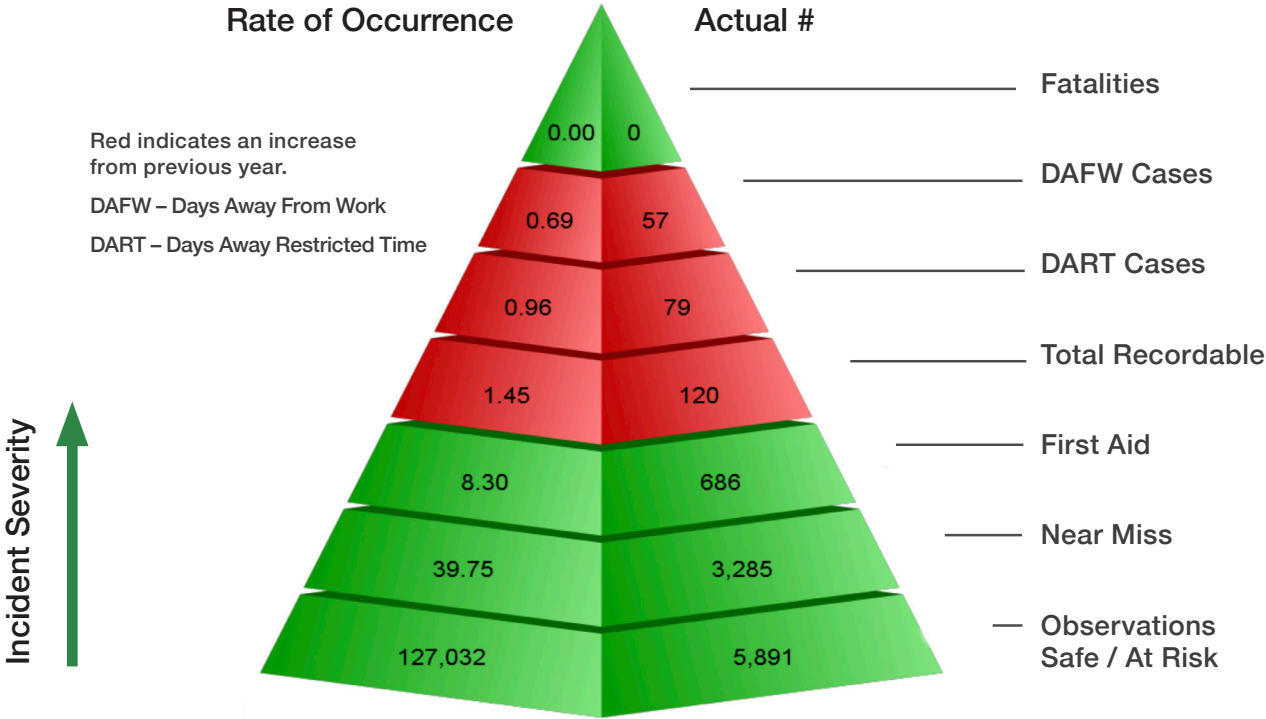
# EMPLOYEE SAFETY

Despite continuing to be lower than the pharmaceutical average, and executing on a number of preventative activities to make employees safer, Perrigo's Total Recordable Injury Rate (TRR) increased from 1.18 in 2016 to 1.79 in 2017. The first time in 5 consecutive years that TRR did not decline.



While a number of factors contributed to this increase, the largest factor was the recent integration of four new facilities from our Branded Consumer Healthcare (BCH) division into Perrigo's global safety program. Thanks to the intense focus on safety in BCH, 2018 is already on track to beat the TRR from 2016.

Each plant throughout Perrigo is given an annual safety goal and targets. Perrigo's Mexico facilities lead the company in TRR improvements for 2017, with all five sites meeting or exceeding their individual plant goal, with the gelcaps site reducing their number of recordable injuries in 2017 by over three times!



# 2017 HIGHLIGHTS AND RISK MANAGEMENT

Since 2014, Perrigo's EHS team has developed a risk assessment tool to evaluate and assess the inherent risk at each manufacturing site. These assessments are being used to develop the risk level of each site and prioritize resources. In 2017, the team completed a Working at Heights risk assessment across the U.S. operations, and combustible dust surveys across our global manufacturing operations, as well as a new site risk survey and integration activities.

