2017
CORPORATE
RESPONSIBILITY
REPORT











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# A MESSAGE FROM OUR PRESIDENT & CEO

Our mission at West is to contain and deliver injectable therapies that improve patient lives. We realize the important role we play in delivering healthcare to millions of patients across the globe every day. We also appreciate that we have a responsibility to conduct our business in a responsible manner. Caring for our team members and our environment, while nurturing a culture of giving back, has been a defining characteristic of the West culture throughout our longstanding history. West and our team members around the world take this responsibility very seriously and, as a result, give considerable time and resources to these efforts.

Our corporate responsibility journey is ongoing. It started 95 years ago in a small building in Philadelphia, Pennsylvania, when Herman O. West began producing rubber products used in the dental trade. This journey has continued as West has grown into a global company and leader in our industry.

I am proud of the progress we continue to make, although we know there is much more work to be done. We continue to focus on the key areas where we feel we can make the biggest impact — Compliance and Ethics, Philanthropy, Diversity, Health and Safety, Environmental Sustainability and Quality.

We are confident that our efforts in these areas are aligned with what is most important to our business and our stakeholders. We recognize our responsibility to conduct our business in a sustainable manner and remain committed to supporting the local communities in which we live and work.

Sincerely,

Eric M. Green
President & CEO

# OUR CORPORATE RESPONSIBILITY COMMITMENT

As a trusted partner to the world's top pharmaceutical, biotechnology and healthcare companies, West continues our 95-year tradition of working closely by our customers' side to improve patient health around the world. And as a leader in our industry, we recognize our responsibility to conduct business in a sustainable manner and strive to be a good corporate citizen in all we do.

In 2017, our Corporate Responsibility Report outlined our efforts in five key areas of focus – Compliance and Ethics, Philanthropy, Diversity, Health and Safety, and Environmental Sustainability. In this year's report, you will see those areas remain a focus, but we have also added a sixth key area of focus – Quality. This reinforces our commitment to be the industry leader in quality, ensuring that only the highest quality products are delivered to our customers and patients.

I am proud of what we have accomplished so far. As you will see detailed in this report, our 2020 goals for both emissions and water reduction have already been achieved. And although we continue to work towards our goal of zero, we saw our safety metrics at an all-time low since we began measuring them more than a decade ago. In addition, we have seen many great examples of how our team members are committed to giving back to the communities in which they live and work.

More than ever, corporate responsibility is a critical part of West's approach to doing business. I am proud to help lead these efforts, and to work towards building a safe and sustainable world for future generations.

Sincerely,

Steven S. Walton

Vice President, HSE & Sustainability

Steven S. Walter

<sup>\*</sup>The 2017 Global Reporting Initiative Metrics are listed at: http://www.westpharma.com/about-west/corporate-responsibility

# COMMITTED TO QUALITY, COLLABORATION, SERVICE AND INNOVATION

West Pharmaceutical Services, Inc. is a leading global manufacturer in the design and production of technologically advanced, high quality, integrated containment and delivery systems for injectable medicines. We are a trusted partner to the world's top pharmaceutical and biotechnology companies – working by their side to improve patient health.

#### West offers proprietary packaging, containment and drug delivery products such as:

- Stoppers and seals for injectable packaging systems
- Syringe and cartridge components
- Self-injection systems
- Containment and delivery systems

In addition, West Contract Manufacturing offers a powerful combination of innovation, technology, infrastructure and expertise to bring customers quality, safety and reliability in injection molding, contract assembly and finished packaging services.

7,500+
Global team members

28
Manufacturing facilities and over 50 total locations around the world

**1.6B**In 2017 sales (\$US)

~41B

Components manufactured annually

95
Years in business

## COMPLIANCE AND ETHICS

At West, we hold ourselves accountable to the highest standards of quality, integrity and respect – for our team members, customers and the patients whom we ultimately serve. Every West team member is responsible for ensuring that our reputation remains strong, and for fostering a culture in which compliance with the Code of Business Conduct ("Code") and adherence to our core values drives our everyday business activities.

West's Code is the foundation of its Compliance and Ethics Program. Available on <u>WestPharma.com</u>, the Code discusses applicable standards of conduct and key policies and procedures that provide guidance to our team members to conduct our business in a legal and ethical manner in all the markets we serve. West requires all team members to be trained regularly on the Code, as well as on a variety of additional compliance topics.

The Code provides several methods for team members or any member of the public to report ethical concerns.

