



**Better Health**  
*for a* **Better World®**

2017 Progress Report  
on Global Social Responsibility



# Mylan by the Numbers

**~35,000**

GLOBAL  
WORKFORCE



**>3,000**

R&D, CLINICAL, MEDICAL  
AND REGULATORY  
PROFESSIONALS



**>7,500** MARKETED  
PRODUCTS



**>165** COUNTRIES AND  
TERRITORIES

**>4,000**

PATENTS FILED GLOBALLY



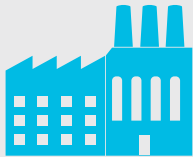
**~1,800**

PRODUCTS PENDING  
APPROVAL



**47**

MANUFACTURING  
FACILITIES



**10**

TECHNOLOGY-FOCUSED  
DEVELOPMENT SITES



**2**

GLOBAL  
R&D CENTERS

**~69B**

DOSES SOLD



**17¢ PER DOSE**

THE AVERAGE SELLING PRICE  
OF OUR MEDICINES IN 2017



**~\$12B**

IN REVENUES



NO SINGLE PRODUCT GENERATES MORE THAN

**~4% OF TOTAL REVENUES**

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**Better  
Health**  
*for a*  
**Better  
World**

## About This Report

We are pleased to provide our 2017 Global Social Responsibility Progress Report. It is intended to give a companywide overview of Mylan's global operations as they relate to various environmental, social and governance (ESG) matters. Content is based on relevant ESG considerations and addresses topics in which our stakeholders have expressed interest.

As detailed within the report, our work in this arena will continue to expand.

## Our Commitment to the U.N. Global Compact

In May 2017, Mylan became a signatory to the United Nations (U.N.) Global Compact.<sup>1</sup> This initiative encourages businesses worldwide to align their operations and strategies with 10 universally accepted principles, and to take action in support of U.N. aims and issues. As a signatory, Mylan is committed to the U.N.'s 10 principles to protect human rights and the environment, ensure ethical labor conditions and corruption-free business practices, and encouraging other companies to do the same. The Compact comprises approximately 9,000 companies that make up the world's largest business community committed to sustainable development. This publication constitutes Mylan's first formal Communication on Progress Report as a company signatory.

### THE 10 PRINCIPLES OF THE U.N. GLOBAL COMPACT

#### Human Rights

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights, and

**Principle 2:** make sure that they are not complicit in human rights abuses.

#### Labor

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,

**Principle 4:** the elimination of all forms of forced and compulsory labor,

**Principle 5:** the effective abolition of child labor, and

**Principle 6:** the elimination of discrimination in respect of employment and occupation.

#### Environment

**Principle 7:** Businesses should support a precautionary approach to environmental challenges,

**Principle 8:** undertake initiatives to promote greater environmental responsibility, and

**Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

#### Anti-corruption

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

<sup>1</sup><https://www.unglobalcompact.org>






# Supporting the Sustainable Development Goals

We support the 17 Sustainable Development Goals (SDGs), which were adopted by the U.N. members states in 2015. These goals cover a broad range of social, environmental and economic development issues, with a specific focus on ending poverty, protecting the planet and ensuring prosperity for all. While governments, the global business community and civil society helped develop the goals, companies are integral to achieving them.

Indeed, the very nature of Mylan's business, how we conduct ourselves and our aspiration to deliver better health for a better world align closely with the SDGs. We have identified nine SDGs as being especially relevant. Throughout this report, we illustrate how we support their achievement.



3 GOOD HEALTH AND WELL-BEING

Mylan's greatest contributions are to goal **No. 3 – good health and well-being for all at all ages**. While impressive progress has been made on many health fronts, far too many people still face barriers to high quality medicine and care. Given our history in the generics industry and our long-standing focus on innovating to expand access, Mylan has a central role to play in addressing unmet health needs.

## The EU Directive on Non-Financial Reporting

Certain Mylan entities<sup>2</sup> are, or may be, subject to statutory sustainability reporting in the European Union (EU) as part of the EU Non-Financial Reporting Directive (EU NFR).

This directive was implemented into national legislation across EU member states, effective Jan. 1, 2018, as part of the EU Commission's goal to establish an overarching and comprehensive EU strategy on sustainable finance. Mylan's 2017 Global Social Responsibility Progress Report, together with Mylan's statutory filings in Greece, Sweden, the Netherlands<sup>3</sup> and the U.S.<sup>4</sup>, is intended to fulfill our applicable reporting requirements per this directive.

## Global Reporting Initiative Standards

We have used selected parts of Global Reporting Initiative (GRI) standards to inform our reporting. This publication references those standards, which offer a framework for companies to publicly report on their economic, environmental and social impacts. Please see the GRI Content Table for more information.



UN GLOBAL COMPACT  
COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Should you have questions or feedback, please contact us at [GSR@Mylan.com](mailto:GSR@Mylan.com).


 = especially relevant to Mylan

<sup>2</sup>Meda AB in Sweden, Generics Pharma Hellas E.P.E. and BGP Pharmaceutical Products Ltd. in Greece  
<sup>3</sup>Mylan 2017 Annual Report on Form 10-K, Mylan N.V.'s 2017 Dutch Board Report and Mylan's 2018 Proxy Statement  
<sup>4</sup>Mylan N.V. 2017 Annual Report on Form 10-K and 2018 Proxy Statement

## A message from Mylan's CEO

Dear Stakeholder,

The opportunity to deliver better health for a better world by providing people access to high quality medicine is an honor and a privilege for Mylan. Consistent with our company's unconventional nature, we don't refer to health in just the traditional sense. Instead, we want to help people everywhere enjoy physical, mental, economic and relational well-being so they can thrive and give back to their communities.

Achieving this goal informs everything we do. It's why we are willing to challenge the status quo. It's why we continue to insist on "doing what's right, not what's easy," our co-founders' mantra. It's why we continue to strive to serve all our stakeholders and have built Mylan to last. Making the world a better place also is why Mylan is stepping up its efforts to reimagine and transform healthcare in ways that we hope will serve generations to come. This report is serving as a roadmap for our work.

For instance, we have been expanding our efforts to analyze Mylan's most relevant ESG practices and data, and better understand our stakeholders' evolving expectations about a broad range of associated topics. Further, to use this knowledge to inform decisions and actions across our organization, we created in 2017 an executive role of head of Global Sustainability. This role is part of my executive governance team. Working in coordination with a multidisciplinary group, this leader is responsible for overseeing the development and execution of Mylan's goals on relevant ESG topics. The function provides an important channel for additional engagement with Mylan's stakeholders.

Mylan also signaled its continued commitment to sustainability by signing on in 2017 to the U.N. Global Compact.



We joined the AMR Industry Alliance and signed the Davos Declaration on AMR; both actions reflect our dedication to the fight against the rise of antimicrobial resistance (AMR). We also made our first submission to CDP, a not-for-profit organization that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

In addition, we entered into a landmark agreement with UNAIDS, the Bill & Melinda Gates Foundation, the Clinton Health Access Initiative and other partners to provide the next-generation single-pill HIV regimen to patients in more than 90 low- and middle-income countries for less than \$75 per person per year. Further, we formalized our commitment to the U.N.'s Every Woman Every Child initiative as part of our participation in the 2017 Family Planning 2020 (FP2020) summit. These and many other examples of our commitment and leadership are included throughout this report.

2017 also presented challenges for our industry and our business. As debates continued around the globe about prescription-drug prices and the growing devastation caused by opioid addiction, particularly in the U.S., we considered our role and how we can help address these issues in ways that best reflect our mission.

Additionally, our rapidly evolving industry, as well as the need to maintain our diversified, durable and access-focused

business model, continue to challenge us to provide an efficient and effective ONE Mylan organization. Consistently adapting our operations is essential if we are to remain competitive in today's global marketplace.

As always, Mylan learns from our experiences. Clearer than ever, for instance, is the importance of proactively engaging with our various stakeholders. We recognize the need to help others understand our story of commitment to access and to hear their perspectives on how we can continue to learn and grow. That's why stakeholder engagement is among my priorities for 2018. Another priority is to demonstrate, through our actions, Mylan's ongoing support for the U.N. Global Compact and its 10 principles.

The bottom line is that serving our stakeholders is Mylan's business. Their trust and support are essential to our success and ability to deliver better health for a better world. On behalf of the company's board of directors and senior leadership team, I'd like to thank everyone – and particularly Mylan's workforce – for sharing our commitment to constructive change, to excellence and to the incredible potential that only cooperation and inspiration across borders, cultures and individual differences can realize.

  
Heather Bresch

# 1

## About Mylan



Mylan is a global pharmaceutical company committed to setting new standards in healthcare and providing 7 billion people access to high quality medicine. We offer a growing portfolio of more than 7,500 products, including prescription generic, branded generic and brand-name drugs and over-the-counter (OTC) remedies. We market our products in more than 165 countries and territories. Every member of our approximately 35,000-strong workforce is dedicated to creating better health for a better world.

Mylan's mission is grounded in our belief that every person matters and should have the opportunity to live the healthiest life possible. We've built our business model consistent with this belief. Through it, we are impacting people around the world with each passing year. In 2017, for instance, **the selling price of our medicines, on average, was just 17 cents per dose.**

Further, we recognize that through our work, we can help advance society's broader goals. We therefore appreciate the importance of considering the needs of future generations and promoting development that protects and serves their interests. This understanding informs Mylan's vision for global social responsibility. It also motivates us to make sustainability – in the broadest sense – a priority in everything we do.

### Our Mission

At Mylan, we are committed to setting new standards in healthcare. Working together around the world to provide 7 billion people access to high quality medicine, we:

- ▶ Innovate to satisfy unmet needs;
- ▶ Make reliability and service excellence a habit;
- ▶ Do what's right, not what's easy; and
- ▶ Impact the future through passionate global leadership.



## Our Vision for Global Social Responsibility

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Global social responsibility is intrinsically woven within Mylan's commitment to achieve our mission and deliver better health for a better world. It is what drives our enduring passion to improve access and serve unmet needs across all geographies, while respecting the environment and positively impacting our stakeholders.



## Our Culture

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### Passionate

We're constantly sparked by the urge to make a difference.

### Committed

We do what's right, not what's easy.

### Relentless

We'll each do our part every day to provide 7 billion people access to the medicine they deserve.

### Unconventional

In a world full of watchers, we're doers. And together we can do anything.



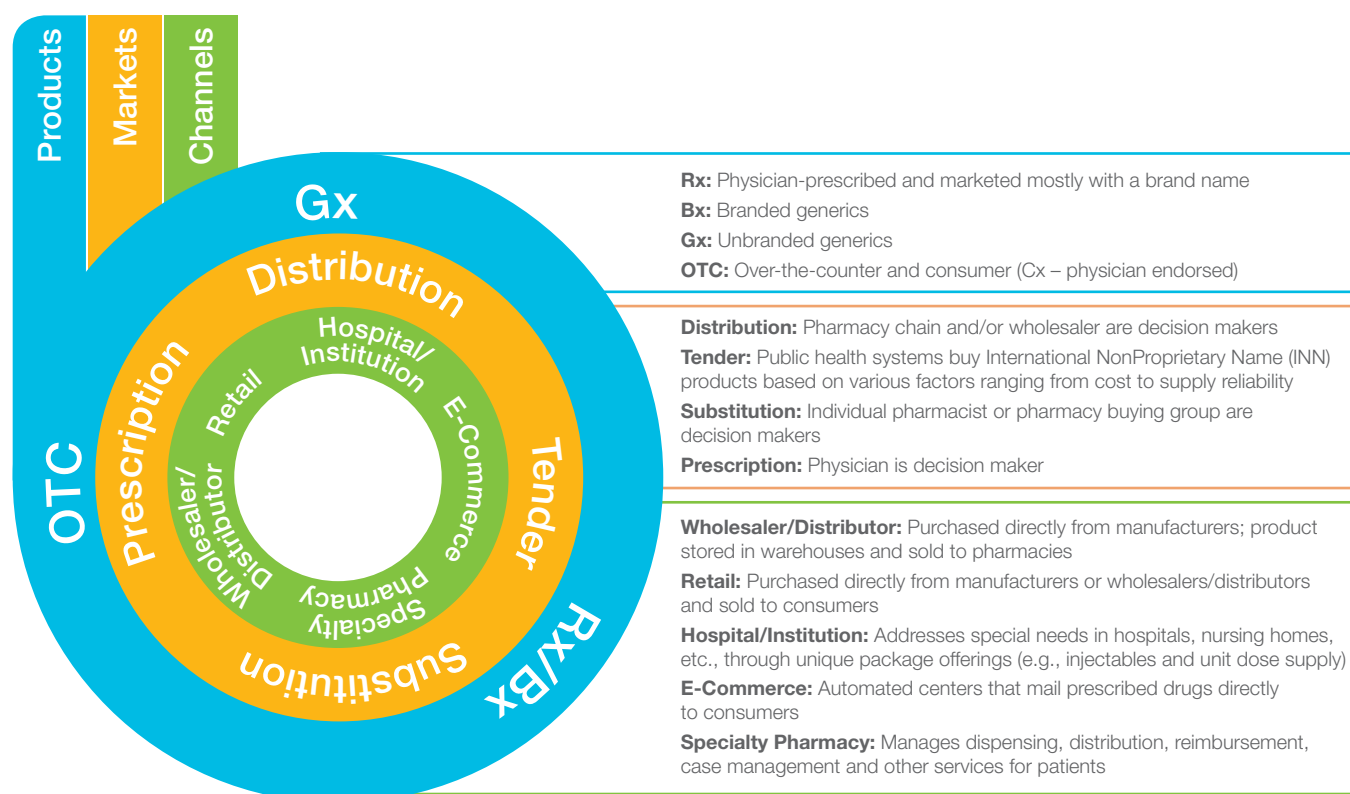
# The Pharmaceutical Industry

Pharmaceuticals have long played an indispensable role in delivering better health around the world. They have virtually eliminated certain diseases, such as smallpox, that once killed tens of millions of people and have drastically reduced the number of deaths caused by other illnesses, such as influenza. More recently, pharmaceutical products have helped people with conditions such as cardiovascular disease, mental health and respiratory disorders, to name but a few, regain control of their lives. Today's wellness and lifestyle medicines offer opportunities to make everyone's journey healthier and more enjoyable.

Pharmaceutical products also help reduce the cost burden borne by individuals and society as a whole that results from sickness or injury. They do so by helping people avoid surgery and other expensive medical procedures. Moreover, by keeping people functional, medicines help keep them productive.

For all these reasons, it's important that the industry itself be healthy. The key to that, quite simply, is to make sure that innovation and competition both can flourish.

That said, the pharmaceutical industry is large and complex. How it functions, how it's regulated and how it provides patients access varies by location. In addition, the industry and the broader healthcare system are constantly evolving, and at paces that vary from place to place.



To help provide clarity, we have illustrated important industry characteristics, which center around product types; kinds of markets, which are a function of who makes key decisions around pharmaceutical prescribing, dispensing or buying; and channels, through which our products make their way to patients.

Just as wide-ranging are the types of companies operating within the industry. Historically, drugmakers focused either on developing new prescription products or on manufacturing generics, though many firms today do both.

Those focused on new products develop drugs that are sufficiently novel as to be protected by patents or other forms of exclusivity. As such, these drugs, which bear trade names, may be produced and sold only by those owning the rights, subject to certain available challenges. Developing new medicines takes years and significant investment. Only a few promising therapies ever enter clinical trials. Fewer still are approved for sale by health authorities, at which point marketing to healthcare providers (HCPs) and consumers begins.

Because patents and exclusivities last many years, they serve as an incentive to developers. During the periods protected, developers recoup their investments and earn a profit, typically by charging premium prices that reflect the benefits of their innovation. In many high-income countries, the brand business often is characterized by higher margins on lower volumes – especially when compared with generic manufacturers.

## SUBSTITUTION

Many countries allow generic drugs to be substituted for brand-name medications.

But first, the two products must be proven to be therapeutically equivalent. To determine whether a generic product meets this standard, health authorities require evidence from an extensive series of studies.

The generic's maker compiles and submits the associated data, which typically includes a thorough scientific evaluation of both pharmaceutical equivalence and bioequivalence.

Pharmaceutical equivalence means that the generic and brand-name products are the same in terms of active ingredient, dosage form, dosage strength and route of administration. The generic drug also must be the same as the branded drug with respect to quality, purity, identity and potency.

Bioequivalence refers to how the drug is absorbed and distributed after it is taken by mouth, injected, infused, inhaled or otherwise administered. A generic drug and a branded medication are considered bioequivalent when there is no significant difference between the products in the speed and extent of delivery of the active ingredient to its site of action in the body.

When a generic medication meets these stringent requirements, it is considered therapeutically equivalent to the branded drug. This means the two medications would be expected to have the same clinical safety and efficacy, and that physicians, pharmacists and patients can substitute the generic for the branded product with confidence.

Generic drugmakers are held to the same standards of good manufacturing practices (GMP) by health authorities as brand drugmakers.

Generic pharmaceuticals are therapeutically equivalent versions of brand-name medicines. They generally become available once the patents and other exclusivities on their branded counterparts expire.