In addition to the existing behavioral-based safety programs, such as the Perrigo PASS audit program, the EHS and Operations Leadership teams have launched an extensive safety leadership training program across Perrigo's global manufacturing operations, which five of Perrigo's largest plants have already completed, as well as in-depth Hazmat/Dangerous Goods transportation training and fall protection assessments and training.



# EMPLOYEE DIVERSITY

By the end of 2017, Perrigo employed approximately 10,500 people. Our employees live in 30 different countries, with the largest concentration in the United States (46%) and Europe (31%).

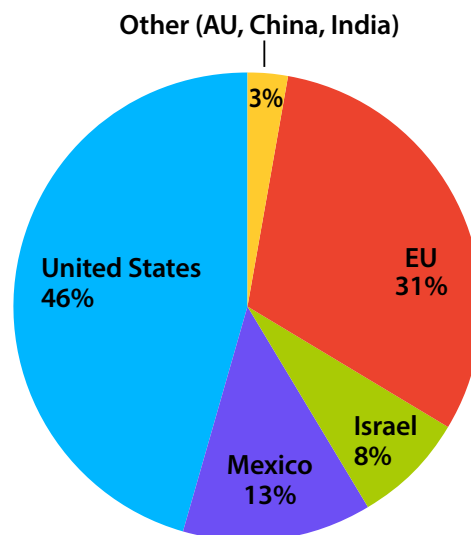
In 2017, 48% of Perrigo's global workforce was female. This marks the second consecutive year that Perrigo exceeds the average female employment rate.

Diversity remains a core commitment for Perrigo, and 2017 continued with a number of successful diversity initiatives, such as the ongoing Perrigo Veterans program, support of the West Michigan Hispanic Chamber of Commerce, as well as the initiation of a women in leadership program. As stated in last year's report, renewed focus was provided to the disabled community through a series of external partnerships and employee programming.

These efforts were recognized in 2017, when Perrigo was awarded the 2017 Champion Award from Michigan Rehabilitation Services (MRS). MRS is a Michigan Department of Health and Human Services agency that supports the employment and self-sufficiency of individuals with disabilities. Perrigo was honored to be an MRS Champion Award recipient and will continue to foster an environment where the contributions of employees of all abilities are valued.



## Concentration of Global Employees





# PERRIGO VETERAN'S PROGRAM – PRO PATRIA AWARD

The Perrigo Veteran's program, guided by a steering team made of military vets, has been successful in providing awareness, education and inclusion for the veteran community. Whether through flag raising ceremonies in Veteran's Day or educating hiring managers on skill equivalencies for roles in the military, greater appreciation is being had for the unique set of skills and experience a veteran can bring to the workplace.

This support was recognized in 2017, when Perrigo proudly received the Pro Patria Award from the Employer Support of the Guard and Reserve's (ESGR) Michigan committee. The award recognizes employers who provide exceptional support of employees who serve in the National Guard and Reserve.

Earlier that year, Perrigo's own Rick Beam was granted the Patriot Award from the Employer Support of the Guard and Reserve national committee. The Patriot Award is presented to supervisors as a way to recognize their demonstrated efforts to support employees who serve in the National Guard by way of offering flexible schedules, time off prior to and after deployment, caring for families, and granting leaves of absence if needed.





# EMPLOYEE ENGAGEMENT AND TALENT MANAGEMENT

From job satisfaction, to skill development, to work/life balance, understanding what engages our employees, and keeps them engaged, is a core element of Perrigo's talent strategy. Perrigo seeks to keep employees engaged and satisfied through a number of different ways, including:

- **Competitive wages, bonuses and benefits**
- **Work/life balance emphasis**
- **World-class employee development programs**
- **Total well-being and safety programs**
- **Creating an empowering, positive and inclusive culture**

Perrigo measures this impact by way of an employee engagement survey, which captures the anonymous opinions of all employees on a number of different topics. The most recent survey was conducted in 2018, with results expected to be shared with employees later in the year.

Employee development programs continue to be a prominent component of Perrigo's commitment to people, and include programs such as Leaders in Action, the Supervisor Development program, and the Perrigo Internship program. However learning is no longer limited to the classroom anymore. Learning can happen anywhere and at any time. So in 2017, Perrigo's Training and Development team introduced a new site called Training Technology Tools, which lists more than 20 applications, websites, documentation and tools employees can use to support their own development.