The Integrity Helpline is available by telephone or online from anywhere in the world and is accessible in multiple languages. Reports may also be submitted to the Compliance and Ethics Office via <a href="Integrity@westpharma.com">Integrity@westpharma.com</a> or directly to the Chief Compliance Officer or the Audit Committee of the Board of Directors. As noted in the Code, team members may also raise their concerns with their managers or a member of Human Resources.

In addition to regular training and exercises to help support and further instill a culture of integrity among our team members, West hosts an annual Compliance and Ethics Week. In 2017, the week was dedicated to the theme of "Accountability in the Digital Age" and focused on the importance of cybersecurity as well as the proper use of both West and personal social media sites. West's President and CEO, Eric Green, kicked off the week-long event, and all sites around the globe worked to host local events on this topic.

West also has in place a Business Partner Code of Conduct ("Business Code"). West sets high standards for conducting business ethically and in compliance with the law, and we expect the same from our business partners. The Business Code guides our business partner selection. It also lays out basic principles and expectations of our business partners relating to topics such as labor and human rights, management systems and ethical business practices, such as responsible sourcing and other important topics.

Our Compliance and Ethics Program is overseen by the Executive Compliance Oversight Committee ("Oversight Committee"), which includes Eric Green and his direct reports. The Oversight Committee meets at least quarterly and provides support and guidance to the Compliance and Ethics Program. In addition, the Chief Compliance Officer provides reports regularly to the Audit Committee of the Board of Directors and to the full Board. The Chief Compliance Officer leverages feedback from both the Board and the Audit Committee to enhance controls.

## OUR 2017 COMPLIANCE & ETHICS WEEK THEME - ACCOUNTABILITY IN THE DIGITAL AGE - FOCUSED ON THE ROLE OUR TEAM MEMBERS PLAY IN CYBERSECURITY



OUR GOAL IS TO MAINTAIN OUR 'CULTURE OF INTEGRITY' BY TAKING STEPS TO HELP ENSURE THAT OUR COMPANY, TEAM MEMBERS AND BUSINESS PARTNERS ARE OPERATING IN A RESPONSIBLE MANNER AND PROACTIVELY ADDRESSING POTENTIAL ISSUES BEFORE THEY ARISE.

- Susan Morris, Chief Compliance Officer



Completion rate for our global 2017 Code of Business Conduct training

99%



#### **PHILANTHROPY**

For many years, West has targeted its philanthropic efforts to support charities focused on children, people with disabilities, healthcare and education, with a focus on STEM (Science, Technology, Engineering & Math) – all within the communities in which our team members live and work. The Company's giving strategy focuses on three elements: Corporate Giving through direct charitable gifts made by West Pharmaceutical Services, Inc.; the Herman O. West Foundation, an independently managed 501(c)(3) entity, which awards scholarships and matching gifts; and West without Borders\*, our team member-led giving program.

One of the highlights of our 2017 team member fundraising efforts was our second annual Global Food Drive. Each year, every West site around the globe collects food that is donated to local food banks and soup kitchens. In 2017, team members collected more than 40,000 pounds of food, a 68% increase from the previous year, resulting in the equivalent of more than 150,000 meals for those in need.

In 2017, Corporate and Foundation giving reached over \$1.8 million, and team member giving totaled nearly \$530,000. Since the inception of West without Borders in 2004, team members have raised millions of dollars for a variety of charities located around the globe through this and other programs.

Another key accomplishment of 2017 was the collective effort to support our team members in Puerto Rico after the island was devastated by Hurricane Maria. Within hours of the disaster, West was working to provide satellite phones for our site in Puerto Rico, enabling our team members to connect with their colleagues, customers and family members. In the first month, an ice maker, washing machine, dryer and shower facilities were purchased and installed in the plant for team members and their families. Because of the devastation to their homes, 100% of our team members in Puerto Rico received an emergency relief grant through West's Employee Relief Fund, and plants from around the world rallied to send more than \$10,000 worth of food and water. In addition, an Amazon site was set up for global team members to purchase much-needed items such as batteries and fans, and West's Corporate Office donated \$20,000 to support the American Red Cross' efforts on the ground in Puerto Rico.

<sup>\*</sup>West without Borders is not affiliated with Doctors Without Borders®, which is a registered service mark of Bureau International de Medecins San Frontieres.

