

# 2016 Corporate Responsibility Report



# 2016 Corporate Responsibility Report

## TABLE OF CONTENTS

- 2 President's Letter
- 3 Our Corporate Responsibility Commitment
- 4 Compliance and Ethics
- 7 Philanthropy
- 8 Diversity
- 11 Health and Safety
- 12 Environmental Sustainability
- 14 Materiality



## A MESSAGE FROM OUR PRESIDENT & CEO

Contributing to a healthier world has always been a core value at West. As a leader in our industry, we know we play an important role in the communities in which we have operations, and that it is our responsibility to both conduct our business with integrity and ensure its long-term sustainability.

In 2016, we took a sequence of strategic steps to strengthen and broaden our corporate responsibility operations, including the formalization of our Global Corporate Responsibility team. In addition, we completed a materiality assessment, which helped us to focus our corporate responsibility activities on those that are most important to our business and our stakeholders. We have outlined our efforts in this inaugural Corporate Responsibility Report.

We are proud of the progress we have made, but we know there is more work to be done. I am confident we will continue to improve our Corporate Responsibility efforts and demonstrate to our stakeholders our long-term commitment to serving as a leader not only in our industry, but also in the communities in which we operate our business.

Sincerely,

A handwritten signature in black ink, appearing to read "E.M. Green". The signature is stylized and fluid.

**Eric M. Green**  
President & CEO

# OUR CORPORATE RESPONSIBILITY COMMITMENT

West's commitment to the communities in which it operates began with the Company's inception. From the very early days, when West was asked to help solve the issue of packaging penicillin for wounded soldiers in World War II, we have had a desire to serve those in need. The H.O. West Foundation, which dates back to 1972, has been dedicated to providing non-profit funding in critical areas of need, and is a good example of our long-standing commitment to the broader community.

Now, as a leader in the healthcare packaging and delivery industry, West is also actively working to address the environmental, economic and social needs of our communities, through our Corporate Responsibility efforts.

**In this Report, we summarize the five key areas of our efforts, which we believe are the most important to our business and our stakeholders. They include:**

- Compliance and Ethics
- Philanthropy
- Diversity
- Health and Safety
- Environmental Sustainability

We also provide on our website\* a detailed comparison of our efforts, measured against the Global Reporting Initiative Index.

Every day, West produces approximately 112 million components and devices that are used to deliver critical injectable medicines to millions of patients across the world. We take this role very seriously and take great care to ensure these products are manufactured with the highest levels of quality possible. We believe that underlying this important role is the way in which we conduct our business. We know we must do so in a way that respects our environment, that keeps our employees safe and treated fairly, and that never underestimates the important role we play in our broader global community. This report endeavors to document this commitment and our desire to continuously improve our efforts now and in the future.

Sincerely,



**Steven G. Walton**

Vice President, HSE & Sustainability

\*The 2016 Global Reporting Initiative Metrics are listed at:  
<http://www.westpharma.com/about-west/corporate-responsibility>



## COMPLIANCE AND ETHICS

We hold ourselves to the highest standards of quality, integrity and respect – for our customers and employees. Together, we work ethically as one team to provide value to our business partners and to ensure the safe and effective administration of lifesaving drugs to patients.

West established its Code of Business Conduct (Code) as the foundation of its Compliance and Ethics Program. Found on the West website, the Code discusses

**Integrity**  
ALL DAY...EVERY DAY

applicable laws, key policies and procedures that guide how we conduct business in a legal and ethical manner in all of the markets we serve. West requires all employees to take annual training on the Code. West also maintains policies and procedures, and requires compliance training of employees throughout the year on discrete topics on a rotating basis. In addition to standards of conduct and training, West provides a reporting mechanism via its Integrity Helpline for employees or any member of the public to report their concerns— anonymously if they choose—24/7. The Helpline is available by telephone or online from anywhere in the world and is accessible in multiple languages.

The Compliance and Ethics Program is overseen by the Executive Compliance Oversight Committee (Oversight Committee), which includes West’s CEO Eric M. Green and his direct reports. The Oversight Committee provides support and guidance to the Compliance and Ethics Program. It ensures program effectiveness, reinforces accountability for ethical business conduct, helps establish best practices, and prioritizes risk areas. In addition, the Chief Compliance Officer provides reports regularly to the Audit Committee of the Board of Directors and periodically to the full Board. The Chief Compliance Officer leverages feedback from both the Board and the Audit Committee to enhance controls consistently on an annual basis.

