



# Perrigo<sup>®</sup>

### Letter from Joe

As I reflect on calendar year 2014, there is no shortage of accomplishments that stand out as highlights. The Perrigo team navigated one of the most exciting and complex years in the company's history with the integration of Elan, overcoming the challenges associated with our industry, driving product launches and the recent announcement of the Omega Pharma acquisition, to name just a few.



Our achievements as a socially responsible company were many, as well. We continue to leverage continuous improvement principles to reduce waste, boost our efforts in energy and raw materials conservation, and standardize our reporting. We also continue to support community outreach by promoting employee volunteerism, funding scholarship programs in local schools and responding to the special needs of the many community organizations that provide critical health and education programs in areas where we operate. Most importantly, we continue to fulfill our Five Pillars of Quality, Customer Service,

Innovation, Cost Effectiveness and People through living our Core Values of Integrity, Respect and Responsibility.

The more we do, as a company, to be a good corporate citizen, the more we reinforce our belief that Perrigo's success cannot be measured by financial performance alone. We view Corporate Social Responsibility (CSR) not only as measuring the impact of our global operations, but also about recognizing our efforts to ensure that *how* we achieve results is just as impactful as the results themselves. We view CSR as a critical investment in the world around us. Whether it entails employee development, better managing our natural resources, helping a community enhance its healthcare resources or handing a child a scholarship, it ensures the longevity of our organization and the people that make us successful.

With that said, I am pleased to introduce our third annual CSR report and the numerous examples it provides of how we strive to do the right thing as we deliver on our mission to provide *Quality Affordable Healthcare Products*® to communities around the world.

Sincerely,

Joseph C. Papa, Chairman & CEO

### Our Mission Remains Clear— Providing Quality Affordable Healthcare Products<sup>®</sup>

Annually, Perrigo saves its consumers approximately \$7.5 billion worldwide, by providing high quality comparable medicines, nutritional supplements, infant formula, animal health products and medical devices that are affordable, often 30%–50% less than the national brands to which they compare.

Due to the breadth of our product portfolio and global reach, over 1,600 people take a Perrigo product every second of every day.

Regardless of the type of product or location across the globe, Perrigo remains committed to driving down the cost of healthcare and improving accessibility to medicines, while ensuring the safety and quality of our products meets or exceeds all requirements from the Food and Drug Administration (FDA), Medicine and Healthcare Products Regulatory Agency (MHRA) and the many other governing bodies of the countries in which Perrigo operates.

Perrigo's trademarked directive, providing *Quality Affordable Healthcare Products®*, along with the increasing consumer demands for quality healthcare, has positioned us well to continue our growth and the positive impact we have on our surrounding communities.













# planet

### **Environmental Stewardship**

Perrigo recognizes that we impact the environment in a variety of ways, and is committed to promoting environmental stewardship by calculating and reducing our global footprint on energy usage, greenhouse gas emissions, water usage, waste and recycling.

Currently, we capture this data for 51 of our global sites. As we add new sites through acquisitions and facility expansions, data for these facilities is included in the report after their first full fiscal year under Perrigo. Following that process, this year's numbers reflect the facilities from Perrigo's new Animal Health business in the U.S. (formerly Sergeant's Pet Care Products) and one facility from Perrigo U.K. (formerly Rosemont Pharmaceuticals). The data has been restated as best as possible to reflect the new additions. Since the aquisition of Omega Pharma closed in 2015, its facilities are not included in this report.

### **Greenhouse Gas Emissions**

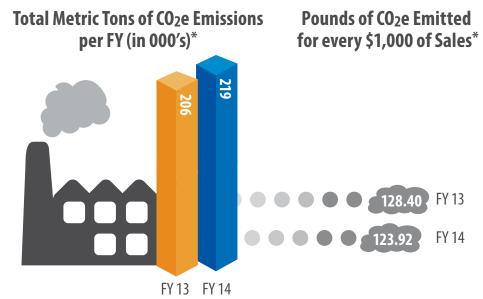
Greenhouse gases (GHG) are those gases that absorb infrared radiation (i.e., carbon dioxide, chlorofluorocarbons, etc.), thereby trapping and holding heat. They are the gases most associated with global warming and climate change.

As Perrigo continues to grow, the absolute emissions have increased. Overall company energy consumption increased by 6.1% or 12,621 MTCO<sub>2</sub>-e in Fiscal Year 2014 (FY14), due to the new facilities acquired since the previous reporting year. However, our GHG intensity, which is the amount of emissions per sales dollar to accommodate for our growth, continues to trend

positively year over year with a 3.5% reduction in pounds of emission per sales dollar.

This reduction, despite a record cold winter for many areas where we operate, can be attributed to a variety of energy reduction initiatives around the company, including but not limited to:

- Energy efficient lighting installed (or in process of being installed) in all company plants and warehouses
- Capitalizing on several government-issued rebates and grants for energy reduction while building new or enhancing existing facilities



### **Emission Scope**

Greenhouse gas emissions are defined as either being direct or indirect emissions. They are then further categorized into three scopes. Scope 1 is direct emissions from owned or controlled substances (i.e., burning propane to heat a building). Scope 2 is indirect emissions caused by purchasing energy, heat or steam. Scope 3 is all other indirect emissions not fully controlled by the company, such as production of purchased materials (supply chain), employee commuting, etc.<sup>1</sup>



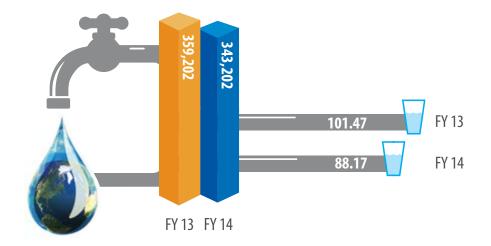
Since Perrigo largely uses purchased electricity as our primary energy source, 76% were considered Scope 2 during FY14. Perrigo is not actively measuring Scope 3 emissions at this time, but is investigating tools and strategies to do so in the future.