WE HAVE A STRONG CULTURE OF GIVING BACK AT WEST. ACROSS ALL OUR SITES, TEAM MEMBERS WORK TOGETHER TO SUPPORT CHARITIES THAT HAVE SPECIAL MEANING TO THEM IN THEIR LOCAL COMMUNITIES. WE ARE PROUD OF HOW MANY OF OUR TEAM MEMBERS SUPPORT THESE IMPORTANT INITIATIVES, AND THE IMPACT WE ARE MAKING ACROSS THE GLOBE.

- Emily Denney, VP, Global Communications and Corporate Philanthropy



Corporate and foundation giving in 2017

in 2017

\$530,000

Raised by team members in 2017 to support their local communities 40K

Pounds of food donated in 2017 through our second annual Global Food Drive

#### DIVERSITY

At West, we value the broad spectrum of people who make up our Company. We understand it is key to our success and know that a diverse workforce leads to greater innovation, more opportunities, better access to talent and stronger business performance. We encourage a culture of mutual respect, in which everyone understands and values the similarities and differences among our team members, customers, communities and other stakeholders.

The Company prohibits and does not tolerate discrimination or harassment of any team member, customer or service provider because of age, race, color, religion, sex, ancestry, national origin, military service or application, marital status, citizenship status, physical or mental disability, genetic information, sexual orientation, gender identity or expression, or other protected characteristic under federal, state or local law. Discrimination and harassment based on any of these characteristics is a violation of Company policy and is not tolerated.

We conduct specific diversity training and education initiatives throughout the Company — including recognizing diversity awareness months. Diversity of thought and experience is a valuable business driver, so we leverage management practices to help us create a workforce that mirrors our customers and communities.

#### **Our Diversity Mission states:**

We strive to create and maintain a workplace rich with diverse people, talent and ideas in order to deliver on our promise of a healthier world. We are dedicated to building an inclusive workforce and workplace where all team members are respected, can bring their authentic self to work and can achieve their career aspirations.

We are evolving our culture of diversity to support this mission in a variety of ways, including greater awareness, workplace flexibility, team member resource groups and education. For example, we are developing a mentoring program to help ensure our diverse and high-potential talent have mentors who provide personal support to help facilitate their success.

We are proud of the progress we have seen in our WIN - Women Investing and Networking - team member resource group, focused on mentoring, developing and educating women to foster their professional success. Since WIN began at our global headquarters in Exton, Pennsylvania in 2014, we have seen an expansion that includes chapters in Scottsdale, Arizona; Eschweiler, Germany; and Waterford, Ireland. We look forward to continuing this expansion across our global West network.

IN AN INCREASINGLY COMPETITIVE GLOBAL MARKETPLACE, WE CAN ONLY SUCCEED WHEN WE ATTRACT AND RETAIN THE BEST TALENT AND WHEN OUR TEAM MEMBERS REFLECT THE DIVERSITY OF THE COMMUNITIES AND CUSTOMERS WE SERVE.

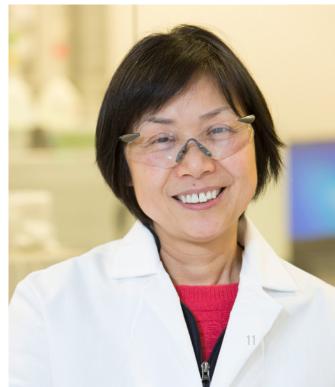
- Sandy Keller, VP, Human Resources



# 130

Senior leaders and 60 HR professionals received diversity and inclusion focused trainings in 2017





#### **HEALTH & SAFETY**

At West, we believe that a healthy and safe workplace is a fundamental right of every person. We take responsibility for maintaining a safe workplace at every site and work hard to minimize the risk of incidents, injuries and exposure to health hazards for all team members, contractors and visitors. It is West's policy to comply with all applicable health and safety laws and regulations, designing and operating our facilities to provide team members with a healthy and safe workplace.

We firmly believe in the importance of cultivating a culture of safety where every team member has a shared responsibility and is engaged in safety. This mindset is led by our President and CEO, Eric Green. At each company-wide meeting, he includes a message about safety, often reciting his commonly used statement, "one incident is one incident too manv."

Each facility at West has a Health and Safety committee, comprised of a variety of team members at the site.

#### The responsibility of each of these committees is to:

- Increase awareness for health & safety
- Identify and track closure of workplace hazards
- Assist in the development of safe work procedures

A culture of safety is evident throughout our sites. Many locations hold an annual Safety Week, to engage our team and help them develop a safety mindset. Safety Week events include health and safety education and training, and often a series of activities, games and contests, all focused around health, safety and accident prevention.