Perrigo's learning technology benefited from exciting enhancements in 2017. This included moving our Learning Management System (LMS) to the cloud, allowing for increased functionality, accessibility, and integration with our Performance Management system. Additionally, an Automated Training Attendance (ATA) tool was introduced, allowing employees to scan their badge for training attendance rather than signing a paper attendance sheet. This not only saves trees, but more accurately captured more than 78,000 training verifications for the year!



# MODERN SLAVERY AND HUMAN RIGHTS IN THE SUPPLY CHAIN

Perrigo continues to have a zero-tolerance stance, not just for modern slavery and human trafficking, but any form of human rights abuse. We are committed to ensuring we maintain robust programs and procedures to protect our people and prevent such abuse throughout our supply chain. One key initiative to support this commitment is Perrigo's Ethical and Social Compliance (E&SC) program.

The E&SC program starts with the Supplier Code of Conduct, which expressively prohibits the use of forced, imprisoned, bonded, indentured or involuntary labor of any kind, including child labor. This is in addition to other requirements, such as safe and clean working conditions, fair wages, no discrimination, and other ethical business requirements that ensure manufactured products or services provided on behalf of Perrigo are done so in a legal and ethical manner. The Supplier Code of Conduct is distributed to our suppliers to ensure Perrigo's expectations are well defined.

To ensure our stringent standards are being met, an audit may be conducted of both Perrigo sites and supplier factories to verify compliance. Due to the nature of the store brand OTC business, Perrigo is subject to various Ethical Trade Requirements. Retailer standards also prohibit illegal and unethical activities, such as modern slavery, with many requiring additional audits to be conducted. In 2017, over 50 ethical and social compliance audits were conducted at Perrigo and supplier facilities.



In addition to the above-mentioned standards and auditing, other activities conducted within 2017 include, but were not limited to:

- Expanded use of Sedex into Perrigo North America
- Conducted supplier risk assessments for prospective suppliers
- Implemented various corrective and preventative actions (CAPA) to address gaps and improvement opportunities within supplier factories
- Maintained compliance with new and existing retailer programs

Additionally, Perrigo's UK business was proudly awarded the 'Co-op Pioneer in Ethical Trade' Award, thanks to the proactive approach to ethical trade supply chain management, as well as a continuous improvement approach that addresses root causes of issues.







## PEOPLE-COMMUNITY

Our trend of employee volunteerism and community engagement throughout Perrigo continued to rise throughout 2017. From conducting family-friendly science experiments at the mall for Chemistry Week, to mentoring youth on science, to painting libraries for the United Way, employees continued to demonstrate a strong sense of responsibility for their communities. Perrigo's Caring for Communities (C4C) program continued to thrive in 2017, and charitable giving included "signature gifts" to innovative local initiatives.

# THE PERRIGO FOUNDATION

Founded in 2000, the Perrigo Company Charitable Foundation is a private, nonprofit organization wholly funded by Perrigo Company plc. The overall mission of the Foundation is to provide financial support to nonprofit organizations that enhance the health, well-being and education of individuals and families in the communities we serve. In 2017, the Perrigo foundation donated approximately \$2.6 million in charitable contributions around the globe. While total donations in 2017 were down compared to the previous year, most of this was due to a one-time donation of a \$650,000 CT machine to Allegan General Hospital, which inflated 2016 donation totals.

Over the last 10 years, the Foundation has donated approximately \$22 million in cash, and over \$19 million in product, across the globe. Additionally, nearly 600 employee dependent scholarships were awarded in the last 10 years, totaling \$2.8 million.

## GLOBAL CONTRIBUTIONS

**\$22M**

Over the past 10 years

**490 GRANTS**

in 2017 alone

**\$2.6M**

In 2017 alone

**\$377K**

In total  
scholarships  
for 2017

**\$19.1M**

In product  
donations to support  
initiatives ranging  
from humanitarian to  
disaster relief efforts

**\$650K**

Awarded by the Perrigo Foundation to Allegan General Hospital for the purchase of a new GE Revolution CT scanner. The scanner provides the hospital advancements in speed

**\$268K**

Worth of matched employee  
donations to United Way, which  
supports U.S. communities  
where Perrigo operates