SCOPE/FUEL SOURCE	UOM	FY2013	FY2014	
SCOPE 1	Unit of Measure	49,361	53,078	
Diesel				
Volume	gallons	1,636	91,018	
Emissions CO₂e	metric tons	17	952	
Liquefied Petroleum Gas (LPG)				
Volume	gallons	155,672	185,232	
Emissions CO₂e	metric tons	902	1,073	
Natural Gas				
Volume	MMBtu	808,285	903,812	
Emissions CO₂e	metric tons	42,865	47,931	
Number 6 Fuel Oll				
Volume	gallons	476,358	274,547	
Emissions CO₂e	metric tons	5,373	3,097	
Propane				
Volume	gallons	36,334	4,521	
Emissions CO₂e	metric tons	204	25	
SCOPE 2	metric tons	156,799	165,703	
Electric Power				
Volume	kWh	244,949,460 260,641,571		
Emissions CO₂e	metric tons	156,799	165,703	
SCOPE 1+2	metric tons	206,160	218,781	

¹ Source: WRI/GHG Protocol v4.0 2010

### Total Corporate Water Consumption per FY (Gallons in 000's)\*

### Gallons of Water Consumed for every \$1,000 of Sales\*



### Water Withdrawn and Conservation

Traditionally, water usage is higher for pharmaceutical companies, often due to equipment cleaning and validating required to avoid cross-contamination between products.

Water use trends for 2014 were positive for Perrigo, both in terms of total water withdrawn and intensity by sales. Despite including more sites in the calculation, total water withdrawn was down 16 million gallons, a 4.45% decline from Fiscal Year 2013. Additionally, we experienced a 13.1% decrease in intensity, which is water used per sales dollar. Various water conservation measures were initiated during calendar year 2014 to support these reductions, including:

- Perrigo India (PIN) implemented a variety of projects to optimize washes, reduce water leakages and reuse treated waste water, resulting in an estimated 1.6 million gallons per year savings.
- Perrigo Michigan Plant 5 implemented purified water reduction efforts in December 2014 that are estimated to reduce 2015 purified water usage by approximately 1.5 million gallons per year.
- Water-efficient sinks and toilets have been installed in several bathrooms throughout Perrigo facilities.

<sup>\*</sup>Data includes all 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.

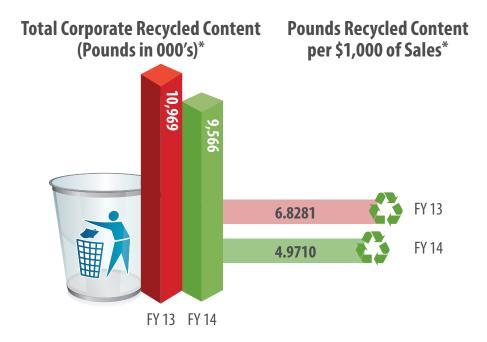




### Recycling and Waste

Recycling efforts for 2014 had mixed results, with some areas posting positive results, while other plants slipped in total recycled content. Overall, total Perrigo recycled content was down by 12.8%, due to a drop in the recycling of old correlated containers in Perrigo Michigan, recycling vendor changes and a reduction in production volume related waste.

Plants that focused on recycling performed much better, with both Perrigo Minnesota and Perrigo Holland plants hitting their 70% recycle goal.



### Perrigo Minnesota, Serious on Recycling

In October 2014, Perrigo Minnesota (PMN) took a significant step to reduce waste and improve recycling by removing all individual trash bins in work stations and replacing them with recycle bins to encourage recycling behavior.

Led by the PMN Green team, this change was introduced to reduce waste and the associated costs of disposing of it. As a result, PMN improved operational efficiencies and cost while furthering their goal to have less impact on the environment.



### Keeping the Earth Beautiful

Perrigo's Global Procurement team took an afternoon off in July 2014 to pick up trash along a two-mile stretch of Michigan highway sponsored by the company. Administered by the Michigan Department of Transportation, the Adopt a Highway program removed more than 60,000 bags of litter from Michigan roadsides in 2014 thanks to dedicated volunteers.

In addition to Adopt a Highway, the Perrigo Foundation, along with employee volunteers, supported a number of river clean-up initiatives in West Michigan, such as the "Krazy for Kzoo" clean up of the Kalamazoo River and the "Grand River Greenup."



# Gold Award for the Environment

In August 2014, Perrigo's Kansas City plant received the Gold Award from the Kansas Water Environmental Association, a division of the Public Works Department, for their overall high rate of compliance.

### Packaging Sustainability

When developing packaging for Perrigo products, there are many regulatory requirements that guide our decisions, such as product stability and labeling requirements. In addition to meeting these requirements, Perrigo also strives to reduce the number of materials in our packaging wherever we can, whether it's offering a carton-less option, smaller bottle sizes or smaller packing sizes that allow more cartons to fit on a truck.