In 2017, West began planning for the roll out of a new Health, Safety and Environment (HSE) Management System, which is designed to establish a global, uniform approach to key areas of HSE, all tied to leading indicators, utilizing proactive activities and controls to help reduce and/or eliminate accidents within operations. This system will include a new HSE tracking software that has the capability of entering specific events (such as incidents, near misses, behavior-based safety observations and environmental activities) in a more efficient and effective way.

WEST JOINED PSCI IN 2017. AN INDUSTRY ORGANIZATION FOCUSED ON **KEY AREAS OF RESPONSIBLE BUSINESS PRACTICES.** 





West's Sri City, India site held a month-long safety campaign, which included a Safety Quote poster competition. The posters were then hung in the cafeteria for all to see.

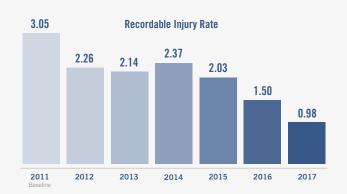
OUR JOURNEY FROM GOOD TO GREAT IN SAFETY MUST INCLUDE EXCELLENCE IN THE HSE PROCESS, WHICH WILL TURN OUR FOCUS ON PROACTIVE ACTIVITIES AND EFFORTS AS MEASURED BY LEADING INDICATORS, RATHER THAN LOOKING BACK AT LAGGING INDICATORS, AND ENSURE WE TAKE ACTION TO PREVENT ACCIDENTS FROM EVER HAPPENING IN THE FIRST PLACE.

- Steve Walton, VP, HSE & Sustainability



In 2017, West began planning for the rollout of a new HSE Management System.

In 2017, West's Qingpu,
China plant was awarded the
"Work Safety Excellence Award"
at the District Work Safety
Conference in Shanghai.





#### **ENVIRONMENTAL SUSTAINABILITY**

As a company dedicated to producing products that improve patient lives and thus a healthier world, West is committed to creating a healthier environment. We strive to be stewards of a sustainable future by factoring environmental considerations into our decision making, from the raw materials we use, to our production and manufacturing techniques and to our packaging and distribution methods. At West, we believe that sustainable practices are directly related to sustainable economic performance and the creation of healthy communities.

There are more than 200 sustainability projects currently underway across the globe at West, with each manufacturing site focusing on approximately 10 - 15 improvement projects. Our Sustainability Program targets reductions in greenhouse gas emissions, waste, energy and water usage, and increased recycling.

In 2017, we saw great progress on the 2020 goals we established around energy, emission and water reduction. We are proud to report that the 2020 goals for both water and emission reduction have been achieved.

We are currently working on enhancing our goals around waste and renewable energy. Through recycling diversion projects, we are working on ways to divert waste from landfill and energy recovery, to more beneficial re-use channels. In addition, we continue to seek new renewable energy procurement opportunities. This effort will enable West to utilize alternative energy sources, helping to reduce our carbon footprint.

In 2017, once again West achieved the Gold Standard from EcoVadis, a leader in supplier sustainability ratings, placing us in the top 5% of reporting companies.

IN 2017, WEST JOINED THE UNITED NATIONS GLOBAL COMPACT (UNGC), UNDERSCORING OUR COMMITMENT TO IMPLEMENTING UNIVERSAL SUSTAINABILITY PRINCIPLES.



AT WEST, WE ARE COMMITTED TO SUPPORTING A HEALTHY PLANET BY USING RESOURCES RESPONSIBLY. WE ARE PROUD TO HAVE ALREADY ACHIEVED OUR 2020 GOALS FOR BOTH WATER AND EMISSION REDUCTION, AND WILL WORK HARD TO CONTINUE IMPROVING NOT ONLY IN THESE AREAS, BUT ALSO IN SEEKING ALTERNATIVE ENERGY SOURCES AND DIVERTING WASTE FROM LANDFILLS.

 George Miller, Sr. VP, General Counse and Secretary

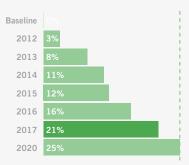
### 15 million

Pounds of waste recycled in 2017

In 2018, we will be implementing a new strategy with an increased focus on renewable energy.