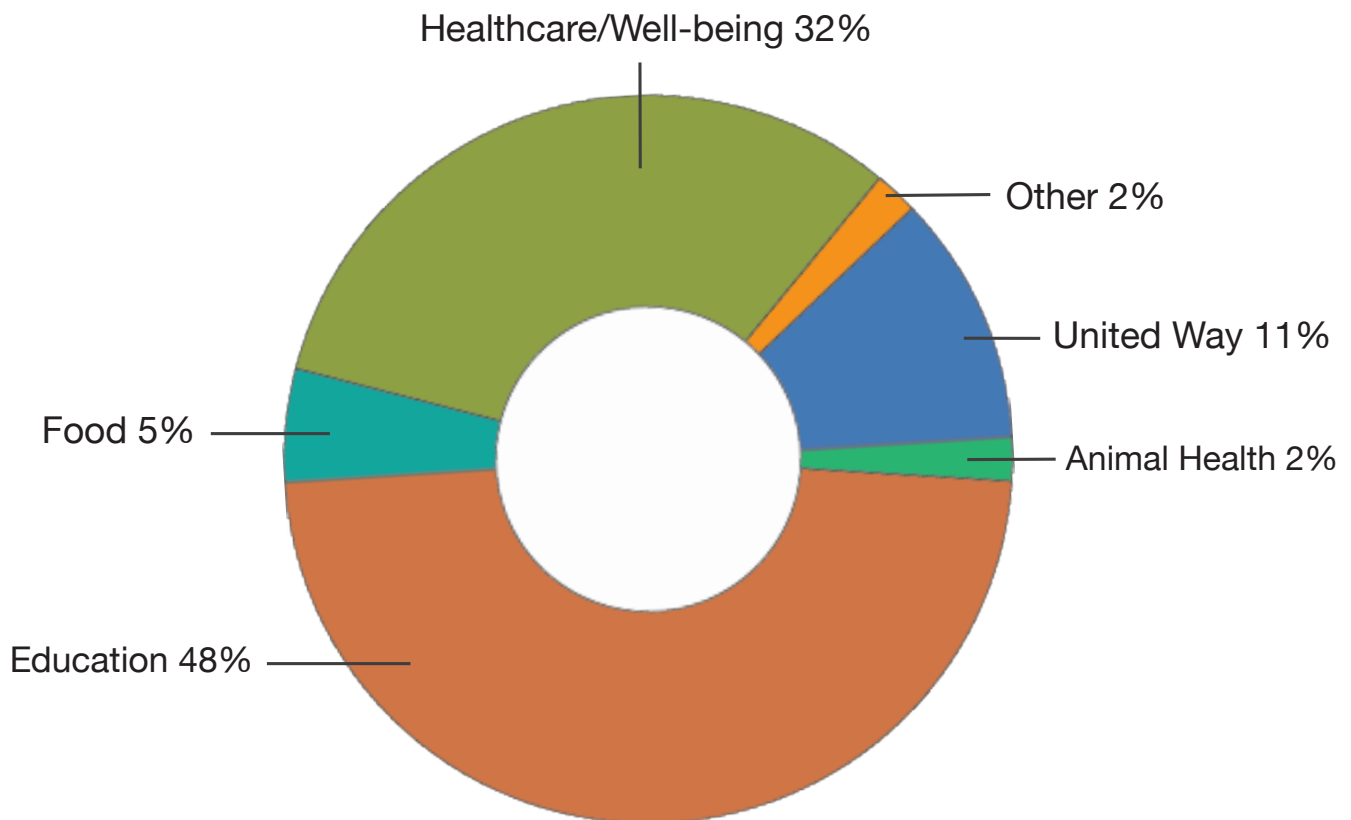


## CARING FOR COMMUNITIES (C4C)

Introduced in 2016, Perrigo's C4C program recognizes the volunteering efforts of our employees and encourages those who have not volunteered to consider donating their time to worthwhile activities in the community. For every 10 hours of time a U.S.-based employee contributes to a local non-profit organization, the Perrigo Foundation will donate \$100 to that organization, doubling the benefit received from an employees' efforts.

In 2017, the Foundation donated \$20,000 to 39 different local non-profits thanks to the involvement of employees. This is an increase of 20% more than our 2016 contributions.