Generic drugmakers also invest significant sums in R&D and in manufacturing capacity. They also often incur substantial litigation expense as a result of challenging unwarranted brand patents or exclusivities. But because generics developers are not required to reproduce expensive clinical trials and seldom engage in product promotion, generic drugs typically cost far less than brand-name drugs. The generics business is characterized by lower margins on higher volumes, as most generic drugmakers offer a relatively large number of products.

Although generics companies have long been considered the industry's advocates for access, they also play substantial roles as innovators, in areas ranging from dosage forms to packaging.



Drugmakers also often contract with other, more specialized organizations for various products or services. Examples include producers of bulk compounds and chemicals used in producing drugs; biotechnology firms, which specialize in promising biological products; drug-delivery system suppliers; and packaging vendors.

Regardless of their heritage, all pharmaceutical companies – and the patients who ultimately depend on them – benefit when robust competition fuels innovation. Doing so means acknowledging each company's respective contributions and balancing their interests to preserve the industry's viability. Balance provides all participants with the opportunity to generate a reasonable profit and incentive to reinvest proceeds and grow in a sustainable manner. How individual companies approach that opportunity is defined by their choice of business model.

Mylan's model, discussed next, takes into account all aspects of the industry. It is built to allow the company to last and to holistically provide better health for a better world.



# Mylan's Business Model

Mylan was founded in 1961 by two Army veterans who saw an opportunity to help people in rural communities in the U.S. state of West Virginia obtain quality affordable medicines. Originally a distributor of other firms' products, we grew over time into one of the nation's largest manufacturers of generic drugs.

Approximately 10 years ago, however, we saw that the industry was changing dramatically. Competition was intensifying. Customers were merging. Traditional lines between brand and generics companies were blurring. Advances in science were creating opportunities that would reward wise investment. Meanwhile, burdens on the world's healthcare systems continued to grow.

In response, Mylan embarked on a journey to navigate through all these changes and build the company so it could last for decades to come. We sought to create a durable business model within the industry, one that would responsibly harness the power of competition to drive innovations that would lead to universal access to medicine.

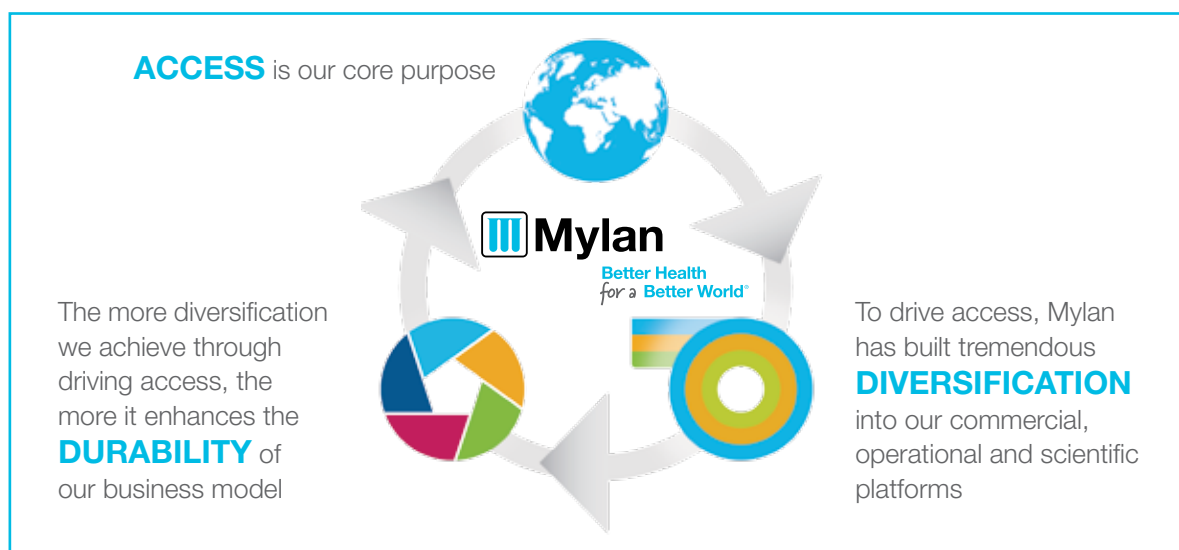
Our strategy involved globalizing; creating scale in R&D, active pharmaceutical ingredients (API) production and finished dosage form manufacturing; diversifying by product type, therapeutic area, dosage form and channel; upholding our historic commitment to quality; and managing for the long-term.



## Our Business Model

Providing universal access to medicine is the core purpose of our model, pictured below.

To provide access, we must be able to satisfy the needs of an incredibly diversified global marketplace whose economic and political systems, approaches to delivering and paying for healthcare, languages and traditions, and customer and patient requirements vary by location and over time.



It is with these considerations in mind that we built and scaled our commercial, operational and scientific platforms to meet the evolving needs of customers in ways that are globally consistent and locally sensitive. As a result, Mylan now reaches patients in more than 165 countries with a broad range of brand-name, generic, branded generic and OTC products.

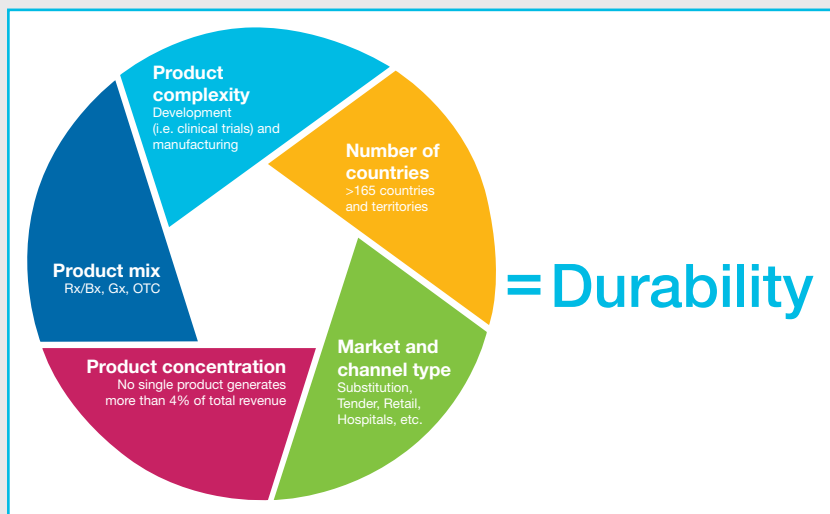
As important, with each additional patient we reach, our diversification grows, further reinforcing our business model's durability.

In addition, durability means that Mylan's shareholders and other stakeholders can expect us to continue to "do good" by expanding access to medicine, and "do well" by generating consistent financial results, including reliable cash flows capable of supporting ongoing investments in long-term growth. These efforts differentiate and underscore the strength of Mylan's business model.

## Our Value Chain

Mylan delivers value by focusing on the activities listed at right, some of which are conducted in partnership with other organizations. While each activity represents a major contribution individually, taken together they represent one of the industry's most diversified and durable platforms.

To carry out these activities, we have structured our company to help us consistently deliver operational, commercial and enterprise excellence. We achieve this by applying the advantages of scale, diversification and expertise in a variety of crucial disciplines – as well as through a culture dedicated to continuous learning and performance.



### Access

- Deliver on our mission to provide medicine to the world's 7 billion people
- Set new standards in healthcare
- Provide passionate global leadership
- Launch products in markets where they previously weren't accessible
- Serve all markets (low-, middle- and high-income countries)

### Diversification

- Invest in R&D across commodity, complex and biosimilar products
- Optimize broad range of manufacturing capabilities and operational expertise
- Leverage scale across Rx/Bx, Gx, OTC
- Deliver strong product and revenue mix across segments
- Focus efforts to expand patient access across 10 major therapeutic franchises

### Durability

- Live commitment to quality and safety
- Diversify revenue streams – no single product generates more than 4% of total revenue
- Develop and launch complex products
- Execute on strong scientific, regulatory, clinical, medical and legal intellectual-property capabilities
- Leverage sites with proximity to key markets
- Capitalize on vertically integrated portfolio

## Our Impact

**Better Health  
for a Better World**

Operationally, for instance, we have chosen to vertically integrate much of our manufacturing activity. This means producing a majority of our own APIs and finished dosage forms. This approach affords us control over the cost and quality of what we make, which benefits our patients and customers. As for R&D, we focus our investments on bringing new or improved products to market, particularly those for which patient demand is very strong and growing. Good examples are biosimilars and medicines used to address needs often not served by others, such as providing antiretrovirals (ARV) to treat HIV/AIDS in sub-Saharan Africa.

Commercially, we strive to deliver all of Mylan – ONE Mylan – to our customers, in effect, offering them the convenience of a one-stop shop. Achieving this is far easier said than done given the different types of products, markets and channels around the world, as well as customers' varying needs.

To best meet those needs, Mylan manages its business through geographic segments: North America, Europe and Rest of World.

Enterprise excellence focuses on leveraging skills that benefit not only our entire organization, but in some cases, our entire industry. Consider our Global Policy and Government Relations team. Its members engage with regulators, policymakers and legislators to help shape how the industry operates and serves patients. As one example, the team was instrumental in developing a U.S. law, passed in 2012, designed to help improve drug safety globally.

## Our Impact

The results of our transformation to date have been telling. We have consistently been able to overcome periods of intense competition, relentless consolidation, unpredictable regulatory environments and substantial economic fluctuations. We are pushing the frontiers of medicine, with 20 biosimilar and insulin analog products on the market around the world or in development. We have reduced our business risks by eliminating dependence on any one geography or product. Now more durable and flexible, we're able to matter even more to a customer base increasingly dominated by a small number of very large firms.

Moreover, standing still never has been an option for us. We continually look to bring into Mylan's platform additional capabilities we can build upon. When acquiring businesses, people always are our top consideration; we strive to ensure good cultural fit and retain talent. We also take the time to fully integrate the acquired organizations' operations. We believe these practices differentiate Mylan.

As important, by staying true to our mission, we have been able to benefit our many stakeholders, especially patients, as we expand the world's access to thousands of affordable medications. In addition, we've provided meaningful careers for employees, generated outstanding returns for shareholders and outperformed peers.

We've also set our sights on doing our part to help build or transform healthcare systems, guided by our view that keeping people healthy is as important as treating them when they're sick. We believe doing so will have a lasting impact on society.

Choosing paths less traveled while staying focused on our mission has always been what sets Mylan apart. In the chapters that follow, we show progress we're making towards our goal of delivering better health for a better world. Although we have accomplished a great deal, there is much left to do. We look forward to continuing the journey.

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Commercially, we strive to deliver all of Mylan – ONE Mylan – to our customers, in effect, offering them the convenience of a one-stop shop.

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# 2

## Better Patient Health



We believe everyone deserves the opportunity to live a healthy life. That's why our business is predicated on providing patients everywhere with access to a sustainable supply of high quality medicines.

### Serving Patients Globally

Impressive advances have been made on many health fronts around the globe, but inequalities in access to healthcare within and across countries remain a challenge. People around the world continue to lose their lives to treatable diseases, while the burden imposed by chronic conditions is increasing. This challenge is particularly true in low- and middle-income countries. Our aspiration to help deliver better health for a better world acknowledges our desire and commitment to help patients everywhere. In fact, our ongoing efforts to strive to provide people in all countries with high quality products often sets Mylan apart. Key among these efforts are investing in innovation, expanding patient access and addressing unmet needs.

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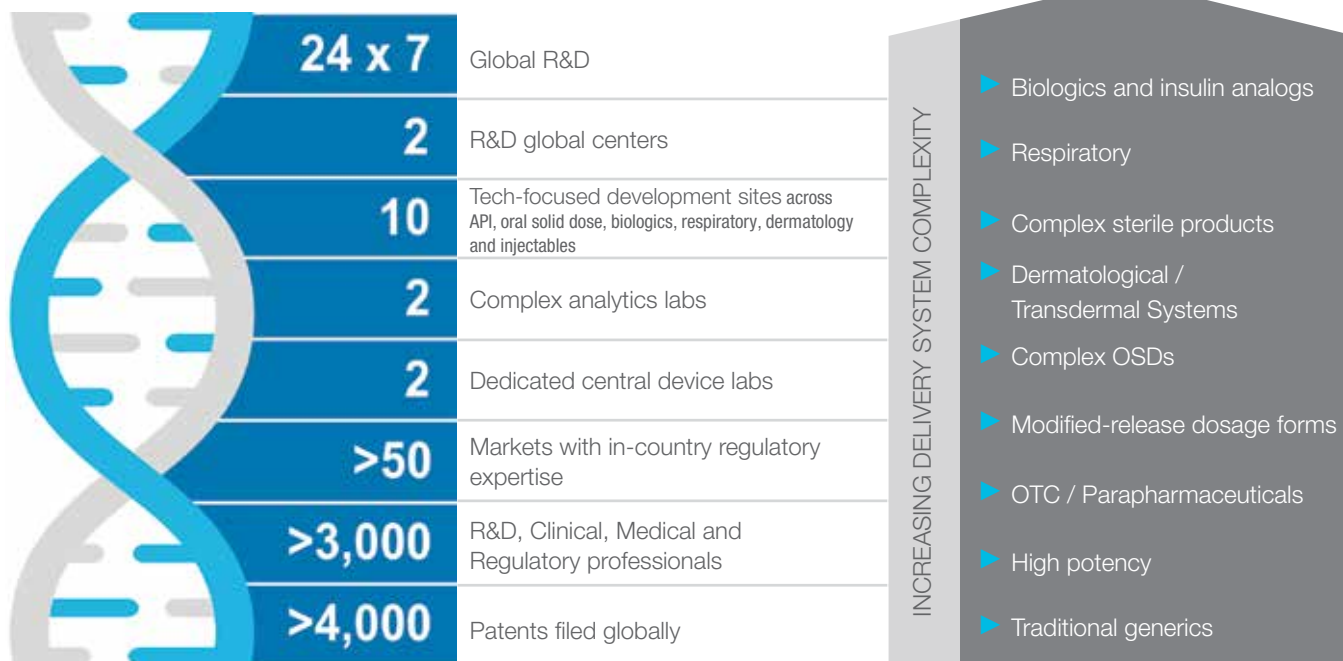
In 2017 Mylan made more than **500 submissions across 70+ countries**, and we received approximately 800 product approvals globally. We expanded our portfolio in all major therapeutic areas.

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## Investing in Innovation

Innovation has fueled Mylan's success for nearly 60 years and will continue to do so well into the future. More than 3,000 members of our workforce are dedicated to research and development, clinical, medical and regulatory professions. We have two global R&D centers, in the U.S. and India, and 10 technology-focused R&D sites across the U.S., India, Japan and Europe. From 2013-2017, Mylan invested more than \$3 billion in cumulative R&D spend<sup>5</sup>.

Innovation is not just about introducing novel products. It's also about improving existing ones. We invest in manufacturing and distribution capacity to make more products available to more patients across more countries using the most efficient processes possible.



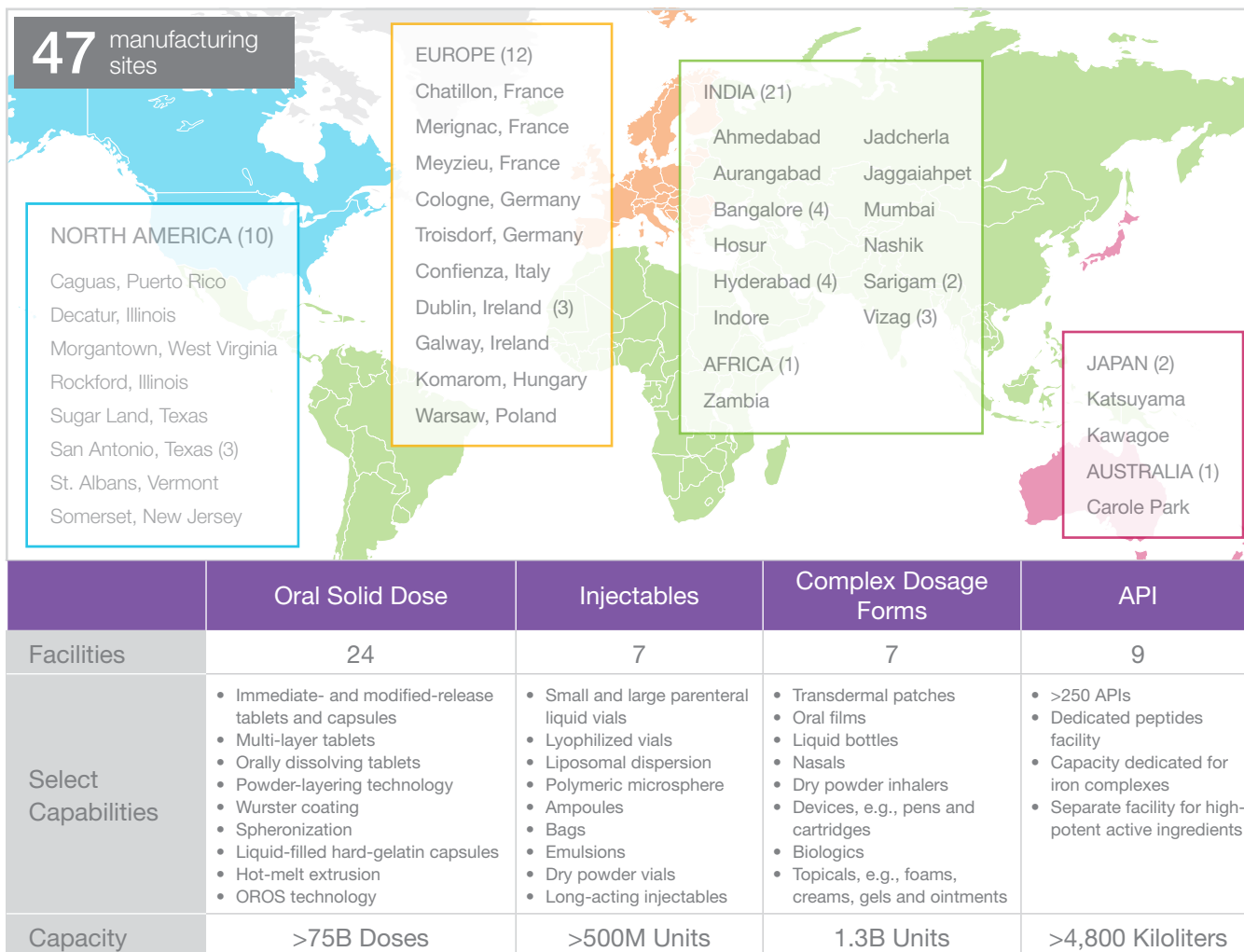
<sup>5</sup>Cumulative spend refers to adjusted R&D. Adjusted metrics are non-GAAP financial measures. Please see appendix or [investor.Mylan.com](http://investor.Mylan.com) for the most directly comparable U.S. GAAP financial measures as well as reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measure.