Throughout the year a number of initiatives are pursued to reduce packaging size. Most notably, changes to our Omeprazole packaging alone reduced the need for tens of thousands of pounds of paper and plastic every year.

Additionally, corrugated shippers and containerboard used in our U.S. facilities is, on average, made of more than 50% recycled material, if not 100% post-consumer recycled content. All cartons and fiber content used are also certified through the Sustainable Forestry Initiative (SFI) or the Sustainable Forestry Council (SFC).

### EarthDay and Arbor Day

Continuing the ongoing tradition of supporting Earth Day, a global competition was held to promote education and awareness around the emissions of motorized vehicles. Dubbed the "Sock Contest," employees were asked to place a clean white sock on the tailpipe of their cars for three minutes, and then submit their socks for judging. A judging panel determined the four cleanest and four dirtiest socks. Employees owning the four cleanest were rewarded with a new tablet, while the owners of the four dirtiest socks received a gift card toward a free automobile tune-up.

Additionally, Perrigo Holland celebrated Arbor Day with a company sponsored tree planting event, where employees planted hundreds of native tree saplings.





# people

It is commonly understood that a happy and healthy employee is also a more engaged and productive employee. Because of this belief, Perrigo continues to see our employees as a key investment.

As such, Perrigo maintains a number of benefits for our employees to support healthcare, retirement, ongoing education, work life balance, profit sharing and more. See **Perrigocareers.com** for more information on jobs and benefits.

# fit for life— Perrigo's Wellness Program

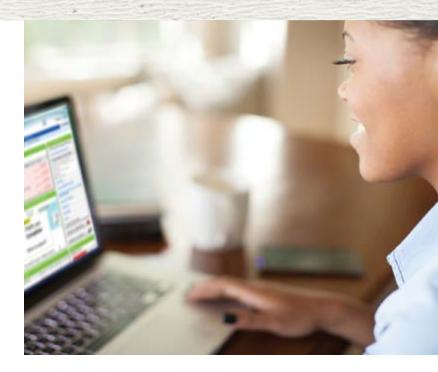
In 2004, Perrigo started the *fit for life* wellness program, with the goal to promote a more health conscience workforce. In addition to making the Allegan, Mich., campus tobacco free, the initial program introduced a series of educational programs on diet and exercise, as well as annual biometric screenings.

The biometric screenings, known as Perrigo Wellness Profiles (PWPs) still serve as the cornerstone of the *fit for life* program today. These annual screenings provide employees with a valuable snapshot of their health: height, weight, BMI, tobacco usage and blood pressure.

#### **2013 PWP Statistics**

The results of the 2013 PWPs showed that employees are taking their health seriously, and improving year over year. In each of the key areas evaluated, employees improved and exceeded national averages:

- The percentage of Perrigo's employees using tobacco decreased to 7%, compared to the national average of 21%.
- The average BMI of Perrigo employees continued to remain unchanged, versus the expected increase seen across the country.
- Perrigo employees with a blood pressure greater than 140/90 remained low (14%), compared to the national average (21%).



### **2014 PWPs**

Starting in 2012, and continuing in 2014, spouses on the Perrigo medical plan were once again able to participate in the PWP. Through the end of the year, 3,940 employees and 1,679 spouses took part in PWP biometric screenings.





### The Perrigo Wellness Center

2014 marked the second full year of the Perrigo Wellness Center (PWC) in Allegan, which has the largest concentrated group of employees. Employees continue to take advantage of the 24-7 access, state-of-the-art equipment and fully equipped locker rooms. Over 60% of Perrigo employees in Allegan have a membership at the PWC—with an average of 440 unique members using the facility each month. The more than 600 group fitness classes offered attracted over 4,900 total participants. A new offering in 2014 was Personal Training. This service helps employees gain the expertise and personal attention to create a customized workout routine.



# Wellness Award for Perrigo Vermont

The Perrigo Vermont location won a Worksite Wellness Award from Vermont Governor, Peter Shumlin, at the annual Worksite Wellness Conference. The award recognizes Perrigo's innovative



wellness program and efforts made to promote a healthy work environment that encourages and enables employees to improve their overall health. Additionally, this location partners with local agencies like the Vermonters Worksite Wellness Workgroup and Northwestern Medical Center to provide employees with online nutrition classes and onsite wellness events.



### Safety

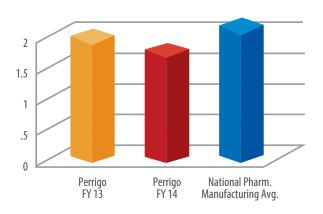
Promoting healthy living is a key objective; however, Perrigo recognizes the largest contribution we can make to employee health is to provide a work atmosphere free of immediate or long-term safety hazards, ranging from slips and falls to the long-term damage created by poor ergonomics.

Perrigo leadership creates and enforces a culture of safety through a variety of means. Emphasis is placed on behavior-based programs such as the Perrigo Auditing Safety System (known as PASS audits), where the focus is on promoting safe employee behaviors, while eliminating unsafe behaviors.