### 2017 BREAKDOWN OF FOUNDATION GIVING AREAS



## HURRICANE RELIEF

In September and October 2017, the Perrigo Foundation donated \$40,000 to the American Red Cross for support of both Hurricane Harvey and Maria relief efforts. Additionally, the Perrigo Foundation donated 125 pallets of product to International Aid for efforts in the wake of Harvey and Irma.



# 2017 SIGNATURE GIFTS

From cooling off on a hot summer day in a new, modern splash pad to learning about the world around them in two modern library areas, families in Allegan, Michigan and the surrounding counties will soon enjoy the benefits of two transformative signature donations made by the Perrigo Foundation.

The first was a \$130,000 to the City of Allegan for the construction of a new splash pad included in the city's downtown riverfront beautification project. The second donation was \$130,000 to the Allegan Public Library, one of the most utilized libraries in the state of Michigan. The gift will fund the Perrigo Learning Lab for children and the Perrigo STREAM (Science, Technology, Reading, Engineering, Art, Math) Lab for teens. Each area of the STREAM Lab will encourage creative thinking through interactive activities and cutting-edge technology and the two areas will be part of the library's ongoing expansion project.







# VOLUNTEERING

## Increasing Employee Engagement Through Community Engagement

Perrigo is a firm believer that volunteering time and talent is not only good for the community, but good for both the individual and company as well. Volunteering often pushes us out of our comfort zone, provides a number of personal and professional development opportunities, and leads to expansion of professional networks and better understanding of other perspectives. By encouraging our employees to engage in the community, we believe they are also more likely to be engaged with their work. Our employees are participating in an every-increasing number of volunteer events and activities.



# ONGOING SUPPORT OF SCIENCE, TECHNOLOGY, ENGINEERING AND MATH (STEM)

As part of an ongoing strategy to engage tomorrow's workforce and demystify the technical aspects of pharmaceuticals, Perrigo remains focused on increasing STEM awareness, education and interest among local residents and youth. Perrigo experiments have become a mainstay at local chemistry or engineering events over the years, including the ability to make a Kool-Aid tablet to demonstrate how medicines are manufactured.

2017 was no different, as Perrigo and our employees supported numerous events, from girls engineering challenges to regional school career expos.



## DAY OF CARING AND VOLUNTEERING

STEM-related programs were not the only focus area where employees donated their time. In October 2017, Perrigo partnered with the United Way to support the first annual Day of Caring. Perrigo employees could be found at the wide variety of planned community volunteer events, doing everything from building "little libraries," packing food for local food pantries, or walking along the highway to pick up trash.

Instead of coming into the plant for one day, employees in Perrigo's Holland, Michigan facility opted to get a little more hands on. By partnering with Habitat for Humanity, this team built a home for a family of six in Holland who fell on hard times due to health-related challenges affecting their children.





# FINANCIAL PERFORMANCE

In 2017, Perrigo took a series of actions to refocus and simplify our business model, strengthen our financial profile and enhance value for shareholders. These actions position us well for the future. Perrigo looks forward to continuing to bolster its business and delivering *Quality Affordable Healthcare Products®* in an environment where governments, healthcare systems and patients are focused on healthcare costs.

26%

8%

20%

# FINANCIAL<sup>1</sup>

\$2.43B	\$1.49B	\$0.97B
CHCA	CHCI	RX

Total net sales of

**\$4.9B**



Adjusted earnings per share of

**\$4.93**

**\$1B**

Adjusted operating income



**\$833M<sup>2</sup>**

Adjusted cash from operations

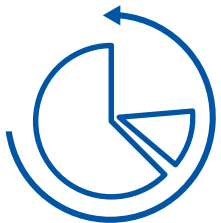


## CAPITAL ALLOCATION



**\$91M**

in dividends paid



**\$192M**

worth of shares repurchased

## BALANCE SHEET



**\$679M**

total cash as of 12/31/17



**\$3.3B**

total debt as of 12/31/17



**\$2.6B**

in debt repaid in 2017

**~\$560M**

Combined total debt maturities for:



<sup>1</sup> See page 26 for reconciliation of Adjusted (Non-GAAP) to Reported (GAAP) amounts

<sup>2</sup> Excludes unusual tax payment of \$74 million and restructuring payments of \$60 million