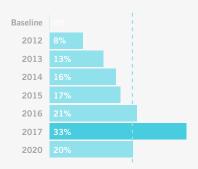
#### 25% Energy Intensity Improvement by 2020





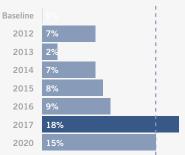
#### 20% Emission Intensity Improvement by 2020





15% Water Intensity Improvement by 2020





#### QUALITY

At West, we are committed to safeguarding the health and safety of patients who use our products and services. We provide high-quality products that are safe and effective for their intended use. Quality product and system controls are designed to ensure compliance with our high standards and applicable cGMPs, ISO standards and regulatory requirements.

We continually work to improve our customer satisfaction and have established metrics to measure our progress.

#### These metrics include:

- · Reduction in quality issues
- Timeliness and quality of response to customers
- On-time delivery
- Reduction of defect rates

West utilizes customer feedback and in-process manufacturing data to improve processes and product performance. As such, the Out-of-Specification (OOS) product quality metric has improved year-over-year to a new low of 7.9 per billion pieces.

Over the past four years, West has been focusing on a Quality Culture that connects all our team members to the patients that ultimately use our products. In 2017, our Patient First Focus themed Global Quality Week campaign invited team members to think about who their patient-first focus is for, and team members named parents, children, relatives and friends. Knowing that the patients we serve could be our own team members, their families or friends puts into perspective how impactful quality is and how imperative it is that we stay focused and deliver. Leadership in Quality is a core value for West and involves every West team member.

Our efforts to improve quality in our products and our culture are paying off. Over the last five years, West product quality has shown steady improvement based on the number of out OOS customer complaints compared to the total number of complaints received as well as to the volume of products shipped to customers. Along with dwindling OOS complaints, 2017 saw significant improvement in the reduction of particulate levels. Particles are a major area of focus for pharmaceutical manufacturers, and therefore a major focus for West. Over the past two years, West has reduced the level of visible particles by 30%.

Quality Culture
Week activities
around the globe
focused on patient
connection stories





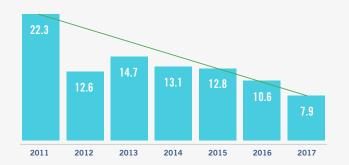


POSTERS IN ALL WEST LOCATIONS
HELP OUR TEAM MEMBERS REMAIN
FOCUSED ON QUALITY

OUR CULTURE OF QUALITY
GOES WELL BEYOND THE
QUALITY FUNCTION. WE
STRIVE TO HAVE OUR
PASSION FOR QUALITY
EVIDENT THROUGHOUT EACH
AREA, FUNCTION AND LEVEL
WITHIN THE COMPANY.

Andy Polywacz, VP, Quality and Regulatory Affairs

Total # Complaints vs. OOS Complaints Per Billion Units



Total # Complaints vs. 00S Complaints Per Month



#### **MATERIALITY**

West and our team members view corporate responsibility as a means to make a positive impact in the communities in which we operate our business. We make this impact by conducting our business in a socially, ethically and environmentally responsible manner that takes into account the activities necessary to sustain our business over the long term.

In order to meet the expectations and requirements of our stakeholders and keep pace with our business priorities, West's materiality assessment process follows the industry standard Global Reporting Initiative guidelines. Our materiality assessment provides us with a clear understanding of the environmental, social and governance issues that matter the most to our business and our stakeholders.

The materiality assessment results can be seen in the chart on the opposite page. The chart features 23 materiality aspects that are categorized into eight focus areas according to internal and external impact.

#### MATERIAL ASPECT\*

- Business Integrity
- Environmental Management
- **Ethics and Compliance**
- Health and Safety
- Human Rights
- Philanthropy
- Sustainable Research and Development
- Waste Management and Recycling

<sup>\*</sup>The chart to the right represents rankings that summarize various material aspects as measured by West, as well as their importance to external stakeholders. Use the color key above to see which material aspect each issue impacts.

#### MAGNITUDE OF IMPACT HIGH INTERNAL **Code of Business Conduct MATERIAL IMPACT Diversity & Equal Opportunity Intellectual Property Harassment of Any Kind Protection of Personal Information Supplier Diversity EXTERNAL** Innovation **MATERIAL IMPACT Product Safety Anti-Corruption Conflict Minerals Design for the Environment** CA Transparency in SC / UK MSA **Green Chemistry** INTERNAL AND EXTERNAL Worker Health & Safety **MATERIAL IMPACT Business Partner Code of Conduct** Waste & Recycling **Energy Management Green House Gas Emissions Management Corporate Giving** Volunteerism **Employee Giving Water Management**

<sup>\*</sup>Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)



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