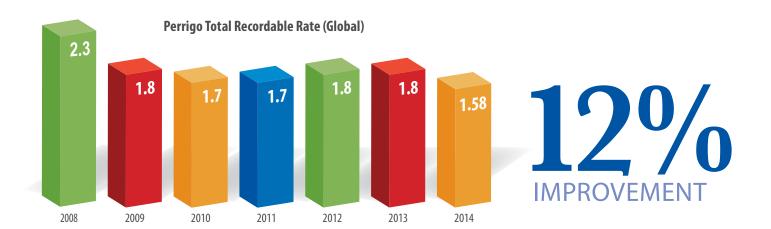
In addition to the behavior programs, Perrigo maintains formal safety committees and trained emergency response teams in each operational area. These teams include employees from all levels, with a focus on the floor operators and specialists that are charged with keeping the work area as safe as possible.

As a result of our programs, and the unwavering focus on safety, Perrigo saw a decline in the Total Recordable

### Total Recordable Injury Rate (TRR)



Injury Rate (TRR) during Fiscal Year 2014 in almost all areas. The TRR for FY14 was 1.58, a 12% improvement from the previous year and 17% better than the national pharmaceutical manufacturing average of 1.9. Cumulative trauma from repeated overuse of a body part continues to be the most common source of injury.





### Globalizing Safety and Beyond

In 2014, Perrigo's Environmental Health and Safety (EHS) team implemented a new EIMS (electronic

information management solution), Gensuite, to help standardize and improve EHS incident reporting across the organization. Gensuite will allow all Perrigo locations to report EHS incidents accidents or near misses consistently in all locations, while following global best practices. This standardization will also help us to measure, monitor and analyze incidents and accidents to identify improvement opportunities to make the workplace even safer.

In addition to EHS incident reporting, Gensuite also supports Perrigo's EHS Compliance Assurance program that provides tools to help us maintain legal compliance with all applicable EHS regulations in all of the countries that we operate. We will continue to expand the implementation of these tools in the coming years to standardize and measure other global EHS metrics, such as waste, water and air quality, while supporting further environmental data analysis and improvements.



### Zero Accidents for Perrigo India

In September 2014, Perrigo India (PIN) was awarded a merit from the National Safety Maharashtra Chapter for "Meritorious Performance in Industrial Safety During the Year 2013." This award is a reflection of a successful 2013, during which, PIN had a zero accident frequency rate.





### **Talent Management**

In addition to employee health and well-being, identifying, acquiring, retaining and developing talent continues to be a key strategy and commitment for Perrigo. This commitment, in part, can be reflected in our investment in new technology to enhance our Performance Management System and through our growing team of dedicated organizational development, recruiting and training professionals. As a result of this investment, 61% of open positions were filled with internal candidates, including both promotions and lateral moves.





80%
FAVORABLE RATING

### **Diversity and Inclusion**

Similar to last year, at the end of Calendar Year 2014, Perrigo maintained approximately 9,500 employees globally, with 45% being women, and 37% being employed outside of the United States.

The geographic composition of our employees is expected to change significantly in 2015 with the strategic focus on European/International expansion and the close of the Omega Pharma acquisition.

Perrigo remains committed to promoting diversity and inclusion companywide. As a sign of this commitment, a formal steering team was formed in 2014 to understand our opportunities and develop strategies around promoting and including diversity in our workforce.

Overall, our employees feel that at Perrigo we understand and appreciate differences among employees, as evidenced by our 80% favorability rating in our 2014 Employee Engagement Survey, outperforming other global pharmaceutical companies. This view is further supported through our actions including:

- Joining the West Michigan Hispanic Chamber of Commerce
- Providing opportunities for employees to learn four different languages
- Providing formalized training on cultural sensitivity and leading a respectful workforce
- Government recognition as an "inclusive business" at our Quifa and PDM sites in Mexico
- Participating in events to promote STEM careers for young women





### Recognizing Veterans, **Active and Retired**

The men and women who dedicate their lives and service to their country should be thanked, appreciated and recognized for their unique skills and talents that only military service can provide. In 2014, Perrigo created a corporate Veteran's Steering Team to help guide activities and policies around veterans, as well as build awareness and education about veteran skill sets.

As a small sign of this appreciation towards our veterans and first event for the steering team, Perrigo held a special recognition event for our veteran community on Veteran's Day with an open house at our Allegan, Michigan location. Many employees, both actively employed and retired from Perrigo, attended to give thanks and honor to veterans. The day was kicked off with a formal flag raising ceremony and followed by a networking open house.

Perrigo is committed to both our veterans and the desire to be seen as a company that is attractive to the veteran community.

### Plan—Perform—Learn—Achieve

Perrigo maintains two electronic systems to promote employee development and standardize key performance management processes: SuccessFactors and the Perrigo Learning Management System (LMS).

SuccessFactors standardizes the performance management process by requiring all managers to identify S.M.A.R.T. (strategic, measureable, actionable, realistic, time bound) goal and objectives, perform mid-year and year-end reviews against those objectives, and develop employee learning development plans within a new global platform.

Perrigo's LMS is a tool to accommodate electronic learning, easy sign-up for instructor led classes, guizzes and tools to assess

learning, and easy reporting on completed or upcoming training events. Hundreds of training events occur through Perrigo's LMS every month around the globe, to support role-based curricula and individual employee development goals.

Also in 2014, Perrigo's Corporate Training and Development department introduced a new tool to create high quality e-learning as a supplement for instructor-led courses. This learning is available through Perrigo's LMS, and is available on demand to any employee.







### A Focus on Engagement and Continuous Improvement

Every other year, Perrigo deploys a global employee survey to confidentially capture employee feedback on our work environment and people programs. The survey is focused on key factors that impact employee engagement, and is used to continuously improve Perrigo's culture around empowerment and engagement.