## OTHER NOTABLE FINANCIAL ACTIVITIES IN 2017:

### Focused on core businesses

- Divested Tysabri® financial asset
- Divested Active Pharmaceutical Ingredients (API) businesses
- CHCI exited unprofitable European distribution businesses and entered into strategic alternatives for Russian, South African and Argentine businesses

### Increased CHCI profitability

- 2017 adjusted operating margin increased 360 bps to 15%

### Enhanced balance sheet flexibility

- Repaid approximately \$2.6 billion in debt or nearly 45% of total debt outstanding

### Enhanced corporate governance

- Refreshed our Board with six new directors

## NEW PRODUCTS INTRODUCED IN 2017



Esomeprazole magnesium  
store brand equivalent to Nexium® 24HR



Nicotine polacrilex gum  
store brand equivalent to Nicorette® Whitelce Mint®



Testosterone topical solution,  
generic equivalent of Axiron®



XLS Medical Max  
Strength on-the-go sticks

# FINANCIAL RECONCILIATION

## PERRIGO COMPANY PLC RECONCILIATION OF NON-GAAP MEASURES

(in millions, except per share amounts)

(unaudited)

	Twelve Months Ended December 31, 2017		
	Operating Income	Net Income	Diluted Earnings per Share
<b>Consolidated</b>			
<b>Reported</b>	<b>\$ 598.2</b>	<b>\$ 119.6</b>	<b>\$ 0.84</b>
<i>Adjustments:</i>			
Amortization expense related primarily to acquired intangible assets	\$ 355.5	\$ 355.5	\$ 2.49
Acquisition charges and contingent consideration adjustments	(18.9)	(18.9)	(0.13)
Restructuring charges	61.0	61.0	0.43
Gain/Loss on divestitures	(23.1)	(24.8)	(0.17)
Milestone revenue related to royalty rights	—	(10.0)	(0.07)
Operating results attributable to held-for-sale businesses*	(1.8)	(3.1)	(0.02)
Change in financial assets	—	24.9	0.17
Unusual litigation	(9.0)	(9.0)	(0.06)
Impairment charges	47.5	47.5	0.33
Loss on early debt extinguishment	—	135.2	0.95
Loss on hedges related to debt tender	—	5.9	0.04
Non-GAAP tax adjustments**	—	18.9	0.13
<b>Adjusted</b>	<b>\$ 1,009.4</b>	<b>\$ 702.7</b>	<b>\$ 4.93</b>
<b>Reported diluted weighted average shares outstanding</b>			<b>142.6</b>

\*Held-for-sale businesses primarily includes the India and Israel API businesses.

\*\*The non-GAAP tax adjustments include the following: (1) \$2.8 million of tax effect related to audit settlements and other discrete items; (2) \$97.2 million net impact related to valuation allowances on deferred tax assets commensurate with non-GAAP pre-tax measures; (3) \$(78.0) million of tax effects of pretax non-GAAP adjustments, including the sale of assets, that are calculated based upon the specific rate of the applicable jurisdiction of the pretax item; and (4) \$(3.1) million of tax adjustments related to tax reform.

	Twelve Months Ended	
	December 31, 2017	December 31, 2016
	Operating Income	Operating Income (Loss)
<b>Consumer Healthcare International</b>		
<b>Reported</b>	<b>\$ 12.5</b>	<b>\$ (2,087.4)</b>
As a % of reported net sales	0.8%	(126.3)%
<i>Adjustments:</i>		
Amortization expense primarily related to acquired intangible assets	\$ 199.2	\$ 184.2
Unusual litigation	(8.8)	8.2
Impairment charges	4.8	2,042.4
Restructuring charges	17.1	20.9
Operating results attributable to held-for-sale business*	0.5	18.0
Acquisition charges and contingent consideration adjustments	(1.5)	1.9
<b>Adjusted</b>	<b>\$ 223.8</b>	<b>\$ 188.2</b>
As a % of reported net sales (2017) / As a % of adjusted net sales (2016)	15.0%	11.4 %

\*Held-for-sale business includes the European sports brand.

	Twelve Months Ended
	December 31, 2017
Operating cash flow	\$ 698.9
Less: Tax payment	74.2
Less: Restructuring payments	59.6
	<b>\$ 832.7</b>
Adjusted net income	\$ 702.7
Cash conversion ratio	119%





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