To further instill a culture of integrity—all day, every day— West hosts an annual Compliance and Ethics Week. All sites throughout the globe participate in activities that build awareness of the program and its attributes. This exercise reinforces not only specific rules and regulations, but also the Company’s overall culture of integrity. West’s CEO consistently kicks off the week, and other executives attend events to help emphasize the activities’ importance.





West

By your side  
for a higher w

West  
PHILADELPHIA  
Dragon Boat Festival

West  
PHILADELPHIA  
Dragon Boat Festival



## PHILANTHROPY

For many years, West has focused its philanthropic efforts on charities that support four core areas: healthcare; education—with a specific focus on science, technology, engineering, and math (STEM); children; and the disabled in the communities in which our employees live and work. Our giving strategy consists of 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 supports a wide range of organizations; and West without Borders\*, our employee-led giving program.

In 2016, corporate and foundation giving reached over \$1.8 million. Employee giving—including funds raised through the West without Borders Campaign—totaled nearly \$600,000. Since the inception of West without Borders in 2004, employees have raised millions of dollars for a variety of charities located around the globe through this and other programs.

A highlight of our 2016 charitable efforts was the inaugural West Food Drive, where each global location was challenged by CEO Eric M. Green to collect five pounds of food per person to help fight hunger around the world. More than 42,000 pounds of food later, employees exceeded his expectations, with 6.2 pounds per person. Teams from India and China led the way, with the Chinese team collecting an average of 27 pounds per person, for a total of more than 6,100 pounds of food. In India, our team of 66 employees collected a staggering 61.64 pounds of food per person.

The food drive is just one example of how West employees regularly come together to give back. Our employees volunteer their time to many charities throughout the globe. To better track and recognize volunteer hours, West is launching a new software program in 2017 to more accurately capture our philanthropic efforts.

## FROM THE VERY EARLY DAYS... WE HAVE HAD A DESIRE TO SERVE THOSE IN NEED.

### Steven G. Walton

Vice President, HSE & Sustainability



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



## DIVERSITY

At West, we recognize and value the spectrum of people who make up our Company. It is a key to our success. We encourage a culture of mutual respect, in which everyone understands and values the similarities and differences among our employees, customers, communities and other stakeholders.

The Company prohibits and does not tolerate discrimination or harassment of any employee, 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 diversity awareness months. Diversity of thought and experience is a valuable business driver, so we leverage management practices to ensure that our workforce mirrors our customers and communities.

Increasing the representation of women at West and strengthening growth opportunities for them remains an important focus of our diversity efforts. In 2014, West began WIN—the Women Investing and Networking group—as an employee resource group focused on mentoring, educating and developing women to foster their professional success. Some of the group's activities have included: networking events in collaboration with the Healthcare Businesswomen's Association, participation in the Pennsylvania Conference for Women, and volunteering opportunities to support women in need in the local area. In 2016, we expanded WIN beyond the Global Headquarters in Exton, to include chapters in Scottsdale, Arizona and Eschweiler, Germany. It is our aim to enhance WIN locally and globally in 2017 and form additional chapters throughout Europe.

To further leverage the good work begun by WIN, we are currently developing a mentoring program with an emphasis on women and minorities. In the years ahead, we will continue to embed diversity awareness into Human Resources processes, tools and employee orientation. We continue to enhance our recruiting efforts to ensure we are actively pursuing the best candidates and talent for the organization, and to ensure we are sourcing well beyond the traditional avenues in order to attract talented and diverse candidates.







# HEALTH AND SAFETY

West complies with all applicable health and safety laws and regulations, designing and operating our facilities to provide employees with a healthy and safe workplace. We also work to ensure that contractors working on West’s behalf perform their services in a manner that is consistent with the Company’s health and safety policy. Our goal is to prevent all workplace injuries and illnesses and to engage every level of our workforce in this pursuit.