Results from this survey are communicated to leaders of each area, who work with their teams to create formal action plans that address any opportunities identified in the survey.

In 2014, Perrigo continued to score higher than the pharma industry average on the employee survey results.

Continuous improvement (CI) continues to be a strategic focus for Perrigo. During 2014, Perrigo's **Continuous Improvement Program** Office (CIPO) continued to advance the global CI governance structure that segments the global organization into 30 sites/areas. Each site/area leader identified a member of its leadership team to serve on a newly established CI Leader Network. Members were specifically trained in CI leadership topics, focusing on key business principles and leveraging systems to enable ideal behavior.

In addition to the governance structure, Perrigo's Lean/Six Sigma e-learning tool, Gemba Academy, continues to average over 900 visitors a month seeking on-demand learning.

A nine-month analysis of projects conducted by the CIPO demonstrated 74 measurable improvements in quality, cost or delivery. This represents an estimated \$12 million in combined savings.

### Perrigo Interns—Learning, Living, Giving

In 2014, 53 interns participated in Perrigo Michigan's formal internship program. As part of this program, interns from all functional areas participate in a series of training, programs and events to familiarize themselves both with the company, as well as build professional skills.

Each year the interns are given a day to give back to the community. "Intern Volunteer Day" is a coordinated effort of Intern volunteers for a particular cause. In 2014, Perrigo interns partnered with Habitat for Humanity to build a home for a local family in need.



### We are Responsible

Guided by the Perrigo Code of Conduct and supported by a global network of 25 compliance coordinators, Perrigo takes a proactive approach to compliance and governance across all global areas and functions.



### Perrigo Wins Compliance and Ethics Award

In 2014, Privacy was added into the Global Commercial Compliance Program. Clivetty Martinez, Vice President of Global Compliance, was named the new Chief Privacy Officer in addition to her compliance duties. The compliance coordinators' role was also expanded to facilitate privacy activities.

Perrigo as a whole received the Best Compliance and Ethics Program (Large Cap) award from *Corporate Secretary* for the strength and scope of our governance, compliance, ethics and risk management processes across the entire organization. The judges evaluated participants based on the level of good governance principles and ethical behaviors instilled at all levels of the organization.

Corporate Secretary's Corporate Governance Awards recognize companies annually for their excellence in governance, risk and compliance. This year, the panel of judges evaluated more than 100 nominations in 13 award categories.



### Ethical & Social Compliance in the Supply Chain

Perrigo believes in protecting human rights, not only of our employees, but within our supply chain. As Perrigo's supply chain becomes more global, we are committed to ensuring products are produced ethically, morally and legally both at our own sites and any sub-contractors that manufacture or package a Perrigo product. This includes, but is not limited to prohibiting the use of child or forced labor, exploitation or discrimination of any kind with women or minorities, adhering to labor laws, and providing a safe work environment.

process to the Executive Committee.

As a sign of this commitment, Perrigo continues to support the Ethical and Social Compliance (E&SC) Program. This includes outlining our behavior expectations

in our Supplier Code of Conduct, a standardized training program, regular third-party audits for factories in higher risk countries, a formal corrective action process and a global team dedicated to driving the program. The program focuses on prequalifying new suppliers prior to doing business, then actively monitoring them, correcting and improving where needed, then enforcing when needed through an escalation

In 2014, over 120 Social Audits were conducted of Perrigo sites and suppliers.





# people

### Supporting Philanthropy & the Community

While the foundation maintains a structured focus on healthcare and education, company-sponsored volunteerism follows a more varied path, often centered around the passion of the individuals wanting to be involved. Whether it's through food drives each year, the many walking or running events, disaster relief or fund raisers to support local causes, employee activities are varied and many throughout the Perrigo community.

The activities captured in this report are but a small sampling of all company supported employee activities.



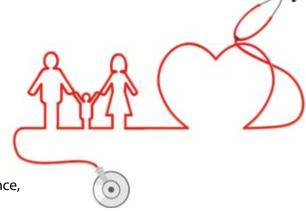
### errigo Supporting Education & Healthcare "Glocally"

For 14 years now, the Perrigo Company Charitable Foundation has been supporting the people and communities in and around the areas we operate globally. True to Perrigo's mission of providing Quality Affordable Healthcare Products® the Foundation's mission is to provide financial support to nonprofit organizations that enhance the health, well-being and education of individuals and families in communities that Perrigo serves.

The foundation also seeks to support healthcare and education initiatives that affect our own employees. For instance, the Foundation funds a college scholarship program for the dependent children of our eligible employees and also provides grants and scholarships to the many school districts in regions in which Perrigo operates.

During 2014, the foundation supported multiple organizations including, but not limited to:

- Barnsley Children's Hospital (U.K.)
- Yeruham Science Center (Israel)
- Casa de la Amistad para Niños con Cáncer IAP (House of Friendship for Children with Cancer, Private Assistance Institution) (Mexico)
- Assistance Dogs of Australia (Australia)
- The American Cancer Society (U.S.)
- Kids Food Basket (U.S.)



In terms of scholarships, 56 scholarships were provided to various individuals in 2014 for a total of \$335,000. These 56 scholarships include:

- 6 renewable Math/Science scholarships
- 5 new 2014 Math/Science scholarship (can be renewed for up to 3 years)
- 45 new 2014 general scholarships





# Perrigo Foundation Supporting Education & Healthcare "Glocally" (continued)

Perrigo has partnered with the United Way in five different states, as well as being the principal financial supporter and advocate for the Allegan County United Way in Michigan. Each year, the Foundation matches every dollar donated by employees in each state.