## Expanding Patient Access

### DIFFERENTIATED GLOBAL MANUFACTURING NETWORK

Helping patients have greater access to the medicines they need is a key priority for Mylan. Our diverse manufacturing capabilities and global operating platform – with strategic proximity to local markets – support this goal.



### DIVERSE PRODUCT PORTFOLIO

Expanding Mylan's footprint into new markets and introducing more products into our pipeline each year is yet another way we support our mission. In 2017 we continued our extension into new geographies such as China, Russia, Turkey, Mexico, Brazil and countries in Southeast Asia and the Middle East. We also enhanced our position as a provider of OTC medicines. Further, we have more than 1,000 projects in our product pipeline across our regions.

North America	Europe	Emerging Markets	Japan, Australia and New Zealand
<ul style="list-style-type: none"> <li>▶ 359 products in pipeline<sup>6</sup></li> <li>▶ 267 products pending approval<sup>7</sup></li> </ul>	<ul style="list-style-type: none"> <li>▶ 174 products in pipeline</li> <li>▶ 528 products pending approval</li> </ul>	<ul style="list-style-type: none"> <li>▶ 310 products in pipeline</li> <li>▶ 947 products pending approval</li> </ul>	<ul style="list-style-type: none"> <li>▶ 181 products in pipeline</li> <li>▶ 41 products pending approval</li> </ul>

<sup>6</sup>Product pipeline is molecule plus form, independent of market. Data as of March 1, 2018.

<sup>7</sup>Products pending approval is molecule plus form plus country. Data as of March 1, 2018.













# Addressing Unmet Needs

Over the past few years, Mylan has organized its products and services into 10 major therapeutic areas, helping us better focus on patients’ needs by providing prescription generic, branded generic and brand-name drugs and OTC remedies where they are needed most. This structure helps us look at healthcare holistically and challenges us to provide access throughout patients’ lives.

We’ve also provided support to patient-advocacy organizations across these areas. In 2017 we helped organizations develop disease-related information that was shared across various platforms, including podcasts, webinars, radio programs, community events, regional summits, roundtables and national forums.

In the pages that follow, we highlight examples of Mylan’s impact in selected therapeutic areas and discuss the company’s commitment to maintaining quality in everything we do.

MYLAN'S MAJOR THERAPEUTIC AREAS*					
					
Products	Cardiovascular	CNS & Anesthesia	Dermatology	Diabetes & Metabolism	Gastroenterology
Current	1,250	2,000	400	400	700
Pipeline	200	400	50	200	100
					
Products	Immunology	Infectious Disease	Oncology	Respiratory & Allergy	Women's Health
Current	60	800	350	700	500
Pipeline	30	700	400	150	150
*Product defined by product/dosage form/country. "All Other Franchise" not shown. Current products taken from internal data and rounded.					
<div> <div> <div>&gt;7,500</div> <div>Products</div> </div> <div>&gt;&gt;</div> <div> <div>&gt;2,500</div> <div>Products in Pipeline</div> </div> <div>&gt;&gt;</div> <div> <div>Across many growing franchises, geographies and businesses</div> </div> </div>					





## Stemming the Tide of HIV/AIDS

Mylan's commitment to fighting HIV/AIDS is an integral part of our mission and business. In fact, 50% of our API manufacturing capacity is dedicated to ARVs, which we sell in more than 100 countries. More than 40% of the nearly 21 million HIV+ patients being treated today – and 60% of the world's HIV+ children – depend on one of our products.

Mylan has made tremendous strides over the years in stemming the tide of HIV in low- and middle-income countries. We now are bringing our expertise to help people elsewhere. In Europe, for instance, generic ARVs are among the key drivers of our growth. In the U.S., Mylan recently launched Symfi Lo™, Symfi™ and Cimduo™, novel combinations that are empowering patients to choose the lower-cost ARV treatment option that is right for them.

In 2017 we maintained our position as the world's largest producer by volume of ARVs. Our launches during 2017 included:

- ▶ Tenofovir Disoproxil Fumarate, Lamivudine and Dolutegravir (TLD) and Tenofovir Disoproxil Fumarate, Lamivudine and low-dose Efavirenz (TLE400)<sup>8</sup> in low- and middle-income countries. In 2016 the World Health Organization (WHO) recommended both TLE400 and TLD as alternatives for first-line therapy for adults living with HIV.<sup>9</sup>
- ▶ HIV self-tests in Romania and Italy; and
- ▶ the first generic version of Truvada® in France and Ireland, the only combination prophylactic drug approved for HIV.

We also applied for WHO Prequalification (PQ) status on Lopinavir/Ritonavir (LPV/r) granules, a novel product used for treating HIV in children.

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**Mylan has invested more than \$250 million to expand our ARV production capacity. We produced 4 billion ARV tablets and capsules in 2017 alone.**

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<sup>8</sup><https://www.fda.gov/InternationalPrograms/PEPFAR/ucm119231.htm>

<sup>9</sup><http://www.who.int/hiv/pub/arv/arv-2016/en/>



## New Medicine Formulation for Children With HIV

Children sometimes have difficulty swallowing tablets and capsules; that's why their medicines often take the form of syrups and liquids. However, these forms often present storage and transportation challenges and sometimes require refrigeration. In response, Mylan developed a heat-stable dispersible tablet of an important first-line combination therapy that dissolves into a child's drink. For another product that also required refrigeration and had a bitter taste, Mylan scientists developed a heat-stable, sweet-tasting formulation that can be mixed into a child's food, increasing ease of administration and the likelihood of drug adherence.



Our ARV portfolio is a demonstration of the relationship between equitable pricing and access. Mylan uses an equitable-pricing approach with international donors, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria; the Pan American Health Organization; and the President's Emergency Plan for AIDS Relief, or PEPFAR.

## NEXT-GENERATION TREATMENT NOW AVAILABLE IN LOW-AND MIDDLE-INCOME COUNTRIES

On Sept. 21, 2017, at the U.N., Mylan announced its next step in the fight against the HIV epidemic. Together with partners such as the Clinton Health Access Initiative, UNAIDS, the Bill & Melinda Gates Foundation and the U.K.'s Department for International Development, Mylan entered into a unique public/private partnership to accelerate the availability of a next-generation ARV treatment, TLD, to patients in more than 90 low- and middle-income countries.

As part of this alliance, Mylan committed to selling this product (a combination tablet, taken once daily, of the three molecules Dolutegravir, Lamivudine and Tenofovir Disoproxil Fumarate) to public-sector purchasers at about \$75 per person per year.<sup>10</sup> This initiative supports SDG No. 3 and marks the first time the best-available one-pill, once-daily regimen is available for a price lower than the most commonly used regimen. The low cost means that governments can address two often-conflicting priorities at once: providing better treatment options for patients while reducing overall treatment cost.<sup>11</sup>

## SUPPORTING EARLY DIAGNOSIS AND PREVENTION OF HIV

Additionally, we understand the importance of access and support. Some 2017 highlights:

- ▶ We were a founding member of the global consortium OPTIMIZE<sup>12</sup>, which is dedicated to accelerating access and improving treatment outcomes for patients living with HIV in low- and middle-income countries.
- ▶ Mylan worked with governments and other key stakeholders to increase access to our Pre-Exposure Prophylaxis (PrEP) regimen and offer it at a lower price. This regimen is a preventive measure for people who do not have HIV, but who are at substantial risk for contracting it. In Poland, we partnered with the Polish AIDS Society and the HIV Association to create PrEP administration guidelines in eight medical centers.
- ▶ We provided funding to St. Stephens AIDS Trust to conduct a pharmacokinetic study of 400mg Efavirenz in HIV+ women being treated during pregnancy. The study is critical to filling clinical data gaps and identifying potential opportunities to address HIV/AIDS risk in pregnant women.

We now are seeking to bring our ARV portfolio to the U.S., where we recently launched three new, low-cost HIV products with list prices significantly lower than the nearest competitors.



It is estimated that only 70% of people living with HIV know their HIV status. Countries are looking for ways to rapidly increase access to and use of HIV testing services. One approach is HIV self-testing, which allows someone to perform a diagnostic test and interpret the results in private.

Mylan offers self-tests in France, Italy, Romania and Spain.

<sup>10</sup>[https://msfaccess.org/sites/default/files/HIV\\_Brief\\_SpotlightOnAccessGaps\\_ENG\\_2017.pdf](https://msfaccess.org/sites/default/files/HIV_Brief_SpotlightOnAccessGaps_ENG_2017.pdf)

<sup>11</sup><https://clintonhealthaccess.org/landmark-drug-deal-will-reduce-side-effects-help-people-living-hiv-stay-treatment/>

<sup>12</sup><https://optimize.icap.columbia.edu/>







## Applying Our Success in Fighting HIV/AIDS to Other Infectious Diseases

### HEPATITIS C

We are building a robust portfolio of hepatitis C (HCV) drugs based on knowledge and experience derived from our HIV/AIDS work. In 2017 Mylan had active/pending registrations in approximately 50 countries.

Lack of a proper diagnosis remains a hurdle to timely treatment of HCV. Mylan actively supports screening programs in Mongolia and Egypt to identify patients with the disease and place them on life-saving therapy. In Asian and African countries, we assembled an advisory board to help develop and publish guidelines for managing HCV in resource-limited settings. Looking ahead, we will launch Sofosbuvir+Velpatasvir in low- and middle-income countries; this panuniversal regimen can be used for noncirrhotic and cirrhotic patients.



### MYLAN LAUNCHES FIRST DRUG IN EIGHT YEARS FOR MANAGEMENT OF CHRONIC HEPATITIS B

Mylan India launched 25mg HepBest™ in December 2017, the first drug approved in eight years for the management of chronic hepatitis B (HBV). Formulated for adults, this 25mg tablet of the drug Tenofovir Alafenamide (TAF) is taken once a day.

In 2014 Mylan signed an agreement with Gilead to enhance access to TAF-based HIV treatments in developing countries. As part of the licensing agreement, on U.S. Food and Drug Administration (FDA) approval, Mylan received a technology transfer from Gilead, enabling it to manufacture low-cost versions of TAF, both as a single agent and in approved combinations containing TAF for developing markets. Monotherapy with TAF has demonstrated non-inferiority to TDF with an enhanced safety profile in chronic HBV.

### TUBERCULOSIS

There also are large inequities when it comes to accurately diagnosing and treating tuberculosis (TB). The emergence of drug-resistant TB requires lengthy treatments with toxic drugs that are less effective than the primary treatment. In 2017 Mylan entered into a license agreement with Otsuka Pharmaceuticals to commercialize Delamanid (Delyba®), a novel drug used to treat pulmonary multi-drug resistant tuberculosis (MDR-TB) in low- and middle-income countries. The agreement is expected to increase access for patients in high-burden countries.

### MALARIA

We continue to look for opportunities to expand access and affordability of anti-malarials, especially in low- and middle-income countries. Mylan was the first manufacturer to receive WHO PQ for a higher-strength dose of Artemether Lumefantrine (40mg/240mg). It reduces the number of tablets required by 50% and may improve patient adherence, which may impact health outcomes.

#### 2017 Hepatitis Achievements

- ▶ Provided treatment for approximately 200,000 patients living with HCV in low- and middle-income countries;
- ▶ became the first generics company to receive WHO prequalification for Sofosbuvir, a direct-acting ARV used to treat the disease; and
- ▶ launched Sofosbuvir+Velpatasvir in India through a license with our partner, Gilead Sciences.

### Tackling Tuberculosis

In 2017 Mylan entered into a license agreement with Otsuka Pharmaceuticals to sell Delamanid (Delyba®) in South Africa and India. Both countries are considered to have high rates of multi-drug-resistant tuberculosis and TB/HIV co-infection.

**Mylan has 63 products prequalified by the WHO.**







## Breaking Down Access Barriers for MS Patients

Multiple sclerosis, or MS, is a chronic, neurodegenerative autoimmune disease that leads to a variety of debilitating physical symptoms in patients who have it. The average age of onset is about 30 years, a period that often coincides with patients starting families and making important career decisions. As a result, the disease can have devastating effects on personal relationships and professional opportunities.

Glatiramer acetate (GA), discovered in the 1960s, is the active ingredient in Copaxone®, a leading treatment for MS. The company that originated Copaxone began marketing the product in the U.S. and Europe in 1997 and 2001, respectively, first as a 20mg/mL daily injection, and later as a 40mg/mL injection given three times weekly. The originator enjoyed a monopoly on Copaxone for approximately 20 years. As a result, it was able to command premium prices, generating billions of dollars in annual revenues.

Mylan saw an opportunity to help MS patients. So nearly a decade ago, working with our development partner Natco, we set out to bring a generic version of Copaxone to market.

Before any generic drug may be marketed, however, it must be demonstrated to be therapeutically equivalent to its branded counterpart. The processes for doing so are well established and widely accepted for conventional small-molecule drugs, which make up the vast majority of medicines available today.

But GA's API is complex. To approve Mylan's version, regulators would require substantial evidence of "sameness" between the originator's version and ours.

To assemble that proof, Mylan undertook a massive research project in which innovation played no small part. For instance, based on our knowledge of the branded product, our scientists developed an array of highly sensitive testing methods, based on chemistry as well as biology, and applied them hundreds of times just to interrogate and characterize the API itself. Characterization reveals a substance's size, shape, weight, composition, behavior and other important traits. As the project progressed and data piled up, evidence of sameness mounted.

Meanwhile, we built out the intricate supply chain needed to reach patients. We selected manufacturing sites for the API and finished dosage form, chose a syringe supplier, developed and produced auto-injectors in collaboration with our partners, and lined up logistics for refrigerated transport.

Not surprisingly, as we began filing applications, the originator initiated multifaceted legal attacks to try to preserve Copaxone's monopoly.

In the U.S., the originator filed four separate patent litigations in federal court. Mylan fought one of them all the way to the Supreme Court. The originator also filed nine citizen petitions against Mylan with the FDA.





In addition, the originator sought to challenge Mylan's work with Natco by filing a patent lawsuit in India that eventually reached that nation's Supreme Court. Mylan successfully overcame these barriers. In 2017 we launched our 20mg/mL GA product in the U.S. and became the first generics company anywhere to offer the 40mg/mL strength.

In conjunction with our launch, we introduced resources to help patients. Among them are Mylan MS Advocate, a 24-hour patient-support program; the Mylan Smart Injection Tracker™ app; and WhisperJECT™ Autoinjector, which has features designed by MS patients.

As important, by working with the FDA to define a regulatory pathway (to approval) for GA, Mylan has helped pave the way for launches of other complex generic products – from insulin analogs to respiratory inhalations. In this respect, we hope that knocking down a barrier for the MS community will ultimately prove to be good medicine for countless other deserving patients too.

To serve patients in Europe, Mylan has partnered with a GA developer and supplier, and we're selling or seeking approval to sell the product in multiple countries. The originator continues to fight us throughout the region. But we keep prevailing. Today our 20mg/mL GA product is available in eight European countries. The 40mg/mL version is available in five.

We also recently announced that Mylan and Mapi, a biopharmaceutical company, will partner on the development and commercialization of GA Depot, a long-acting glatiramer acetate product whose global marketing rights we are acquiring.



## SUPPORTING MS PATIENTS

Treating relapsing forms of MS can be complicated for patients, their families and the health professionals who manage patients' care.