## EACH FACILITY AT WEST ESTABLISHED AND MAINTAINS A HEALTH AND SAFETY COMMITTEE.

The responsibility of these committees is to:



Increase Awareness



Facilitate Any Concerns



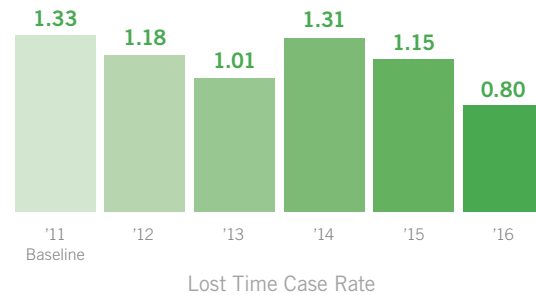
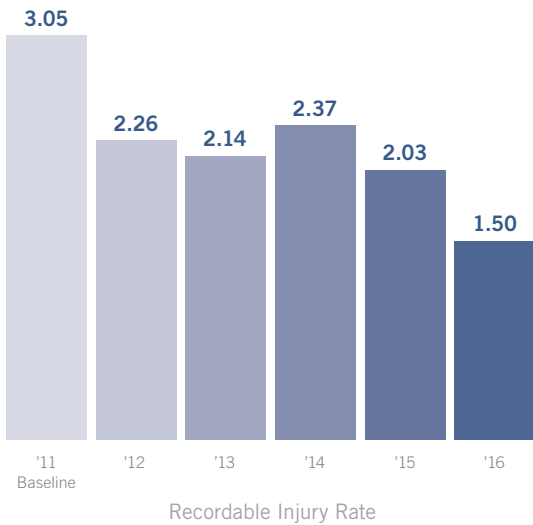
Identify Workplace Hazards



Establish Safe Work Procedures

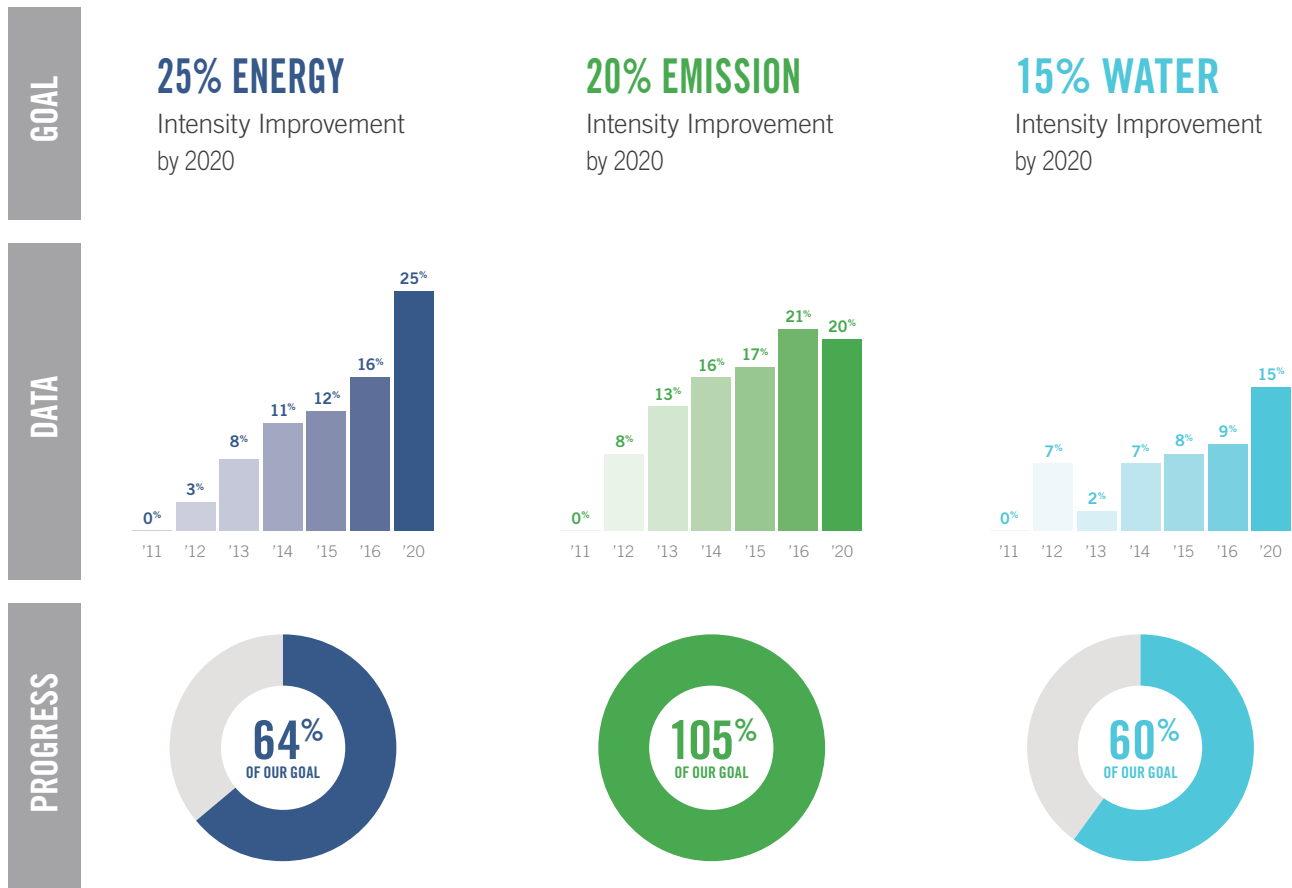
Historically, West has established annual numerical rate reduction goals to decrease and ultimately eliminate incidents in our workplace. In 2017 and beyond, we are enhancing our Health, Safety and Environment (HSE) Management System and associated processes to include both lagging and leading indicators to track and drive the HSE process toward zero incidents.