In 2014, Perrigo employees and the Foundation donated approximately \$1.02 million to the United Way. This represents an increase of just over 1% from the previous year, with the intent to increase donations even more significantly for next year.

In total, the Foundation donated \$2.85 million dollars in Fiscal Year 2014, a 30% increase in donation dollars since 2013.

For more information about the Foundation, please see: www.perrigo.com/about/perrigo-foundation.aspx

### Joining Ireland's Minister O'Sullivan to Launch College Awareness Week

In 2014, Ireland's Minister for Education and Skills, Jan O'Sullivan, launched National College Awareness Week. Sponsored by Allied Irish Banks and Perrigo, College Awareness Week took place on November 24 to 30, 2014. This national campaign aims to celebrate the benefits of going to college and to support students to become college ready.







### Sparking Interest in Science, Technology, Engineering, and Math (STEM)

Over the course of 2014, a number of activities took place to support the education of local youth in Science, Technology, Engineering and Math (STEM). Many of the hundreds of Perrigo scientists, engineers, researchers and statisticians chose to apply their knowledge and experience from the job to stimulate and educate interest in STEM careers.



# Perrigo



### **Science & Engineering Festival**

In November 2014, students from Gull Lake schools in Richland, Mich., hosted the largest science festival in the area's history. With support from Perrigo and other local schools and businesses, the school was transformed into a science playground, with dozens of exhibits and displays for kids and parents alike.

Over 30 Perrigo Michigan scientists and engineers volunteered for this two-day event, demonstrating actual Perrigo equipment and processes to over 6,000 children. Within the Perrigo exhibit, kids experienced the pharmaceutical process first hand by mixing and compressing Kool-Aid tablets, using actual hardness and friability testers, determining density and separating mixtures using chromatography.

### **Youth Science Center in Yeruham Israel**

In 2014, nine Perrigo researchers were partnered with local youths in Yeruham Israel to mentor and work through a sponsored science project. At the end of the year, the students presented their work to their parents, researcher mentor, and representatives from local schools.

Research projects were undertaken by 15 students in 2014, while an additional 60+ children participate in company sponsored activities around chemistry, physics and robotics.







### **The 2014 Corporate Engineering Challenge**

In January 2014, Perrigo partnered with the Society of Women Engineers to help sponsor the 2014 Corporate Engineering Challenge.

Taking place at the Air Zoo in Kalamazoo, Mich., boys and girls

of all ages had the opportunity to visit multiple exhibits and complete hands-on activities related to science or engineering. In addition, opportunities were provided to young women to interact with successful female engineers in a variety of industries.

### **Hosting Students to See Technology in Action**

In 2014, Perrigo UK's Braunton site hosted students from Braunton Academy and the Braunton Learning Community Primary School. The students, ranging from grades five through nine, toured the Braunton facilities as part of a STEM after school program, which is designed to improve skills in science, technology, engineering and math.

While on site, the students explored many aspects of the Braunton facilities, including the quality laboratories, production floor and packaging areas. The students experienced how important STEM skills are in a complex environment like Perrigo Braunton and said they were amazed by the sophisticated science and technology being used in their local plant.



### Volunteerism & Activism Across the Perrigo World





### **Doing the Right Thing in Perrigo Mexico**

September 25 and 26 were unforgettable days for employees in the Perrigo Ramos Arizpe plant, as two unrelated, yet unforgettable events highlighted the values and community of the plant's employees.

On September 25, Perrigo Security Guard Martin Martinez was alerted to an elderly woman calling for help. Once realizing a fire had started in her house.

the security guards sprang into action. Grabbing a fire extinguisher, Mr. Martinez ran to the house and into the room where faulty electric wiring caused the fire. Without regard for personal safety, he extinguished the fire as best he could, and carried the woman's trapped husband out of the room. The local fire department arrived minutes later.

The very next day, a public bus filled with passengers ran into a concrete bridge, which caused a multiple-car accident in front of the plant. Perrigo Brigades sprang into action, cordoning off the area and providing first aid to the injured passengers until authorities and ambulances arrived. All the while, they were being supported by other Perrigo employees wanting to assist.



### **Zip Wiring to a Healthy Heart**

Seventy-year-old Perrigo UK employee lan Mortimore-Jackson underwent an arduous zip wire challenge to support the British Heart Foundation (BHF).

During a trip to Whistler Mountain, Canada, lan ascended the mountain by cable car and then descended the mountain by way of tree walking and 10 zip wires. Some legs of his zip wiring were the equivalent distance of zipping off of a 30-story building!

Impressed by lan's ambition and resolve, the Perrigo Foundation supported his quest with a starting donation of £2,000 towards his fundraising target.



### **Bowling for Kid's Sake**

In March 2014, Perrigo partnered with the Big Brothers, Big Sisters of Allegan County to support the Bowl for Kid's Sake event, aimed at sponsoring and supporting the youths of Allegan County. Sponsored by the Perrigo Foundation, over 25 employee volunteers formed teams to bowl against each other for a good cause.

### **Medicines for Those in Need**

Perrigo Israel joined up with the Medicine Friends Association, a group in Israel that focuses on providing medicines to those less fortunate. Starting in 2014, medicines manufactured in the Yeruham, Israel, plant will be donated to the Medicine Friends Association to the ill and disabled who would normally not be able to afford them.