In the U.S., Mylan MS Advocate™ helps patients navigate the healthcare system, access resources and comply with their treatment plan. Additionally, Mylan MS Advocate nurses are on call 24x7 to offer tips on preparing, administering, storing and disposing medicine; WhisperJECT™ injection administration; and changes in lifestyle based on health. Nurses also will connect patients with local community and online support options.



Oncology



Diabetes &  
Metabolism



Infectious  
Disease



Dermatology



Women's  
Healthcare

## Making Biologic Treatments More Affordable

Many conventional drugs, regardless of who develops them, are made up of small chemical compounds. Other well-known medicines, called biologics, such as vaccines and gene therapies, are complex substances derived from living organisms. Many biologics represent the cutting edge of medical science and have become the standard of care for various devastating and debilitating diseases, such as cancer, autoimmune diseases and rare genetic disorders. Both types of medications have been on the market for decades. A biosimilar is a product that is highly similar to and has no clinically meaningful differences from an existing approved biologic product. These products have helped to make biological treatments more affordable.

Mylan has one of the most comprehensive and diverse programs in the industry, with 20 biosimilar and insulin analog products on the market or in our pipeline. These include eight of the world's top oncology, immunology, endocrinology and ophthalmology biologics. Our program is designed to serve multiple markets, including low- and middle-income countries. In 2017:

- ▶ In partnership with Biocon, Mylan received FDA approval for Ogivri™, the first biosimilar for Herceptin® (Trastuzumab) to receive approval in the U.S.
- ▶ In India, Mylan launched ABEVMY™, an anti-angiogenic biosimilar to Bevacizumab (Avastin®).

## Championing Women's Health

Gender is a fundamental factor in one's health and well-being. By promoting access to medicine and healthcare for women and girls, Mylan contributes to their independence, equality, and welfare.

Unfortunately, not all women are able to exercise their right to freely choose when and how to start a family. Being unable to make this decision can significantly challenge prospects for equal opportunity in life and health. Mylan has a goal to provide contraceptives to 25 million women and girls by 2020. Already, we have made progress. In 2017, we provided 11 million women and girls with contraception. Our contraceptives are currently registered in 50 of the 69 countries supported by the FP2020 initiative, some of which are among the poorest in the world. Our average price per couple-years of protection was \$3.50 per year in low- and middle-income countries. Mylan has contraceptive products with active/pending registration in 95 countries globally and has submitted Medroxyprogesterone Acetate, an injectable contraceptive, for prequalification by the WHO.

Other important areas of women's health on which we focus include patient needs related to breast cancer, ovarian cancer, menopause, and healthy pregnancies.

### FAMILY PLANNING 2020

Mylan formalized our commitment to the U.N.'s Every Woman Every Child initiative as part of our participation in the 2017 FP2020 summit. Mylan is committed to providing contraceptives to 25 million women and girls by 2020 and we pledge to register our contraceptive portfolio in 80% of the 69 FP2020 countries.







## Responding to Challenges

### U.S. PHARMACEUTICAL PRICING AND THE EPIPEN® CHALLENGE

Patients are rightfully concerned about drug prices. Mylan has felt the full weight of those concerns in relation to the price of our EpiPen® Auto-Injector brand product in the U.S.

The way consumers in the nation pay for healthcare has changed dramatically over the past few years. In particular, a sharp rise in enrollment in high-deductible health plans (HDHPs) has exposed more consumers to higher out-of-pocket costs for their medications.

In 2016 for example, the estimated 85% percent of consumers not enrolled in such plans paid anywhere from \$0 to approximately \$100 for EpiPen products, which could vary based on their health insurance and other factors. But the other 15%, many of whom were enrolled in HDHPs for the first time, found themselves in some cases having to pay list prices of \$600 or more when filling their prescription.

Outraged patients didn't understand how they went from paying far less the previous year to paying a full list price.

Initially, we tried to explain the outdated and complex system that determines what someone pays for medicine. We indicated that more than half the list price went back to payers or others in the supply chain. However, parents standing at the pharmacy counter unable to pay for an EpiPen didn't need an explanation, they needed solutions. We listened and swiftly launched an authorized generic version of EpiPen. Its list price was half of the brand's. We also significantly enhanced our patient access programs. Both actions helped patients and provided substantial savings to the healthcare system.

As background, Mylan acquired and began selling EpiPen in 2007. In the years that followed, we launched a new EpiPen product, invested more than \$1 billion to build awareness of the need for that product and educated people about the risks of anaphylaxis. As a result, 1 million more people now are prepared in the event of a life-threatening allergic reaction. We also worked to change laws to allow access to Epinephrine in schools







and public entities, so it can be readily available for any child who needs it. In addition, we have given away more than 1 million EpiPen products to schools across America. These free pens have been used thousands of times, potentially saving lives.

We are proud of our positive impact in the allergy community, though we sincerely regret that we did not fully appreciate the impact of the list price of EpiPen products to families that had shifted to HDHPs.

Pharmaceutical companies did not create the current U.S. pricing system, but they must compete within it. That said, Mylan continues to play an active role in helping educate lawmakers and others about opportunities to transform the system to better serve patients. By creating an environment where they know what their medication is going to cost, patients can better leverage their power as consumers.

Indeed, we said in 2016 that we hoped the debate around EpiPen would serve as a catalyst for constructive dialogue around pharmaceutical pricing and the need for more transparency. The conversation has expanded to encompass the entire pharmaceutical supply chain. It also now includes other drugs, like insulin products and cancer treatments, underscoring pricing as a systemic issue.

Since then, Congressional hearings have been held on the topic, other government leaders are calling for decisive action and conversations are happening throughout the supply chain. Everyone agrees that the current system is unsustainable.

Mylan never has shied away from challenging the status quo, and we look forward to doing our part to help treat what ails the system.

## THE CHALLENGE OF THE U.S. OPIOID EPIDEMIC

Opioid addiction, abuse and misuse in the U.S. is a national epidemic. Mylan recognizes the scope and seriousness of this health crisis and is deeply concerned for those affected by it.

In the U.S. opioid market, Mylan supplies approximately 1.1% of opioid-containing drug products sold, ranking it fifteenth among pharmaceutical companies. Despite our limited role in the production of opioid products, Mylan is committed to doing its part to help in the fight against opioid addiction, abuse and misuse, and to play a role in the long-term solution. In 2014 Mylan launched a generic injectable, single-vial version of Naloxone, a product that is indicated for the complete or partial reversal of opioid depression induced by some natural and synthetic opioids, as well as for diagnosis of suspected or known acute opioid overdose. In the summer of 2016, Mylan launched a multiple-vial version of its generic Naloxone injectable, thereby increasing supply for customers, physicians and other providers seeking additional inventory of this important therapy. Mylan's injectable Naloxone products are used primarily by hospitals. Today these presentations represent some of the lower-priced options on the overall Naloxone market. Although Mylan has only a small share of the Naloxone market, it stands ready to continue to provide reliable supply and access to this important product, including through a commitment to develop an auto-injector drug-device combination for it.

Mylan also is fighting the opioid epidemic by taking seriously the need to safeguard against diversion and abuse of opioids. We have internal practices designed to detect suspicious orders and prevent the sale of opioid-containing products where there may be a risk of diversion.

In April 2018 the company announced plans to leverage its world-class scientific platform to develop a novel delivery for Meloxicam, a non-opioid pain medication. Promoting the development of non-opioid pain treatments is one of the many tactics the FDA is focused on in its efforts to address this growing public health problem.

Mylan remains committed to working with key stakeholders to continue doing its part to contribute to a long-term solution for this national health issue.

## Maintaining Quality in Everything We Do

Because patients' health and well-being are at stake, ensuring quality is essential for the pharmaceutical industry. That's why, at Mylan, we view quality as being everyone's responsibility.

For us, quality begins with product development, as we work to ensure an acceptable safety and efficacy profile for every drug we hope to market, and it extends through every step of the production process, from making or sourcing raw materials to producing finished dosage forms.

Externally we work with health authorities to help develop standards that reflect the requirements needed to develop and manufacture products. We then work hard to ensure that our sites, and those of third parties we rely on, comply with them.

Our manufacturing facilities are routinely inspected by various health authorities around the world. In 2017, 128 inspections were performed across our facilities and affiliates.

Mylan has global systems and processes in place to provide our people with the foundation and tools needed to maintain an effective quality management system.

Our training programs, for instance, are designed to make sure employees are qualified by experience and education to perform their jobs in accordance with GMP. All employees responsible for GMP activities are required to take refresher training periodically.

Our Quality Council program provides management with clear, quantitative data, including that of key performance indicators. It also tracks and analyzes quality trends, reviews inspection results and identifies potential areas for employee training.



Mylan has grown significantly throughout our 55+ year history, but the one thing that remains unchanged is our **steadfast commitment to delivering high quality medicines.**

**QUALITY**

in everything that we do

the first ingredient in every one of our products

embedded throughout our company

the fundamental point of decision-making for every product

In addition, we have an extensive, formal internal-audit program to help monitor activity at our facilities, as well as that of our suppliers and other partners. Our program relies primarily on oversight by a specially trained team of global experts, augmented and supported by independent third parties. In addition, we have processes to help ensure that insights gained from our own audits and those conducted on Mylan by third parties, customers and health authorities are reviewed and implemented.

We also proactively work with our supply and manufacturing partners to ensure that they apply stringent quality standards across their operations. We believe being proactive not only helps safeguard patients' interests, but helps distinguish Mylan among our customers, as a partner of choice.

As health-authority standards continue to evolve around the globe and among various agencies, Mylan is dedicated to continually enhancing our systems and processes to ensure sustainable quality across our network.

In 2017 Mylan conducted GMP audits of over 760 contractors and suppliers.

## Diverse Global Health Authority Experience

128 inspections of our facilities and affiliates in 2017. Representative agencies appear below.



Pharmacovigilance is defined as the science and activities relating to the detection, assessment, understanding and prevention of adverse effects or any other drug-related problem. PV's aims are to enhance patient care and safety in relation to the use of medicines.



## Promoting Product Safety and Preventing Risk

We have a global policy on Product Safety and robust global pharmacovigilance (PV) programs throughout products' complete life cycle in an effort to prevent harm. Through our global PV system, we monitor Mylan's products and work to detect changes to their benefit/risk profile. A cross-functional team of primarily medical and scientific professionals support the system. We report to health authorities on our risk/benefit assessments through periodic safety and risk management planning reports.

Our Product Safety and Risk Management department oversees Mylan's activities through regular monitoring, including internal audits, to comply with legal and regulatory requirements. This department also is subject to external audits and health-authority inspections.

We have PV oversight and product-safety committees that manage due diligence and governance with respect to PV, applicable legislation and company procedures. These committees also evaluate new safety information that may arise regarding our products. Information is assessed and communicated to healthcare professionals, patients and health authorities in a timely fashion.

## Conducting Responsible Clinical Research

Safety always is a priority in clinical trials, and we are committed to the highest standards and integrity. Mylan abides by the principles of good clinical practice (GCP), as defined in the Declaration of Helsinki and the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) framework and implemented in international laws, directives and regulations. We also comply with applicable clinical-trial data-disclosure laws and regulations.

In 2017 we planned, conducted and/or reported on more than 100 clinical trials with two groups of human participants: patients and healthy volunteers. Mylan's governance councils and quality committees oversee clinical trials using comprehensive quality management systems to ensure participant safety. We partner with external experts and investigational sites to ensure safety and data integrity across Mylan's development programs, and we hold ourselves and our partners accountable to the same standards. When appropriate, Mylan employs data-safety monitoring boards to ensure patient safety and that study blinding has not been compromised. Independent third parties review Mylan's protocol design to ensure participant safety and the integrity of the data collected.

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Mylan conducted 60 clinical and more than 35 pharmacovigilance audits at our own sites, external contract research organizations, clinical investigator sites and service providers.

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# 3

## Better Customer Health



Mylan provides products to patients through channels such as retail, hospital/institution, e-commerce, specialty pharmacy and wholesaler/distribution. Mylan's commitment to our customers is to provide a comprehensive array of high quality medicines that span multiple therapeutic areas and dosage forms.

### Partnering to Address Patient Needs

Our customers are essential in helping us create better health for a better world by making our products available to patients. We work with tens of thousands of customers across 165 countries and territories. In 2017 we sold approximately 69 billion doses cumulatively.

#### EXAMPLES OF CUSTOMERS WE SERVE



Retail and Pharmacy



Wholesalers/  
Distributors



Payers, Insurers  
and Governments



Institutions



Physicians

## Delivering ONE Mylan and Exceeding Customer Expectations

Customers' needs and expectations differ by market, depending on factors such as healthcare infrastructure, delivery systems, regulations, economic development and population. We understand the importance of meeting the needs of our customers regardless of market type and strive to be their preferred partner.

As a part of this goal, we continued in 2017 to integrate our legacy business with more recently acquired businesses to achieve ONE Mylan, giving customers greater access to more of Mylan's products and services around the world. In addition to our 7,500 marketed products across multiple therapeutic areas, we offer an extensive range of dosage forms and delivery systems, including oral solid doses, complex products, injectables and APIs.

## Meeting Evolving Needs

The healthcare environment is dynamic and constantly changing. An aging population, strains on public healthcare systems, digitalization and a growing middle class are among the factors causing the healthcare industry to shift. Our customers expect us to anticipate how these changes will affect patients' needs for treatment, both in terms of the medications themselves and how they will be accessed. Mylan anticipated these changes and created a horizontally and vertically integrated platform with global scale. We also diversified our product portfolio, expanded our R&D and supply chain network, and increased our sales presence. These actions made Mylan a stronger, more relevant business partner for our customers today and tomorrow.

How we conduct ourselves is as important as the high quality medicine we produce. Mylan's management of relevant ESG topics is of growing interest to our stakeholders. That means demonstrating to industry partners, international organizations and in public tenders Mylan's commitment to addressing ESG topics, including those mentioned in supplier evaluations and agreements. Mylan works with our partners to promote responsible business practices across many areas, including quality, the environment, health and safety, and ethics.

## Pricing Practices

Mylan has a long history of providing high quality, low-cost pharmaceuticals to consumers. We believe that we are uniquely situated to work with customers and payers to find solutions that meet the needs of the patients and families we serve. In pricing our products, we employ a robust internal process that takes into consideration competitive factors and the need to maintain supply in the marketplace. In some circumstances, to ensure access to medications, we will sell products at little or no profit.

## Promoting Appropriate Use

It's crucial that patients use pharmaceutical products appropriately if they are to experience the intended effects. Unfortunately, non-adherence to prescriptions and misuse of medicines are global challenges. Our customers understand this, and by working with them and providing education and technical solutions, Mylan supports appropriate use.

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Our portfolio comprises more than **7,500 marketed products** across multiple therapeutic areas, and we received **~800 product approvals globally** in 2017.

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Mylan provides, for instance, online portals and digital solutions such as the MyFreshStart™ program, which educates patients about a variety of medical conditions and ways to better manage them. Mylan's support of the WiZVi™ application in France allows greater connectivity between patients and their doctors and pharmacists. Our sponsorship of Seguilaterapia programs in Italy promotes therapeutic adherence by reminding patients to take their medication or refill prescriptions. Mylan also adapts its packaging with symbols and pictograms that illustrate dosage schedules.

To support patients diagnosed with HCV in India, we developed a mobile app called HepBUZZ™. It helps HCPs choose appropriate medications; simplify therapy options based on genotype, liver status and patient profile; and provide real-time guidance for prescribers to check drug interactions and understand a patient's overall condition.



## SOLUTIONS TO ENCOURAGE PATIENT ADHERENCE



Mylan's Ashray<sup>13</sup> disease-awareness program in India is an example of how we work with customers to develop services that help patients better understand their medical conditions. The program provides patients diagnosed with HCV or breast cancer – and their families – emotional and psychological support. The program is managed by a third party and offers counseling to help patients effectively manage stress. Ashray provides multilingual telecounseling support and on-the-ground counselors, and organizes patient meetings where healthcare experts speak on topics relevant for better medical treatment and to support quality of life.



In a growing number of countries, Mylan websites offer customers and patients access to online portals containing informational and educational content about specific therapeutic areas.



The MyFreshStart app connects patients, HCPs and caregivers to increase adherence.



Mylan's Seguilaterapia program in Italy offers patients several convenient ways to receive reminders to take their medication or refill prescriptions.

<sup>13</sup><https://www.ashray.net.in/en/breast-cancer/caring>

## IMPROVING PATIENT ADHERENCE

### COMMUNICATION – WIZVI™

A survey conducted in France on behalf of Mylan showed that 48% of patients who were prescribed medicine to treat an illness or chronic disease, were found to be out of compliance when reviewed over a 12-month period.<sup>14</sup> That's why Mylan is pleased to support WiZVi, a unique app that connects patients to their doctor or pharmacist, providing day-to-day health management using online consultation and appointments. If necessary, prescriptions are sent directly to the patients' smartphones. Patients then can send prescriptions to the pharmacy of their choice. WiZVi also encourages adherence by sending refill reminders, which strengthens communication between pharmacists and patients should there be questions or concerns. For HCPs, WiZVi affords them opportunities to spend more time delivering direct patient care.