## A STEADY DECLINE IN RECORDABLE ACCIDENTS



# ENVIRONMENTAL SUSTAINABILITY

Environmental sustainability is a critical concern in today's global landscape. As a company dedicated to producing products to enhance health, West is committed to creating a healthier environment. West strives to reduce adverse environmental impact through more efficient manufacturing processes and by using sustainable Research & Development in the development and enhancement of our products. Our Sustainability Program focuses on reductions in greenhouse gas emissions, waste, energy and water usage, and increased recycling.



## 110+ SUSTAINABILITY PROJECTS GLOBALLY ECOVADIS GOLD STANDARD—TOP 5%

We strive to be stewards of a sustainable future by ensuring that environmental considerations are factored into our decision making, from the raw materials we use to our production and manufacturing techniques, and 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 110 sustainability projects currently underway across the globe.

In 2016, West established goals around energy, emission and water reduction using a 2011 baseline. We are proud to report that the 2020 goal for emission reduction has already been achieved. Development of our waste and recycling strategy began in late 2016 and follows our energy efficiency model.

Recently, West achieved the Gold Standard from EcoVadis, a leader in supplier sustainability ratings. We completed the survey at the request of our customers and are proud to report that the gold ranking places us in the top 5% of reporting companies.





## MATERIALITY

West and our employees 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.

## WEST'S FOCUS\*

- West's 2016 Focus Areas
- West's 2016 Focus Material Aspects
- West's Future Focus Areas
- West's Future Focus Material Aspects

## MATERIAL ASPECT IMPACT

- Internal Impact
- External Impact
- Internal and External Impact

## ENVIRONMENTAL MANAGEMENT

1. Green House Gas Emissions Management
2. Energy Management
3. Water Management

## BUSINESS INTEGRITY

4. Code of Business Conduct
5. Business Partner Code of Conduct

## COMPLIANCE & ETHICS

6. Protection of Personal Information
7. Intellectual Property
8. Conflict Minerals
9. CA Transparency in SC / UK MSA
10. Anti-Corruption
11. Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)

## WASTE MANAGEMENT & RECYCLING

12. Waste & Recycling

## HUMAN RIGHTS

13. Harassment of Any Kind
14. Diversity & Equal Opportunity
15. Supplier Diversity

## PHILANTHROPY

16. Corporate Giving
17. Employee Giving
18. Volunteerism

## SUSTAINABLE R&D

19. Innovation
20. Design for the Environment
21. Product Safety
22. Green Chemistry

## HEALTH & SAFETY

23. Worker Health & Safety



\*The chart above represents rankings that summarize various material aspects as measured by West, as well as their importance to external stakeholders.



West Pharmaceutical Services, Inc.  
530 Herman O. West Drive  
Exton, PA 19341 | USA

West and the Diamond logo is a registered  
trademark of West Pharmaceutical Services,  
Inc. in the United States and other  
jurisdictions.