Through our partners International Aid and Medical Teams International, Perrigo has donated a number of needed medicines over the years, whether for disaster relief or humanitarian aid.







# performance

- New Product Pipeline / Innovation—160 Filings Awaiting Approval
- Every week, we ship more than 7,500 customer deliveries
- Perrigo Rx is a Top 3 player in 95% of the products we sell
- 18,000 SKUs
- 3,000 formulations
- 47 billion oral solid doses per year
- ~ 3 billion liquid/cream doses per year

**1600** 72%

**Every second** of every day, somewhere in the world, approximately 1,600 people will utilize a Perrigo product.

72% of doctors & pharmacists choose store brands.1

Average life expectancy has increased by 10 years to **80** years since 1960.<sup>2</sup>

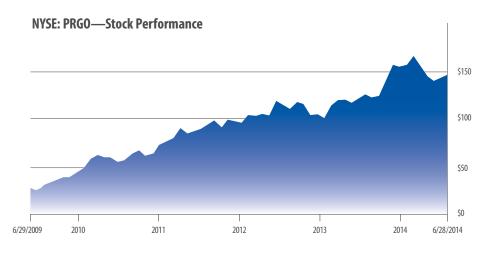
2.7x

People over age 60 consume pharmaceuticals at 2.7x the rate of those under 60.

- Quality
- Customer Service
- Innovation
- Cost Effectiveness
- People

There will be fewer young people to fund healthcare for those 65+.3

TOTAL SHAREHOLDER RETURN **IN 5 YEARS** 



<sup>&</sup>lt;sup>1</sup> Source: OECD Better Life Index 1970; National Health & Nutrition Survey

<sup>&</sup>lt;sup>2</sup> Source: OECD Social Indicators—Society at a Glance 2011

<sup>3</sup> Source: Bart J. Bronnenberg, Jean-Pierre Dubé, Matthew Gentzkow, Jesse M. Shapiro. Do Pharmacists Buy Bayer? Sophisticated Shoppers and the Brand Premium. University of Chicago working paper. 2013

### Financial Highlights

### Financial Results—Reported (GAAP) (1)

In millions, except per share amounts

	1.00.11.11.11.11.11.11.11				
	Jun	e 29 2013	June	28, 2014	% Change
Net Sales	\$	3,539.8	\$	4,060.8	15%
Operating Income	\$	679.1	\$	567.0	-17%
Net Income	\$	441.9	\$	205.3	-54%
Diluted EPS	\$	4.68	\$	1.77	-62%
Average Diluted Shares Outstanding		94.5		115.6	22%

FISCAL YEAR ENDED

#### FISCAL YEAR ENDED Financial Results—Adjusted (Non-GAAP) June 29 2013 June 28, 2014 % Change In millions, except per share amounts **Adjusted Net Sales** \$ 3,539.8 4,060.8 15% \$ Adjusted Operating Income 805.3 1,029.2 28% Adjusted Net Income \$ 739.5 529.7 \$ 40% \$ **Adjusted Diluted EPS** 5.61 6.39 14% **Average Diluted Shares Outstanding** 94.5 115.6 22% \$4,060.8 \$3,539.8 115.6 \$1,029.2 \$6.39 94.5 \$5.61 \$805.3 \$739.5 \$529.7 2013 2014 2013 2014 2013 2014 2013 2014 2013 2014 **Adjusted Diluted EPS Net Sales Adjusted Operating** Adjusted Net Income **Adjusted Diluted** (In millions) (In millions) **Shares Outstanding**

(In millions)

(In millions)

 $<sup>^{(1)}</sup>$  See Item 7 in the Form 10-K report for a discussion of results of operations.

<sup>(2)</sup> See reconciliation of non-GAAP financial measures on page 24 of the 2014 Perrigo Annual Report. We have excluded certain items when monitoring and evaluating Perrigo Company plc's ongoing financial results because we believe this provides important insight into the Company's ongoing core business operations on a normalized basis.



### CHC (55% of FY14 Revenue\*)

Perrigo Consumer Healthcare (CHC) markets a broad line of over-the-counter (OTC), diabetes and animal healthcare products with more than 500 formulas in nearly every major OTC category.

### Rx (23% of FY14 Revenue\*)

Perrigo Rx Pharmaceuticals markets a diversified portfolio of generic prescription pharmaceuticals within categories that include dermatological, ophthalmics, injectables, women's health, ORx (OTC products), compounding, oral liquids/solids, and suppositories.

### **Nutritionals** (14% of FY14 Revenue\*)

Perrigo is one of the United States' largest manufacturers of infant formula, pediatric nutritionals and vitamins, minerals, and supplements products for the store brand market.

### **Specialty Sciences** (4% of FY14 Revenue\*)

As a result of the Elan acquisition that took place on December 18, 2013, Perrigo has expanded its operating segments to include the Specialty Sciences segment, which is comprised primarily of assets focused on the treatment of Multiple Sclerosis (Tysabri®).



Perrigo provides differentiated Active Pharmaceutical Ingredients (APIs) and Finished Dosage Forms (FDFs) for the branded and generic pharmaceutical industries. Perrigo API products comply with the highest regulatory requirements of leading health authorities such as FDA, PMDA, TGA, ANVISA and EU authorities.