<sup>14</sup>Press release on WiZVi\_June 2017

### DOSE DISPENSING

Mylan supports customers in Europe (pharmacies and wholesalers) that offer individual dose dispensing services to their patients. Studies have shown clear adherence benefits when patients receive their medications prepackaged in doses tailored for them, making it easier to manage taking multiple medications at various intervals during the day. Mylan is leading the market in supplying products for individual dose dispensing in the Netherlands. Additionally, in other European markets such as France, Spain, the U.K., Belgium and Eastern Europe, Mylan is setting the standard by helping create these offerings or by leading initiatives to increase patient access to dose dispensing services.

## Ensuring Ethical Behavior Regarding Promotion

To support our aspiration to help deliver better health for a better world, we cultivate strong customer relationships that are based on integrity and trust. We work to conduct our sales, marketing and promotional activities ethically, and in a manner that advances patient care and enhances the practice of medicine. We interact with members of the healthcare community about educational programming, medical research support, and inform on the efficacy and appropriate use of our products. While these interactions are important and necessary, they may bring elevated ethical risks. Managing those risks is a priority for Mylan.

We have well-established global, regional and local policies and procedures on interactions with the healthcare community, drug promotion and ethical marketing. Risk assessments and employee training are key components. We strive to comply with regulations and adhere to ethical standards set forth by Mylan and industry associations.

Here are a few examples:

- ▶ Mylan's Standards for Interactions with Healthcare Professionals instruct employees on proper behavior when engaging with HCPs. The guidelines are grounded in Mylan's companywide standards and take into consideration local laws and regulations. Compliance with the standards is mandatory for any member of Mylan's workforce who interacts with HCPs.
- ▶ Mylan's Global Policy for the Marketing and Advertising Review Council requires the establishment of local procedures to ensure that all promotional materials and other commercial communications are reviewed and approved internally by appropriate subject matter experts. The goal of the local review procedures implemented under the policy is to ensure that all materials and communications intended for promotional or commercial purposes – including materials intended for internal sales training – are accurate, truthful, medically/scientifically sound, not misleading and compliant with all applicable marketing, legal, regulatory and medical requirements and company policies.



## Maintaining Quality Within our Supply Chain

Maintaining access to high quality raw materials and delivering finished goods in a timely manner is crucial to Mylan's ability to provide patients with access to the medicines they need.

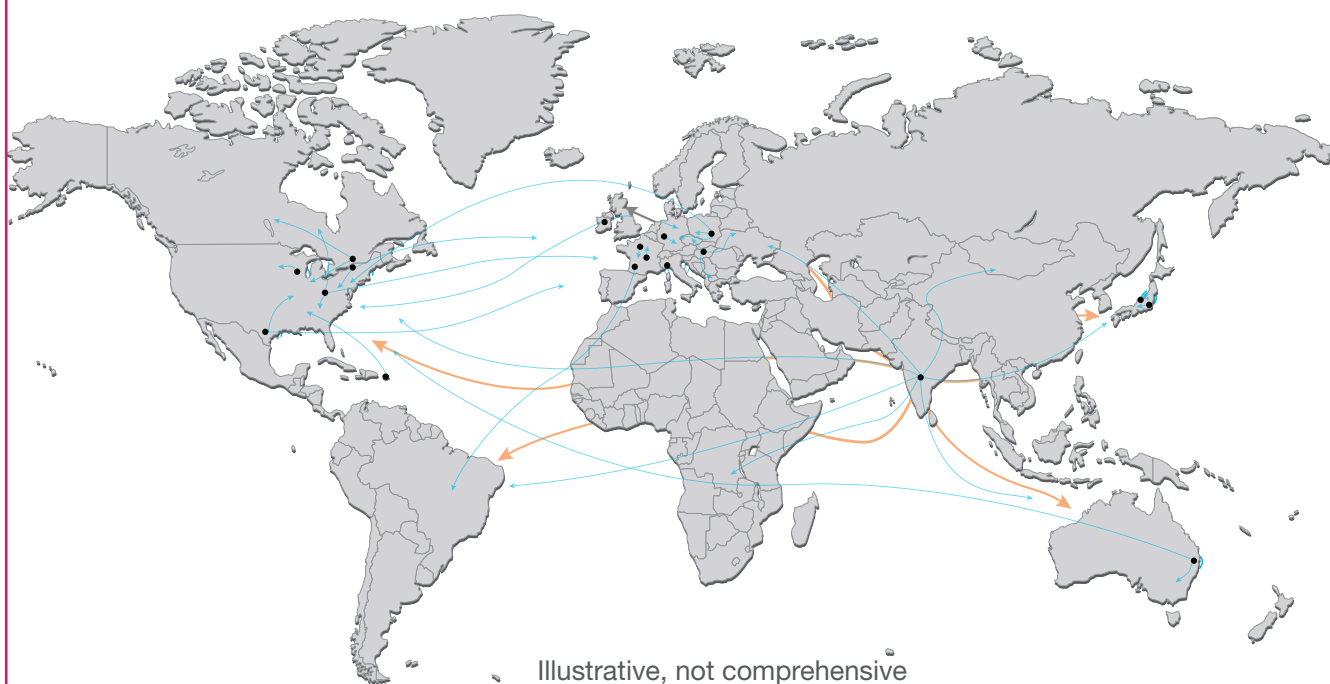
Mylan's global supply chain has been strategically designed to ensure that the right products reach the right customers (and ultimately patients) at the right time. Many of our facilities are located in close proximity to the markets we serve, as shown below, and about 75% of the product volume we sell is produced through internally controlled manufacturing.

To manage this network responsibly across many markets and engage with health authorities around the globe, we have a robust set of quality systems and controls in place. We also engage our suppliers and partners to address the full range of quality-related considerations involved in developing and manufacturing drugs, and we have quality agreements with our suppliers.

In addition, we seek full compliance with all applicable laws, such as those focused on labor, the environment and anti-corruption for both our internal and external network of suppliers. We also make investments as appropriate to keep employees safe, the environment clean and quality high.

### Global Strategic Supply Network

- ▶ Global network
- ▶ Proximity to key markets
- ▶ Regional supply sites
- ▶ Global supply sites
- ▶ ~75% Internal manufacturing





Moreover, we have procedures to monitor supplier compliance and mitigate potential concerns. We conduct audits of new and existing suppliers and contractors – as well as potential partners – as part of our due-diligence effort. We prioritize and set schedules for quality audits across different geographies based on criteria that include:

- ▶ Type of operation and services provided,
- ▶ geography,
- ▶ historical regulatory inspection performance,
- ▶ significance to Mylan's business and product launches, and
- ▶ periodic audit requirements.

Mylan's scientific affairs, operations and quality teams play a key role in working to ensure product safety and quality. They oversee an extensive distribution network of internal and external partners, helping to enable Mylan to meet customers' needs safely, securely and in a timely fashion.

# 4

## Better Partner Health



Building strategic partnerships with like-minded organizations, companies and government bodies better positions Mylan to reach patients and achieve our mission. From R&D to manufacturing to distribution and sales, how our partners conduct themselves impacts the efficiency, quality and reliability of our products. It also impacts our commitment to access. Therefore, Mylan strives to ensure our partners are guided by the same principles of integrity by which we operate.

### Partnering With the Global Community

Mylan is an engaged member of the public health community both as a supplier and a company interested in supporting health and well-being for all. This aspiration requires the resources and expertise of a diverse network of partners working together. Mylan typically works with other pharmaceutical companies, suppliers, international donors, intergovernmental organization, non governmental organization (NGOs) and governments.

## Partnering to Expand Access

### PRODUCT DEVELOPMENT

We have been a proponent for access – and breaking down associated barriers – since our founding. We do this in part by challenging patents and partnering with other pharmaceutical companies, which helps us share risks and costs, leverage strengths and scale up distribution. The result often is that medicines become available to a significantly larger group of patients.

We have license agreements with several branded originators. Some noteworthy ongoing collaborations, especially those that benefit patients in low- and middle-income countries, are:

- ▶ Gilead – our partner to develop generic complements to their HIV and hepatitis products;
- ▶ Otsuka – our partner to make the drug Delamanid (Delyba®), available in countries with high rates of TB. The product is used to treat MDR-TB;
- ▶ Viiv and Abbott – our partners to develop generic versions and novel combinations and formulations of their HIV products;
- ▶ 3M Drug Delivery Systems and Symbiotec – our partners for manufacturing Sirdupla™, an inhaled respiratory product, and for producing API for generic Premarin®, an estrogen product, respectively; and
- ▶ Biocon, Momena, Mabion, Revance and FKB – some of our partners in the development and manufacturing of biosimilars, of which Mylan's program is one of the most comprehensive and diverse.

We also have several licenses via the Medicines Patent Pool, a U.N.-backed public health organization working to increase access to HIV, HCV and TB treatments in low- and middle-income countries.

### POLICY INITIATIVES

Issues of access and affordability also need to be addressed from perspectives such as policy. We continually collaborate with NGOs and governments to devise strategies for initiatives such as:

- ▶ Improving access to diagnosis and treatment,
- ▶ building databases for improved epidemic tracking and
- ▶ establishing guidelines for the management of (HCV) infection in resource-limited settings.

Additionally, we support the development of a multinational HCV registry.





## GLOBAL INSIGHTS AND SCALE

Some of our access-related partnerships focus on specific therapeutic areas, such as HIV or other infectious diseases, and help inform how we adapt our products and solutions. These typically global partners have holistic approaches that enable a large-scale and sustainable distribution of medicine and treatment. They help us bring medicines to patients in need around the world.

Regarding infectious diseases, for example, our partners include but are not limited to:

- ▶ Clinton Health Access Initiative;
- ▶ OPTIMIZE;
- ▶ Bill & Melinda Gates Foundation;
- ▶ The Global Fund to Fight AIDS, Tuberculosis and Malaria;
- ▶ The United States Agency for International Development;
- ▶ The U.S. President's Emergency Plan for AIDS Relief;
- ▶ UNAIDS; and
- ▶ Unitaid.

In the area of family planning, Mylan works with several global NGOs that operate family-planning clinics. All clinics support a person's right to make choices about sexuality and well-being, and the right to birth control. Some noteworthy partners include:

- ▶ Population Services International,
- ▶ Marie Stopes International,
- ▶ DKT International and
- ▶ The International Planned Parenthood Federation.

Mylan's collaboration with these organizations helps us fulfill our commitment to the U.N.'s Every Woman Every Child initiative.

## COLLABORATING WITH GOVERNMENTS

The role of governments as partners for access varies across geographies. In some cases, governments and NGOs are essential to the delivery of healthcare and access to medicine. We see their role as fundamental in supplying medicines – especially for HIV – to national programs that cover millions of patients per year.

### OPTIMIZE is a global consortium dedicated to rapidly improving treatment outcomes for people living with HIV

by optimizing ARV drugs and formulations and accelerating their introduction in low- and middle-income countries. Mylan is a founding member.

As more people receive treatment for HIV and AIDS, spending will increase. In the context of stagnant levels of donor funding and limited country budgets, there is need for simpler, better, safer, less toxic and more cost-effective treatment. As a member of OPTIMIZE, Mylan is part of providing options that meet these qualifications.





## Enhancing Supplier Relationships

Knowing our suppliers and maintaining good relationships help make our supply chain more reliable. Mylan's Global Strategic Sourcing group is refining its program for supplier relationship management to increase collaboration with prioritized suppliers. The program will enhance our ability to proactively manage supply chain risks and learn more about our suppliers' management of environmental and social matters.

Further, Mylan's newly established Internal Council for Sustainable Sourcing will:

- ▶ Provide guidance on sustainable sourcing;
- ▶ set annual goals and objectives; and
- ▶ develop, implement and monitor compliance with sustainable-sourcing policies and metrics.

### MYLAN'S U.S. SUPPLIER DIVERSITY PROGRAM

Our U.S. Supplier Diversity Program supports small businesses and businesses owned by minorities, women and veterans. We train our sourcing employees on this initiative, monitor spending and provide access to external databases featuring diverse suppliers.

Compared to 2016, Mylan's associated spend rose:

Small businesses, ~30% | Veteran-owned, ~21% | Disadvantaged-owned, ~30% | Women-owned, ~31%

## Establishing Supplier Expectations

Mylan expects its suppliers to act ethically, in accordance with the law and in compliance with our Supplier Code of Conduct, which is available on our website, Mylan.com. As of January 2017 we had provided our code to more than 20,700 suppliers. All new suppliers invited to bid on Mylan projects must acknowledge acceptance of the Code, which is reviewed frequently to align with our governance and expectations. Employees in local, regional and global functions who interact with suppliers receive associated training every two years. Such functions include but are not limited to employees within Compliance, Supply Chain, Procurement and Sourcing.

**Mylan's Supplier Code of Conduct** establishes expectations in the following areas: Freely Chosen Employment, Child Labor and Young Workers, Freedom of Association, Wages, Benefits and Working Hours, Anti-Corruption and Business Integrity, Fair Competition, Conflicts of Interest, Conflict Minerals, Environmental Authorizations, Business Continuity, Legal Requirements, Commitment and Accountability, and Compliance Assessments.

### MONITORING BUSINESS PARTNERS

While business partners are essential to Mylan's mission and integral to our value chain, we don't have direct control over their actions or behavior. Nonetheless, it is important for us to provide them with the proper knowledge and framework to comply with Mylan's high standards and represent us appropriately. Among our requirements:

- ▶ Contractors and agents are to receive the appropriate training and comply with our Code of Business Conduct and Ethics,
- ▶ vendors and third parties that may interact with government officials on Mylan's behalf are to receive anti-corruption training from us, and
- ▶ we follow a global business partner due-diligence process that helps Mylan identify potential "high risk" third parties.

Some Mylan business partners interact with government officials on our behalf. Our goal is for at least 90% of these partners to be trained on our Anti-Corruption Policy and procedures. In 2017, 91% who were identified as requiring training completed it.

91%



# 5

## Better Employee Health



We rely on our diverse workforce of approximately 35,000 to support our mission and help change lives. In return for their commitment, we aim to provide a supportive and safe workplace that cultivates personal and professional development, rewards performance and leadership, and encourages unconventional thinking. We also offer a variety of benefits and programs to meet the needs of our employees around the world.

### Attracting and Retaining Talent

The idea of working for a cause – the proposition that a person can be part of something bigger than themselves – is a key differentiator for Mylan that helps us attract and retain talent.

Each of our people plays an important role in Mylan’s mission. In fact, they describe how they help provide 7 billion people access to high quality medicine – something referred to as 7B:1 – by creating individual role statements. This is one of the ways our employees help articulate what the company stands for and the importance of their work.

Additionally, our current and prospective employees also take note of Mylan’s successful track record. We are a company that has expanded substantially into new geographies and performed well over the last several years, creating exciting opportunities.

Our diverse workforce\* of approximately 35,000 can be found on nearly every continent:

- ▶ Europe: 27.4%
- ▶ North America: 21.2%
- ▶ Rest of World: 51.4%

\*Workforce includes employees and temporary workers



# 50%

of Mylan employees have been with the company for 5+ years

# ~40%

of our 2017 U.S. interns continued working at Mylan post-internship

# ~25%

of employees moved into a new role in 2017



# 56%

of our senior-most leaders were promoted from within Mylan

# 14% & 16%

of women of men are responsible for managing people\*

\*Based on employee data from Mylan's HR information system

## Measuring and Rewarding Performance

To focus our efforts, employees align their performance objectives with the company's key priorities. We annually evaluate employee performance based not only on what employees achieve related to their performance objectives, but how they demonstrate Mylan's Leadership Expectations of Leading, Learning, Teaching and Performing with the right Attitude in their daily work. In 2017, 94% of employees set objectives in support of Mylan's key priorities.

Throughout 2017 we extended our global performance management process to recently acquired businesses. The process is an important way we encourage managers to provide employees with continuous feedback and hold annual performance discussions. It helps us identify development needs, recognize strong performers and cultivate future leaders through stretch assignments and on-the-job learning.

We drive strong results by taking a pay-for-performance approach to rewarding employees' efforts that balances base pay with short- and long-term incentives. In 2017 we implemented a simplified set of global metrics for our bonus program to unite us as ONE Mylan and clarified the opportunity strong performers have for earning greater compensation.

### Mylan's Leadership Expectations

Attitude Determines Altitude

#### LEAD

Leadership begins with ownership

#### LEARN

Play the role of student

#### TEACH

Cultivate a culture

#### PERFORM

Be team smart

## RECOGNIZING GOOD WORK

Throughout 2017 Mylan organized events and programs to recognize employees for their support and hard work. Highlights included service-award ceremonies, employee-appreciation events and town hall meetings with senior leaders.



## Encouraging Continuous Learning

In 2017 we upgraded our Learning Management System, MyUniversity, to create a stronger foundation for continuous learning. Our Global Learning Office also developed a learning library tailored to our Leadership Expectations to help employees build their skills and understand what is expected of Mylan leaders.

## Supporting Diversity and Inclusion

At Mylan, we know that investing in diversity and truly seeing others' perspectives make our business stronger and more resilient. That is why we are committed to continuing our efforts to cultivate a diverse, inclusive workforce that reflects and understands the communities we serve.

We educate employees on our equal employment opportunity and nondiscrimination policies as part of our mandatory annual Code of Business Conduct and Ethics training. In the U.S. we apply affirmative action plans focused on equal employment opportunity for applicants and employees. These plans are endorsed each year by the head of Human Relations.

Women at Mylan	
Female Employees*	28%
Executive Governance Team**	53%
Board of Directors**	36%

*\*Based on employee data from Mylan's HR information System*

*\*\*Includes CEO Heather Bresch*

## Building for the Future

As markets around the world evolve, our leaders routinely rethink the way we do business – both globally and locally – to remain built to last. One way we do this is by ensuring that the right people are in the right roles at the right time.

In 2017 we continued to integrate recently acquired businesses and streamlined our operations by reducing organizational layers. In some instances, this called for us to make the tough decision to restructure our workforce and eliminate roles. We regularly review our business and operating model for effectiveness and efficiency. As a result, we were able to minimize workforce reductions compared to many of our peers.

As Mylan's global presence expands, we continually enhance many of our programs, processes and systems to better respond to and support the changing needs of our workforce. A global data management and governance team works to ensure the integrity of workforce data around the globe. In 2017 the team developed an auditing process to improve data accuracy and enable analytical insight into areas such as diversity, attrition, employee sentiment and performance trends.

In 2017 Mylan's workforce recorded **2.6 million learning activities** in MyUniversity – 1 million more than 2016

Visit [Mylan.com](http://Mylan.com) to view our:

- ▶ Global Policy Prohibiting Discrimination, Harassment and Retaliation
- ▶ Diversity Statement



## Creating an Open and Welcoming Workplace

Mylan strives to create a positive, productive work environment. To this end, in 2017 senior leaders identified several areas of focus, such as employee engagement and company culture. As a follow up, Mylan is conducting an employee survey globally that is scheduled for 2018.

Mylan also piloted an exit survey for departing employees in several countries to collect valuable feedback about their experience at Mylan and improve employee satisfaction. This initiative is continuing in 2018.

## Recognizing Freedom of Association

Mylan recognizes and respects employees' right to representation and collective bargaining. We have a significant number of employees in manufacturing, commercial and corporate functions around the world who are represented and covered by collective agreements. We engage with employee representatives globally and strive to maintain productive relationships with them and all employees.

## Supporting Employee Well-Being

As a healthcare company, we also strive to be a model for healthy change and do our part to encourage employee well-being. That is why we invest in globally consistent, locally sensitive programs that help employees take charge of their health.

For example, in India, Mylan provides a number of well-being benefits for employees, including annual health check ups, free meals and transportation, and subsidized interest rates for housing. In addition, the Mylan Employees Welfare Association supports the welfare needs of Mylan's employees and their families. Areas of focus include higher education and healthcare for family members.

In the U.S. Mylan partners with employees to help manage the high cost of healthcare by providing generous incentives for participating in wellness activities and passing through rebates to our employees at the pharmacy counter. The company's strong health benefits also include access to biometric screenings, reminders of annual preventive exams and vaccinations, personal health coaching and telemedicine.

We continually look for new and innovative ways to help our employees and their families live healthier lives around the globe. Additional examples include:

- ▶ Exercise workshops;
- ▶ on-site flu vaccines;
- ▶ step challenges, marathon and cycling sponsorships; and
- ▶ subsidized Employee Assistance Programs to address a range of personal well-being concerns.

# MIKE

Mylan encourages collaboration through our social business intranet, MIKE (Mylan Information Knowledge Exchange). Employees around the globe can better connect, collaborate and communicate by blogging and starting discussions, forming groups to work on projects and sharing status updates.





## Ensuring Employee Health and Safety

Safety is an integral part of how Mylan does business. A strong commitment to safety starts with our leadership and extends to all employees. We believe there are always improvement opportunities for employee protection, even with good safety performance. We encourage our people to “speak up” when it comes to safety and promote a work environment in which we all accept personal responsibility for our own safety and that of our colleagues.

In parallel with designing and building a safe work environment, Mylan understands the important role human behavior plays in safety. Mylan’s program, “Think Safe Work Safe,” places an emphasis on situational awareness, a well-established technique that promotes safe behavior in changing environments.

## Building a Healthy and Safe Workplace

Mylan’s Global Health and Safety Policy defines the standards and lays out the foundation for Mylan’s conduct with respect to health and safety. Our Environmental, Health and Safety (EHS) management system and our organization aims to ensure appropriate management of risks and regulatory compliance at all levels of the company. The EHS system drives ongoing improvement and manages opportunities to enhance safety across our operations. It is governed by a global EHS Governance Committee comprising cross-functional leaders.

Our EHS management system is based on 13 governing principles (see appendix) that provide a framework to support health and safety across our operations, and for all employees and external partners. Mylan’s EHS technical standards establish global minimum operating requirements for a variety of safety activities. Implementing these standards helps ensure compliance with applicable EHS regulations in all countries where we operate, in addition to filling the gap where certain regulations may not exist. We conduct periodic audits to systematically evaluate our EHS performance. Mylan uses findings from these assessments to drive improvement, promote knowledge transfer across all locations and mitigate risks.



Mylan’s Global Health and Safety Policy is available at [Mylan.com](http://Mylan.com).



6 of Mylan’s sites have attained OHSAS 18001 certification for health and safety management. 9 additional locations currently are in process.

## BEST IN CLASS

Mylan’s Katsuyama, Japan, team took home championships in an outdoor and indoor firefighting competition for the second year in a row.





## Identifying Risks Before They Happen

We believe in incident prevention. Our risk-management systems work to identify workplace risk and implement controls to reduce hazards.

In 2017 we elevated our injury-prevention strategy. Building on our existing hazard-reporting program, Incident Prevention Opportunity, we identified areas where the potential for a serious or fatal incident (SFI) could result. By understanding SFI potential, Mylan can ensure that the right programs and processes are in place to provide optimal protection of employees and contractors.

Our commitment to safety extends beyond our employees. Across all locations, protecting the safety of our contractors and visitors is part of our EHS management system. Contractors and visitors are covered by EHS policies and procedures applicable at their specific sites. We have established guidelines and expectations for contractor safety management, prescreening and training. Contractor safety performance is tracked and included in our contractor safety metrics.

## Enhancing Safety Through Continuous Learning

Through extensive training, Mylan's employees and contractors receive information and knowledge to assist them in performing activities safely and without harm to themselves or others. We require employees to take safety courses based on job responsibilities and regulatory requirements. Training is administered through our MyUniversity platform.

In 2017 sites continued to enhance global and site-specific e-Learning courses on a variety of topics, such as forklift use, hazardous-waste disposal and fall protection.

## Better Than Industry Average

Mylan's global total incident rate was

**0.51** CASES PER **100**

employees. This is 75% below the industry average of 2 cases per 100 employees.<sup>15</sup>

Mylan's global Days Away, Restricted or Transferred (DART) rate in 2017 equaled

**0.38** CASES PER **100**

employees. This is 68% below industry average of 1.2 cases per 100 employees.<sup>16</sup>

<sup>15, 16</sup>Industry average per U.S. Bureau of Labor Statistics



# 6

## Better Environmental Health



As a pharmaceutical company and member of the global community, we are committed to caring for the environment and promoting safe and sustainable operations. We invest and innovate to achieve resource efficiency, enhance stewardship, preserve the communities in which we operate and find ways to improve our environmental performance. Recognizing and mitigating any risks posed by our operations is a business priority and a prerequisite to delivering better health for a better world. That's why every day, Mylan works to maintain a more sustainable business.

### Doing What's Right Through Strong Environmental Principles

Our long-standing commitment to doing what's right, not what's easy, applies to how we care for the environment. Mylan conducts environmentally responsible operations grounded in a management system that lets us satisfy the needs of our growing global business.

Our Global Environmental Policy lays out the foundation, while Mylan's EHS Management System and approach to governance help ensure that appropriate management of risk and regulatory compliance are addressed at all levels of the organization. Activities are overseen by a global EHS governance committee that comprises cross-functional leaders.

Our EHS management system is based on 13 principles (see appendix) that apply across our operations. These principles provide a framework of expectations with respect to our employees and external partners.



Mylan's EHS technical standards establish global minimum operating requirements for a variety of safety and environmental activities. Implementing these standards helps ensure compliance with applicable regulations in the countries in which we operate, in addition to filling gaps where certain regulations may not exist.

We monitor and track many elements of our environmental performance in a centralized database, allowing us to oversee results and identify risks and opportunities. We routinely conduct internal and external environmental audits, including reviews of our data, systems and programs.

## PROTECTING WATER QUALITY AND REDUCING CONSUMPTION

Water is an important component of pharmaceutical manufacturing and for the use of medicines. Our operations require an abundant supply of high quality water as a raw material. This supply helps ensure all aspects of production meet our high standards while complying with safety requirements set by health authorities around the world.

Mylan recognizes that water is a scarce resource in many of the communities where our employees live and the company does business. We work proactively to protect water and reduce consumption. While we have made significant headway in reduction at some locations, our water usage in 2017 increased by 3.5% to 3.3 million cubic meters, due primarily to increased global production. We continually look for ways to reduce water consumption, reuse water for nonpotable purposes and install technologies that ensure adequate quality wastewater.

## REDUCING EFFLUENT DISCHARGE – LEADING BY EXAMPLE

Responsible wastewater treatment is a key topic for our industry and Mylan is committed to leading by example. The production requirements of our operations – coupled with local regulations and infrastructure – guide the type of water and wastewater management applied. In India, we are a leader in zero liquid discharge (ZLD) systems. ZLD systems are wastewater treatment plants that eliminate effluent discharge into the environment or to common treatment plants. Instead, all wastewater is treated and repurposed back into nonpotable applications in our facilities, reducing water usage and significantly reducing environmental impact.



8 of Mylan's API sites are ISO 14001 certified for environmental management systems.

7 of Mylan's API sites are certified for ISO 50001 energy-management systems.

## WATER CONSERVATION

**360,000**  
gallons/month

Amount of water saved by replacing water-based dust-removal equipment with dry filtration systems at our West Virginia (U.S.) plant.

**100%**

of Mylan's wastewater generated in our Hyderabad manufacturing sites utilizes ZLD technology. Mylan began using it in 2009 and today operates **11 ZLD facilities** across India.

Mylan API Unit 2  
Hyderabad, India



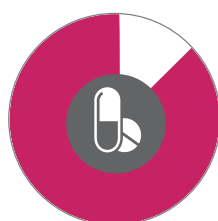
We continue to invest in wastewater treatment facilities and look for additional improvements across our operations. For example, we recently installed a state-of-the-art, full-scale wastewater treatment system in our manufacturing facility in Galway, Ireland. The system uses membrane bioreactor technology and eliminates the need to pull water from a nearby stream to cool high-temperature discharge. It also allows us to create opportunities to reuse water.

## ADDRESSING PHARMACEUTICALS IN THE ENVIRONMENT AND ANTIMICROBIAL RESISTANCE

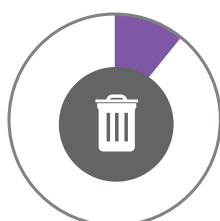
We recognize and understand concerns related to the presence of pharmaceuticals in the environment (PiE). Primary routes of PiE entry are patient use and excretion, product disposal and agriculture. Significantly lower amounts result from pharmaceutical manufacturing. Nonetheless, Mylan is committed to reducing the amount of pharmaceuticals discharged by its operations. The PiE issue requires a balanced approach, given the significance of medicines to human health. As such, we support science-based initiatives to understand the risks of PiE and focus on ways to keep materials from reaching the environment through enhancements in equipment containment systems and cleaning processes. We conduct environmental risk evaluations for our products and have completed more than 550 assessments since implementing the program in 2016.

Addressing PiE and combating AMR is not only about responsible operations, it also is about protecting the effectiveness of existing and future medicines. As part of our commitment, Mylan in 2017 became a signatory to the Davos Declaration on combating AMR. It supports measures to reduce environmental pollution from antibiotics. Mylan also is a board member of the AMR Industry Alliance and was included in the organization's most recent progress report. In addition, we participated in the Access to Medicine Foundation's Antimicrobial Resistance Benchmark 2018.

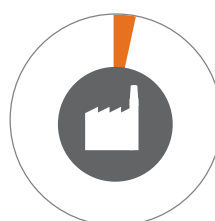
### SOURCES OF PHARMACEUTICALS INTO THE ENVIRONMENT FROM HUMAN USE\*



Usage and Excretion



Disposal



Industry

\*Care for People, Care for Our Environment Brochure published by AESGP, EFPIA, Medicines for Europe, 2017

## 20+ million gallons

Amount of water saved in India in 2017 as a result of pretreatment and water conservation initiatives



Injectables Manufacturing Facility, Galway, Ireland

## DOING OUR PART

As a signatory to the Davos Declaration on AMR, Mylan is committed to:

- ▶ Work to reduce the development of AMR,
- ▶ invest in R&D to meet public health needs with innovative diagnostics and treatments, and
- ▶ improve access to high quality antibiotics while ensuring new ones are available to all who need them.

Mylan became a signatory to the Davos Declaration on AMR and a board member of the AMR Industry Alliance in 2017. We participated in the first report of the AMR Industry Alliance published in January 2018. Mylan's use of ZLD systems for wastewater treatment was highlighted in the report.<sup>17</sup>

<sup>17</sup><https://www.amrindustryalliance.org/amr-industry-alliance-declaration>



# Waste Management



# 70% REDUCTION

in the amount of landfill material from Mylan's largest distribution center in Greensboro.

Our Greensboro, North Carolina, facility is well on its way to achieving zero landfill by 2020.

## FOCUSING ON WASTE REDUCTION

We are committed to reducing waste through responsible use of resources. Doing so helps us protect the environment while supporting our business. Mylan's EHS Management System includes global standards and guidelines for waste management and minimization. We are committed to reducing waste and have made great strides at many sites through dedicated initiatives on hazardous waste minimization, material reuse, recycling efforts and composting of cafeteria waste.

At our finished dose facility in Aurangabad, India, we installed a new sludge dryer to reduce the volume of wastewater-treatment sludge. As a result, we decreased in 2017 the amount of hazardous waste generated by approximately 200 tonnes. We also developed a method to recover and reuse palladium carbon, a catalyst used in API production.

Whenever possible, Mylan promotes the use of waste-to-energy facilities, cement kilns and fuel-blending facilities as effective methods for waste treatment, reducing environmental impact. We also monitor and track waste generation as part of our global centralized database.

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The installation of a new sludge dryer **reduced ~200 tonnes of hazardous waste** in 2017 at our Aurangabad, India, facility.

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API Unit 10  
Visakhapatnam, India



## USING TECHNOLOGY TO IMPROVE AIR EMISSIONS

Our facilities are outfitted with equipment designed to help keep the air clean; we use new technology as it becomes available. Examples include high-efficiency dust collection, HEPA filtration, electrostatic precipitation, multi-stage filtration and recirculation systems. Our API process reactors are equipped with primary and secondary condensers, and certain solvent-storage tanks in India have vent condensers. Online monitoring stations for ambient-air quality and stack emissions are present in our API sites. We also use regenerative thermal oxidizers at three facilities in North America and Europe to control hazardous/toxic air pollutants and volatile organic compound emissions.

### AIR EMISSIONS MANAGEMENT

> **1 million**

pounds of solvent emissions  
**eliminated** from 2015 – 2017  
by Mylan's oxidizer systems



India has a strong tradition of honoring the environment. In 2017 more than 22,000 plants were placed in Mylan locations across the nation.



## INCREASING RENEWABLE ENERGY AND REDUCING GREENHOUSE GAS EMISSIONS

Our operations rely on various energy resources. Reducing energy demand makes good business sense and many of our locations have initiated efforts to lower demand and decrease greenhouse gas (GHG) emissions. We have made good progress and continue to evaluate opportunities to advance energy and emission reduction in our operations. Since 2015 we have increased the amount of renewable energy purchased by 243%. In addition to helping decrease emissions from burning coal, four of our sites in India supplement that energy power source with rice husks and biomass briquettes. We continue to evaluate opportunities to drive additional energy efficiencies and renewable sources.

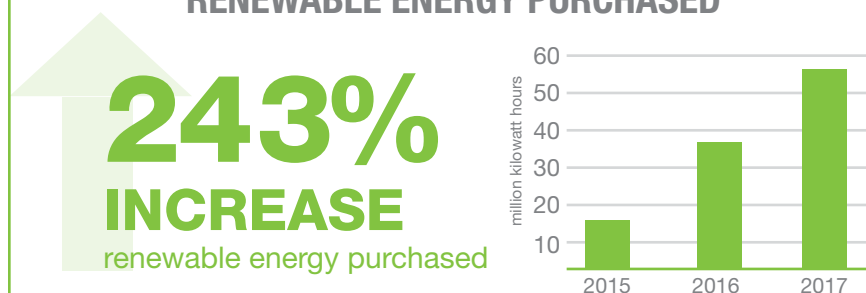
Mylan submitted its first CDP Climate Change response in 2017, which included Scope 1 (direct) and Scope 2 (indirect) GHG emissions data from our operational locations for 2015 and 2016. We applied the methodology outlined by the World Resources Institute Greenhouse Gas Protocol. Our Scope 1 and 2<sup>18</sup> GHG emissions for 2017 are estimated to be approximately 0.8 million metric tonnes CO<sub>2</sub>e<sup>19</sup> (see appendix).