### More Accolades & Highlights from 2014 Our Company & Our Employees

- Perrigo was listed as CR Magazine's 8<sup>th</sup> most improved corporate citizens for 2014.
- Perrigo stock was rated 2<sup>nd</sup> in the S&P 500's most loved stocks, behind Berkshire Hathaway.
- For the third year in a row, Perrigo ranked among *Forbes'* most innovative companies in the world.
- The Harvard Business Review has named Perrigo Chairman and Chief Executive Officer, Joe Papa, one the "2014 Best-Performing CEOs in the World."
- Institutional Investor has again named Perrigo Executive Vice President and Chief Financial Officer, Judy Brown, as one of the best Chief Financial Officers in the United States.
- In addition to honoring Perrigo as having the Best Compliance and Ethics Program (Large Cap), Corporate Secretary awarded Perrigo Executive Vice President and General Counsel, Todd Kingma, the Governance Professional of the Year award (Large Cap).
- ExecRank has named Perrigo Senior Vice President and Chief Information Officer (CIO), Tom Farrington, as one of the "Top CIOs of 2014."





### **Our Commitments**



### Helping consumers access safe, effective and affordable healthcare products

Perrigo is committed to helping consumers manage their healthcare needs while also managing their costs. To help us meet our commitment, we invest in robust quality systems that enable us to manufacture high-quality products while keeping our production costs low.



### Complying with regulatory and legal requirements

Our company is subject to numerous laws and regulations across the globe that govern everything from the way we manufacture our products to the work environment we provide our employees. In addition, the way we do business is guided by our code of ethics and corporate values, and monitored through our compliance program.



### **Demonstrating environmental stewardship**

We adhere to good manufacturing practices while keeping a close eye on our environmental impact. We have programs in place to monitor and conserve energy use, reduce waste from operations and offices, increase our recycling efforts and monitor water consumption.



### Continuously improving packaging sustainability

Perrigo considers environmental impact when designing and selecting materials for our packaging. More and more, companies are being asked by customers and consumers to distribute products in more ecofriendly packaging.



### Protecting human rights of our global employees and challenging our partners to do the same

Respecting the human rights of our employees is a core value and one that we expect our business partners to share. This includes fostering an environment where employees can contribute their ideas, ask questions, raise concerns and be respected for their abilities.



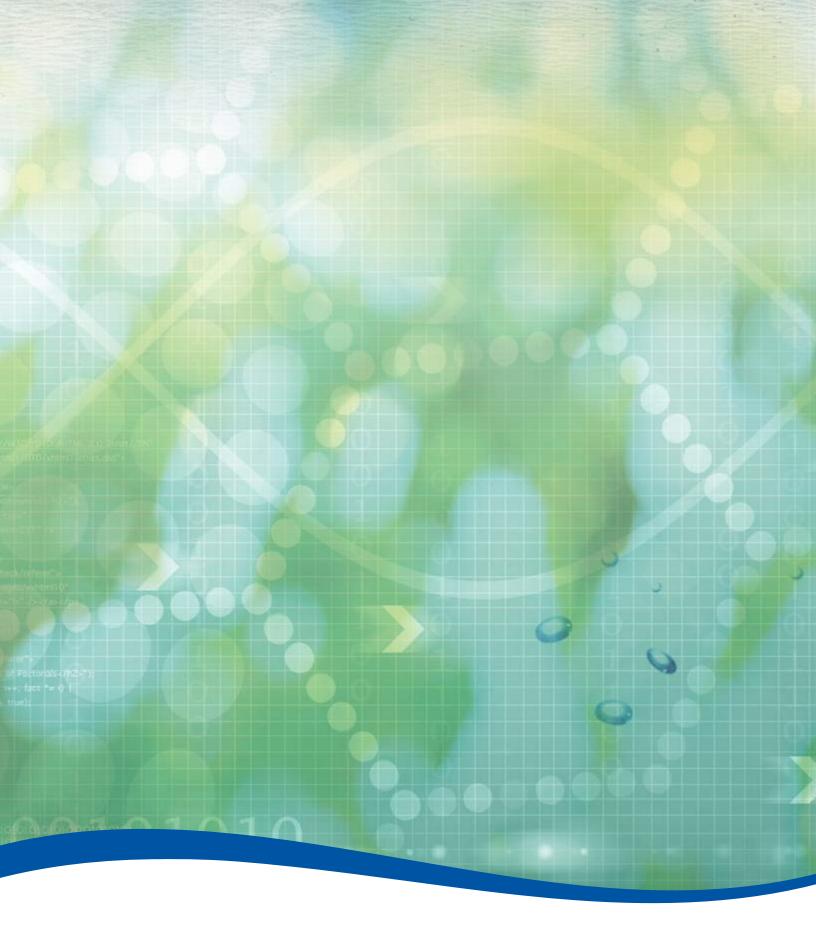
#### Providing a safe and healthy work environment for our employees

Perrigo is committed to fostering an environment that supports employee productivity and protects them on the job. We have a strong culture of safety in all of our operations, and we provide benefits and programs that encourage health and wellness amongst all of our employees.



#### **Establishing effective community partnerships**

We impact the communities in which we operate in many ways, through our charitable donations, volunteering and support of local businesses.





North American Base of Operations 515 Eastern Avenue Allegan, Michigan 49010 (269) 673.8451

Corporate Headquarters Treasury Building Lower Grand Canal Street Dublin 2, Ireland

www.perrigo.com