In 2017 Mylan submitted its first CDP Climate Change Response, which included Scope 1 (direct) and Scope 2 (indirect) GHG emissions data from our operational locations for 2015 and 2016.

In 2018 Mylan plans to respond to climate change and water questionnaires. We also will partner with a third party to conduct independent data verification.

### RENEWABLE ENERGY PURCHASED



**56 million kilowatt hours of renewable energy purchased in 2017**

Visit [Mylan.com](http://Mylan.com) to read our Global Environmental Policy.



<sup>18</sup>Market-based

<sup>19</sup>Information may be restated due to acquisitions, divestitures or data improvements/verification

# 7 Better Community Health



Supporting the health of our communities is important not only to our employees and stakeholders, but to our company's future. Mylan has a long tradition of engaging with the communities where we operate and where our employees live and work. Our avenues for providing support include product and service donation and financial or program assistance, as well as through our employees volunteering their time and talents.

## Engagement Around the World

Local contexts and needs differ significantly across Mylan's global footprint. For example, the Mylan Charitable Foundation was established in the U.S. in 2002. It operates independent of Mylan's business operations and supports efforts to enhance the quality of life and address unmet needs in and around the communities where Mylan operates, primarily by supporting child-focused issues in the areas of education, social services and health, among other charitable causes. Over the past 16 years the foundation has made grants totaling more than \$10 million to more than 100 nonprofit organizations.

Internally Mylan has a U.S. donations policy and committee that manages contributions made in that country. Outside of the U.S., Mylan country managers govern community initiatives, using a companywide approval process that provides guidance for donations. In India, we are proud to honor the India Companies Act. It mandates that companies spend 2% of their average net profits on corporate social responsibility initiatives. Since 2014 Mylan has invested nearly \$4 million in such initiatives.



# REGIONAL HIGHLIGHTS

## REST OF WORLD

### INDIA

With approximately half of our workforce in India, Mylan provides a wide range of support, in the areas of healthcare, education, community welfare and the environment.

#### HEALTHCARE

HCV impacts more than 12 million people in India. In response, Mylan designed an intervention plan for HCV that aligns to the WHO's recommendations. It focuses on awareness building, education, initial screening and counseling to support global goals related to reducing and eliminating hepatitis. Done in partnership with three NGOs, this program now is implemented in 45 districts. Services include:

- ▶ Mass awareness: Mylan reached more than 350,000 people and their family members through community meetings, group discussions, street plays, folk songs, wall paintings, public announcements, educational leaflets and more;
- ▶ screenings for hepatitis B and C: Mylan conducted nearly 48,000 screenings; and
- ▶ counseling: Mylan provided education and counseling for those who identified positive as a result of screening.

In addition, Mylan supported screenings for other illnesses:

- ▶ Supported programs for HCPs on recognizing the potential signs and symptoms of cancer;
- ▶ helped screen more than 69,000 people for oral cancer and nearly 9,000 women for cervical and breast cancer;
- ▶ launched the Affordable Cancer Care project with the Tata Memorial Centre to conduct cancer screenings and deliver care. We also ran screening camps in rural and semi-urban Maharashtra; and
- ▶ sponsored community health camps where people could be seen by a medical professional and receive screenings.

#### EDUCATION

Mylan strives to support schools, particularly for underprivileged children, by helping address shortcomings in infrastructure, such as classrooms, furniture, toilets and potable water. In 2017 we helped more than 12,000 students by:

- ▶ Placing drinking-water units in three schools, serving 2,180 students;
- ▶ installing toilets in three schools, serving more than 1,000 students;
- ▶ building classrooms, science laboratories and a dining hall; and
- ▶ funding supplementary teachers.

#### COMMUNITY WELFARE

Mylan addressed access to clean drinking water, sanitation and waste management by:

- ▶ Establishing community drinking-water projects in nine villages, supporting more than 30,000 people in the states of Andhra Pradesh, Telangana and Karnataka; and
- ▶ in Andhra Pradesh, funding the purchase of garbage-collection vehicles at Jigani, Karnataka and Poosapatirega, and a public toilet complex at Nallagedapeta. Twenty-thousand people are benefiting.

#### THE ENVIRONMENT

Environmental health and human health are connected, and we are committed to making communities healthier. In addition to upholding high environmental standards in our own manufacturing facilities, we helped clean two major bodies of water in Andhra Pradesh and planted 22,000 trees.

## ADDITIONAL REST OF WORLD HIGHLIGHTS

- ▶ In Australia, donated medicine to the Philippine Australian Medical Association, the AusViet Charity Foundation, Cambodia Vision and Caritas PNG (Papua New Guinea) and a portable hospital organized by Youth with a Mission. We supplied the generic version of PrEP for government trials, providing access for patients at high risk of acquiring HIV. About 13,000 people are currently enrolled in various trials in Australia.
- ▶ Supported South Africa's Project Impilo Adopt-A-School program by providing daily meal packs for children diagnosed with HIV. We also funded renovation of the country's Masikhule Crech and Child Care Education facility to add bathrooms and a childcare center with age-appropriate toys and education curricula.
- ▶ Partnered with local football academies in Thailand's Nakornprathom and Saraburi provinces to renovate training fields and repair equipment used by more than 300 children.



# REGIONAL HIGHLIGHTS

## NORTH AMERICA

### DISASTER RELIEF

2017 was a year of dramatic weather in the U.S., and several Mylan locations suffered the effects of devastating storms and flooding. To support our communities, employees and their families, Mylan provided access to much-needed medicine by working with charitable distribution partners Direct Relief, Americares and Heart to Heart International to make available more than 6 million doses of antibiotics and medicines to treat heart, thyroid, digestive and respiratory conditions. We also chartered a cargo aircraft that carried more than 36,000 pounds of essential items needed by residents and Mylan employees in Puerto Rico. We opened the doors of our manufacturing plant there to Mylan employees and those in the surrounding community and provided shelter, food, water and other assistance.



Mylan also partnered with SBP, a national disaster recovery organization, to support their on-the-ground efforts in Texas. We donated more than \$80,000 to SBP to assist in statewide efforts. The contribution was made possible through employee donations and Mylan's corporate match. Mylan also offered temporary housing and provided direct financial assistance to its employees who needed support.

### SUPPORTING STEM EDUCATION

Mylan is committed to building awareness and interest in STEM education by supporting programs that inspire future scientists, pharmacists and physicians. In 2017:

- ▶ Senior female leaders from Mylan participated in the Annual Science Technology Engineering and Art and Math conference, hosted by the Women's Congressional Policy Institute in Washington D.C., to encourage women to pursue STEM education.

Other U.S. highlights from 2017 include:

- ▶ Mylan was recognized by Dispensary of Hope for donating more than 115 million doses of free medicine over the last 5 years to help serve patients in need;
- ▶ we participated in United Way of Monongalia County's annual Day of Caring. Approximately 100 employees from our Morgantown, West Virginia, locations took part in a half-day event to help local nonprofit organizations with much-needed hands-on volunteer projects;
- ▶ we again participated in the Pittsburgh Pride event, a weekend-long celebration in support of the LGBT community in Pittsburgh, Pennsylvania. Activities included sponsorship of the Mylan Wellness Village which offered confidential HIV/AIDs testing and employee participation in a parade; and
- ▶ Mylan contributed to the 2017 Bike MS event, which raised funds for the disease.





# REGIONAL HIGHLIGHTS

## EUROPE

- ▶ Sponsored runs in Spain to help fund scholarships for pancreatic cancer research.
- ▶ Cheered on 300 of our employees in France when they participated in the country's annual Association Petits Princes run to raise funds for children with cancer.
- ▶ Donated laboratory equipment to Polytech Clermont-Ferrand, an engineering school in France, to support STEM education.
- ▶ Donated nearly 7,000 Influvac® flu vaccines to Greece's Smile of the Child, Positive Voice and Hellenic Center for Disease Control and Prevention, and 480 doses of Klaricid to the country's Hellenic Institute for the Study of Sepsis.
- ▶ Donated Influvac flu vaccines to the homeless population of Lazio, Italy, and worked with Foundation The Bridge and NPS Italia Onlus to raise awareness of HIV prevention and promote access to self-test kits in an effort to encourage early diagnosis.
- ▶ Supported an HIV testing awareness campaign in Romania together with UNOPA, a patient association, to promote higher awareness among the general population of early diagnosis.
- ▶ Supported Romania's Mission 150, established to enhance education about hypertriglyceridemia and promote healthy lifestyles.





## 8

# Better Industry Health



## Breaking Down Barriers and Improving Access

It has become more apparent than ever that access is no longer just about bringing medicines to patients. It is also about shaping policy and affecting change throughout the pharmaceutical industry and around the world. Mylan has a long-standing commitment to addressing unmet needs and leading the way when it comes to industry change.

Mylan has transformed significantly since our founding, but our commitment to access and to the importance of having a fair and balanced industry never has waned. Each day, we honor this conviction. We provide education and raise awareness on issues related to patient health. We strive to make vaccines and self-treatment more available. We also work hard to persevere when faced with regulatory and market challenges.

## Establishing Strong Industry Partnerships to Address Access and Quality

We recognize that Mylan cannot act alone when it comes to delivering better health for our industry. Patient needs and healthcare challenges differ around the world and so do the solutions. As a global pharmaceutical company, we know that policies serving patients in one region may impact patients in another. The shifting focus toward more protective politics around the world makes that balance even more tenuous.

That's why Mylan works in good faith with various stakeholders and uses strong alliances with industry associations. By doing so, we're able to facilitate development of low-cost generic pharmaceuticals and drive discussions on access for patient populations at large.

Key associations with which we work include the Association for Accessible Medicines (AAM), Medicines for Europe, and the International Generic and Biosimilar Medicines Association (IGBA). Mylan also works with international groups such as the Global Pharmaceutical Manufacturers Leadership Forum, the International Society for Pharmaceutical Engineering (ISPE) and the Parenteral Drug Association (PDA) to help shape global health and drug quality policy.




Following are examples of our work in 2017:

Market	Activity
 Global	Partnered with the IGBA and other global industry associations to create a white paper articulating economic threats to the generics industry and the resulting risk of worldwide drug shortages. The paper was shared with the WHO.
 Canada	Partnered with the Canadian Generic Pharmaceutical Association to develop a five-year initiative with the pan-Canadian Pharmaceutical Alliance that will provide more than \$3 billion in savings for all Canadians who use prescription generic drugs. The initiative also provides stability and predictability for the generic pharmaceutical pricing environment.
 Ireland	Advocated for and helped lead the rollout of a new national biosimilars policy proposal to expand access to these medicines.
 Italy	Partnered with various physician and patient associations and Foundation the Bridge to further educate on biosimilars.
 Netherlands	Advocated for the acceptance of biosimilars and are an active member of Initatiegroep Biosimilars Nederland.
 Romania	Led public debates, conferences, panels and advocacy events with patient organizations and other stakeholders to address the issue of access to medicines. Authorities had implemented measures whose unintended impact limited patient access to medicine. We worked to improve understanding and reduce barriers to medicine.
 Serbia	Supported a new regulation to make more pharmaceutical companies eligible to participate in the country's vaccines procurement initiative. This allowed us to incorporate our Influvac into the country's offerings.

...we're able to facilitate development of low-cost generic pharmaceuticals and drive discussions on access for patient populations at large.





Market	Activity
 <p>Spain</p>	<p>Piloted the effort to change regulation to allow HIV self-test kits to be dispensed at the pharmacy level without a prescription, making it easier to prevent, diagnose and treat HIV.</p>
 <p>U.K.</p>	<p>Supported implementation of the National Health Service England (NHSE) Five-Year Forward View program. Mylan provided feedback challenging uncompetitive market practices, policies and clinical pathways that restrict market competition and prevent the NHS from delivering the best value for taxpayers. Our efforts were highlighted in the Supportive Commissioning framework published in September 2017.</p> <p>Collaborated with the British Generic Medicines Association to demonstrate the role and value of generics and biosimilars to support the NHS and its effort to provide patients the right medicines at the right time.</p> <p>Supported the update of the National Institute for Health and Care Excellence's guidance on hormone replacement therapy.</p>
 <p>U.S.</p>	<p>Worked with the AAM to present a unified industry voice regarding the possible submission of quality-metrics data to the FDA. Partners included PhRMA, Biotechnology Innovation Organization, Consumer Healthcare Products Association, ISPE and PDA.</p> <ul style="list-style-type: none"> <li>As a result, the FDA made important alterations to its program, which reduced costs and complexity, driving savings that could be passed along to patients. We also provided extensive input into the program to help inform regulation.</li> </ul> <p>Provided input to the Government Accountability Office (GAO) to help it better understand the scientific and technical challenges of the FDA's regulation of nonbiologic complex drugs. Some brand companies had presented arguments and proposals to block generics in this area. Because our input was well-informed, the GAO declined to endorse these efforts.</p> <p>Collaborated with the AAM and the FDA to provide real-world experience in generic drug review and assist with implementation of FDA's second generic drug user fee program, Generic Drug User Fee Amendment II. This law is intended to speed access to safe and effective generic drugs.</p>





# Championing Access to Generics

Healthcare systems and funding vary greatly by country, but in most if not all cases, generic products are able to be provided significantly below the originator's price, bringing benefits to patients, governments, insurers and others within the healthcare system. Below is a summary of the important role generics play in key geographies across the globe.

## U.S.

Mylan is the No. 2 provider of prescription medicines in the U.S. In 2017 generics represented approximately 89% of all pharmaceutical products sold in the nation.<sup>20</sup>

In contrast, generics constituted only 26% of U.S. pharmaceutical spend. A further illustration of these savings: In 2016 generics saved the U.S. healthcare system \$253 billion.<sup>21</sup> Approximately \$25 billion of that amount represents savings from Mylan generics.

## EUROPE

Over the past 10 years, generic medicines have more than doubled access in seven key therapeutic areas – without increasing overall treatment cost – benefiting millions of patients.<sup>22</sup> In 2016 generic pharmaceuticals represented 56% of the medicines used in the region, but only 22% of total drug costs.<sup>22</sup> The countries that make up Mylan's business in Europe represent the world's second largest generic pharmaceuticals market.

## REST OF WORLD

In Rest of World, we market generic pharmaceuticals primarily through our sales representatives in approximately 30 countries and through partners and distributors in 90 additional markets. Patients in Japan, Australia, New Zealand, China, Brazil, Russia, India, South Africa and certain markets in the Middle East and Southeast Asia benefit from our medicines.

Rest of World 2016 Statistics: Utilization of Generics vs. Generics Cost as a % of Total Medicine Cost <sup>23</sup>				
	Japan	Asia and Australia	Africa and the Middle East	Latin America
Utilization of Generics	40%	71%	69%	80%
Generics Cost as a % of Total Medicine Cost	18%	43%	49%	65%

<sup>20</sup>Based on IQVIA MIDAS and NSP data for the 12 months ended 12/17, rank by value

<sup>21</sup><https://accessiblemeds.org/sites/default/files/2017-07/2017-AAM-Access-Savings-Report-2017-web2.pdf>

<sup>22</sup><http://www.medicinesforeurope.com/generic-medicines/our-5-pillars/>

<sup>23</sup>Long D., Global Generic and Biosimilars Trends and Insights. Association for Accessible Medicines, February 13, 2018





## Removing Barriers to Expand Access to Biosimilars

While generics are used widely around the world, as an industry, we also need to continue our efforts to break down regulatory and market barriers.

Biologic medicines, in particular, typically represent a disproportionately large cost burden for patients, governments and insurers. For this reason, off-patent competition from biosimilar medicines is critical to reducing costs while expanding patient access. Yet despite the increasing number of originator biologic medicines with expiring patents, numerous policy and market-related barriers (sometimes driven by originator companies) prevent biosimilars from entering the market. These include regulations, lengthy pricing and reimbursement administrative procedures, lack of access to originator samples for comparability studies, legal challenges of intellectual property (IP) and patents, and disparate naming conventions of biosimilars across different countries.

Mylan is actively involved in educating and collaborating with policymakers around the world to remove these barriers and support regulations to create a sustainable and competitive biologics market that maximizes patient access while reducing cost. This includes streamlining regulatory pathways, increasing stakeholder trust in biosimilar medicines and building systemwide processes that facilitate their use. With respect to trust, the industry needs to further educate people about the therapeutic equivalency of biosimilars and all generic medicines.

Our efforts to date have helped drive significant policy changes in support of biosimilars in the U.K., France, Italy, Portugal and Canada.

In 2017 Mylan worked closely with our industry association and the Australian government to expand patient access to important biosimilar medications. Efforts included increasing awareness among patients receiving a specific treatment for the first time, streamlining regulation and embarking on a public education campaign.

## Expanding Testing and Treatment for Infectious Disease

As the HIV/AIDS and hepatitis epidemics continue, so too does our commitment to these patient populations.

Mylan is a strong advocate for evidence-based policies that expand access to treatment and preventive services that address HIV/AIDS and hepatitis. Our advocacy includes educating policymakers on the need for continued funding of prevention and testing programs that provide services to people globally living with these diseases.

We also advocate for the expansion of testing and treatment for other infectious diseases, including TB. By providing our medicines, solutions and expertise, we help strengthen the ability of global health systems to diagnose and appropriately treat – or possibly even cure – these leading causes of morbidity and mortality.



## Continuing Our Commitment to Anaphylaxis

Mylan is a long-time champion of building awareness around anaphylaxis, a life-threatening allergic reaction. It has many possible triggers, occurs quickly and without warning, and must be treated immediately with Epinephrine. Our efforts include educating people on avoiding triggers, being prepared in case anaphylaxis occurs and ensuring that effective treatment is on hand when needed.

The rate of reported severe allergic reactions to food alone has increased by nearly five times over the past decade. Further, at least 25% of adults and 65% of children who suffer a life-threatening allergic reaction have not had a previous incident<sup>24</sup>, making Mylan's efforts on education and providing access to Epinephrine in public spaces even more important.

We continue to work with governments and stakeholders around the world to ensure access. This past year, for instance, Mylan worked with the Western Australia State Government to amend health regulations to allow for inclusion of Epinephrine in first-aid kits. We also worked with members of the European Parliament to raise awareness about anaphylaxis and the need to introduce policies to improve access to Adrenaline auto-injectors.

## Helping Prevent Disease in Europe

Mylan not only provides medicines to treat diseases, but vaccines to prevent them. In 2017 we helped develop guidelines on tenders (offers) on vaccines in several European countries, including Serbia, France, Germany, Italy, Ireland and others. We worked with key stakeholders throughout the region to increase awareness of the importance of vaccines to improve public health. In France, we began a pilot program to help people receive vaccinations at pharmacies. We facilitated access in the U.K., an effort that enabled 3.75 million people to receive Mylan's flu vaccine, as part of the country's public health immunization programs.

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In 2017 we helped develop guidelines on tenders on vaccines in several European countries, including Serbia, France, Germany, Italy, Ireland and others.

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<sup>24</sup>MJ Matasar, AI Neugut, et al. Epidemiology of anaphylaxis in the United States. Curr Allergy Asthma Rep 2003 Jan; 3(1): 30-35.





## Tackling the Issue of Antimicrobial Resistance

AMR is a widely recognized and growing global public health problem, taking the lives of approximately 700,000 people annually and threatening the future efficacy of medicine and treatment. Estimates are that 5.7 million people die from treatable infections each year because they lack access to effective antibiotics.<sup>25</sup> Developing sustainable markets, strong health systems, and informed physicians and patients all are critical to tackling AMR and maximizing appropriate use of antimicrobials.

Mylan's portfolio contains many essential antimicrobials, including antibiotics and antivirals; it also includes the flu vaccine, for which we are investing in researching new strains and indications.

Mylan is on the board of the Industry Alliance on AMR. The Alliance brings together more than 100 biotech, diagnostics, generics and research-based pharmaceutical companies, and associations to drive and measure the progress of the life science industry in curbing antimicrobial resistance.



The organization ensures that companies who signed on to the Davos Declaration on AMR deliver collectively on the specific commitments made. It also measures industry's progress in the fight against antimicrobial resistance.

## AMR Explained

Antimicrobial resistance occurs when stronger bacteria survive and reproduce while weaker strains perish. The prevalence of antimicrobial medicines, particularly antibiotics, has resulted in the emergence of strains of bacteria that are difficult, if not impossible, to kill. Growing awareness of this threat is prompting various stakeholders – such as the pharmaceutical industry – to help address the issue.

<sup>25</sup>Daulaire N, Bang A, Tomson G, Kalyango JN, Cars O. Universal access to effective antibiotics is essential for lacking antibiotic resistance. J Law Med Ethics. 2015; 43 (Suppl 3): 17-21





## Respecting Intellectual Property and Removing Regulatory Barriers

Respecting valid IP and promoting investment in innovation are essential to the development of new drugs. Ensuring that patents aren't inappropriately granted and that generic medicines have the potential to reach patients are equally important.

For these reasons, Mylan wants to make sure international trade agreements do not lock in excessive IP protections, such as patent terms or provisions related to data access, market access or approvals that make bringing generics to market burdensome. These protections also may improperly extend intended and fair patent scope and duration.

Below are three examples of barriers generic drugmakers often face regarding IP:

- A key component of developing a generic drug is comparative testing to make sure it has the same therapeutic effect as the original. Originators may restrict access to their medicines by preventing distributors from selling to generics companies.
- Originators often obtain weak patents covering trivial changes – e.g., ones that yield little or no therapeutic advantage – to existing products whose patent lives have expired. The effect: additional barriers to generic entry.
- Some originator companies also convince health authorities to require generics companies to use the originators' patented tests to demonstrate sameness to a brand product. The practice can subject generics companies to litigation, ultimately delaying product launches.



## Advocating for Fair International Trade

Mylan believes medicines should be widely available and affordable for patients. International trade agreements can delay market entry of generic and biosimilar drugs if they include excessive IP protections, such as lengthy patent terms and market exclusivities. Instead, incentives should be carefully and meaningfully balanced against the need for competition and access.

International trade agreements set terms between two or more countries or regions. Terms cover considerations such as tariffs, market access and IP, among others. Mylan advocates for agreements that strike a balance between promoting innovation and ensuring expedited patient access to affordable medicine. We understand the importance of rewarding the investments needed to innovate. Mylan has participated in trade negotiations such as the North America Free Trade Agreement, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Regional Comprehensive Economic Partnership and multiple bilateral and other trade agreements. In the CPTPP, we stopped the inclusion of IP provisions that threatened to delay patient access to generic medicines. We continue to press for balanced IP incentives that reward true innovation of novel drugs but do not block competition for an inappropriate period for drugs that are not truly novel.

Mylan continues to lead the global generics industry, arguing against excessive IP protections in international trade agreements that limit patient access to more affordable medicine. By doing so, we will advocate on behalf of patients everywhere to ensure barriers are addressed and overcome.

## Helping Level the Playing Field

Mylan partners with health authorities, industry trade associations and international organizations to shape proposals, facilitate understanding, eliminate duplicative regulatory programs and level the playing field. We speak publicly and advocate for balanced regulatory positions.

In 2017 Mylan worked to secure greater involvement of generic-medicine stakeholders at the ICH, the leading global regulatory forum for drug harmonization requirements. As a result, Mylan now has experts serving on three ICH working groups that drive the technical discussions leading to harmonization.

## Combating Falsified Medicines and Drug Diversion

Falsified medicines are fake or adulterated medicines that are sold as real and authorized medicines. Falsified medicines may be mislabeled products or products that contain ingredients of bad or toxic quality and dosage. Since they have not been properly checked for quality, safety or efficacy, they can pose a serious and fatal risk to patients' health. As these medicines become more sophisticated, comprehensive strategy at the regional and international level is needed. Mylan supports the global fight on falsified medicines, which has focused recently on the implementation of the U.S. Drug Supply Chain Security Act in the U.S. and the European Falsified Medicine Directive, among other global requirements.

Serialization is one way to address this concern. It involves authenticating and/or tracking and tracing prescription drugs through the supply chain from manufacturing to dispensing, and it is one response to the counterfeiting of medicine. Across the globe, governments are implementing legislation calling for serialization and the reporting of associated data. Mylan made significant investments in new packaging, IT technology and infrastructure to develop, support and advance supply chain security. Mylan sees the potential for product serialization to transform the industry by connecting patients with manufacturers. We also collaborated closely with the Pharmaceutical Distribution Security Alliance, the Alliance for Global Pharmaceutical Serialization, generics trade associations, customers and solution providers to innovate in this area.

Additionally, our supply chain security program has been validated by the U.S. Customs and Border Protection agency, achieving the highest level of certification, Tier III status, within its Customs-Trade Partnership Against Terrorism program.

# 9

## Better Shareholder Health



### Ongoing Execution, Performance and Investments

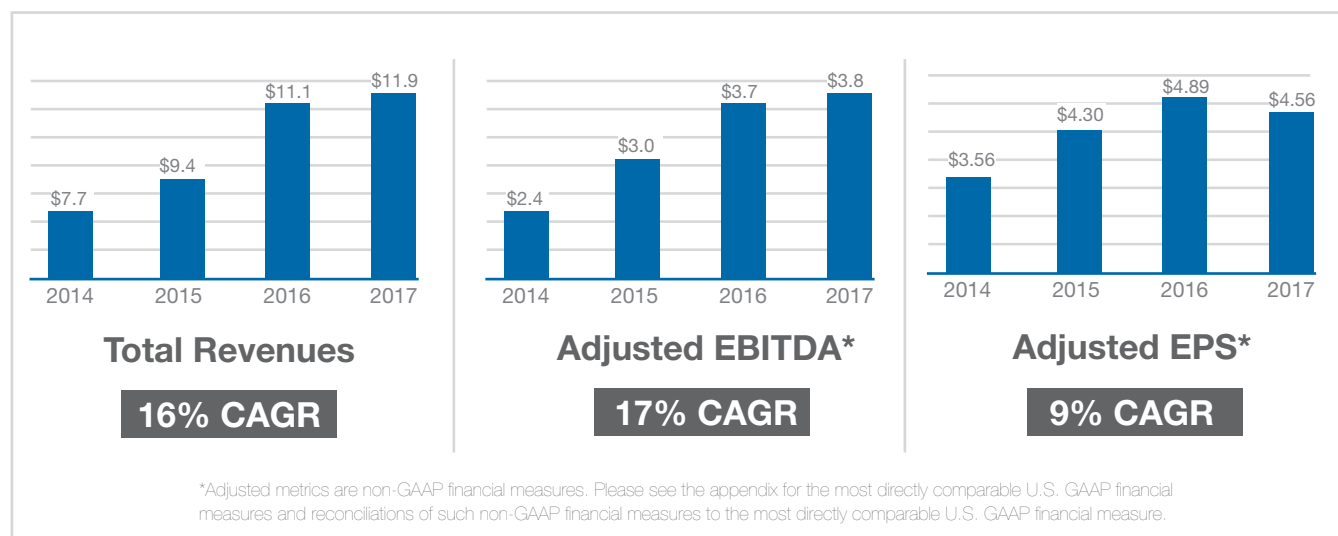
Shareholders are an important stakeholder to Mylan, and we believe that by continuing to do good, we will continue to do well by them. Doing both is precisely why we created our sustainable business model. Throughout the last decade we have continued to make the investments required to bring it to life.

Mylan has delivered consistent and reliable results and maintained significant financial strength and flexibility. We also, with each passing year, have become ever more diversified – in terms of number of countries supplied; product mix, concentration and complexity; and types of channels and markets served – further reinforcing our durability and differentiating the company as being built to last.

We look forward to building on this track record of execution to continue to deliver shareholder value for many years to come.

## Consistent Execution

\$ in billions, except for adjusted EPS



## Engaging for the Long Term

Robust shareholder engagement remains a priority for Mylan's board and management as the company continues to drive long-term shareholder value while also striving to serve the interests of other stakeholders in a complex and evolving healthcare environment. We are committed to maintaining a dialogue with our shareholders to ensure that they understand our differentiated strategy and business model and that together we take the opportunity to discuss and engage on topics of interest regarding their investment in Mylan.



Throughout 2017 the diverse views of our shareholders were relayed to the board on topics including:

- ▶ Social responsibility,
- ▶ board dynamics,
- ▶ risk oversight,
- ▶ corporate strategy and
- ▶ executive compensation.

For a complete overview of our process for shareholder engagement, our discussions with shareholders and what we have done to respond to their feedback, including details about the above topics, please see Mylan's 2018 Proxy Statement.





## AS PART OF OUR EXPANDING EFFORT ON GLOBAL SOCIAL RESPONSIBILITY, WE WILL WORK THROUGHOUT 2018 AND 2019 TO:

- ▶ Identify and prioritize the most relevant ESG topics for our business, including identifying their potential impact on stakeholders;
- ▶ conduct an inventory of relevant policies and activities to identify opportunities to improve our performance and communication related to the ESG topics most relevant to Mylan and its key stakeholders. This will help determine a performance baseline and inform the establishment of relevant ESG goals, key performance indicators and metrics;
- ▶ engage with a cross-section of stakeholders to evaluate needs, concerns and expectations regarding Mylan and applicable ESG topics; and
- ▶ expand our ESG disclosures around the topics of highest overall relevance as well as those of interest to the investment community and other stakeholder groups.

## Envisioning the Future – Mylan’s Board of Directors

Mylan maintains a skilled and engaged board that reflects principles of independence, experience and judgment, among other qualities. It also is committed to supporting, valuing and leveraging diversity in its composition. Mylan believes it is important that the board represent assorted personal backgrounds. Our directors, considered as a group, provide a broad and deep-seated mix of qualifications, knowledge and abilities. The board also desires to combine the skills and experience of its long-standing members with the fresh perspectives, skills, insights and experience of new members. This diversity of viewpoints and experiences is critical to Mylan’s long-term strategic oversight and performance.

Mylan’s Articles of Association, Board Diversity Policy, Board Rules and Corporate Governance Principles, as well as the charters for our board committees are available on [Mylan.com](http://Mylan.com).

See the composition of Mylan’s board of directors and standing committees, including our independent directors, and learn more about Mylan’s approach to corporate governance and to executive compensation in our 2018 Proxy Statement, Dutch Board Report and on [Mylan.com](http://Mylan.com).



## Managing Enterprise Risk to Support Sustainable Growth

In addition to general market and economic risks, Mylan manages specific industry-related risks. We are committed to operating ethically and with integrity, and we proactively manage and, where possible, mitigate risk to ensure the continued growth of our business. We strive to protect our assets and reputation, as well as the interests of shareholders and other stakeholders. Risk management is an enterprise-wide objective subject to the oversight of Mylan's board and its committees.

Mylan's management and employees implement and administer risk-management processes to identify material threats to our business and then assess, manage and monitor them, all while maintaining flexibility in how we operate.

To embed risk management into our culture, Mylan trains employees on good business practice and conduct, as well as our Code of Business Conduct and Ethics and policies related to anti-corruption, fair competition, interactions with HCPs and our Supplier Code of Conduct.

For more detailed information about the risks and uncertainties associated with our business activities, see our Annual Report on Form 10-K for the year ended Dec. 31, 2017. You also may visit [investor.Mylan.com](http://investor.Mylan.com).

## Mylan's Risk Oversight Committee

Mylan's board, directly or through its committees, oversees management's implementation of risk management. Consistent with our proactive approach to risk management, the board recently formed a Risk Oversight Committee to assist in its oversight of our enterprise risk-management framework, in coordination with the respective oversight responsibilities of other board committees.



## Ensuring Strong Global Compliance Governance

Mylan has a Global Compliance Program that is overseen by our board's Compliance Committee. Our Chief Compliance Officer has the operational responsibility to ensure the program is effective and robust. This individual serves on Mylan's executive governance team and reports to the board's Compliance Committee and Mylan's CEO. This structure provides broad perspective and independence.

Mylan's Office of Global Compliance (OGC) is organized by operating regions and global centers of excellence (CoE). The OGC and Mylan's Global Compliance Program are structured in a manner consistent with the U.S. Office of Inspector General's Resource Guide for Measuring Compliance Program Effectiveness. The head of Global Compliance leads three global CoE that support Mylan's global operating regions and business. A senior compliance officer manages each respective CoE, which focuses on policies, training and communications; global compliance risk, audit and due diligence; and investigations. The OGC oversees the development, maintenance and recordkeeping of global policies and procedures, and performs various periodic and needs-based operational audits throughout the year, often in conjunction with Internal Audit.

## Fight Corruption Through Strong Management

Anti-corruption and anti-fraud management are part of Mylan's enterprise risk-assessment process. We conduct assessments to confirm that our business transactions comply with company policies and applicable laws and regulations around the world. We monitor business activities that have elevated risks – such as HCP interactions – through established internal processes and controls. Our procedures also cover some business partners.

Mylan takes all allegations of noncompliance with policies, as well as applicable laws and regulations, very seriously. Remedial actions are implemented in a timely fashion where necessary and appropriate.



In addition to general training on business ethics, we require and provide dedicated training on anti-corruption, fair competition and Mylan's standards for interactions with HCPs for employees with relevant job responsibilities. Vendors that may interact with government officials on our behalf also receive anti-corruption training.



## Upholding Integrity as We Expand and Transform

As we expand into new geographies, safeguarding integrity in business conduct and maintaining our companywide governance program are key. Looking ahead, we will strive to ensure that all members of Mylan's workforce understand the importance of doing what's right, not what's easy and their role in creating a culture of integrity.

### KEY COMPLIANCE ACCOMPLISHMENTS IN 2017

- ▶ Established and enhanced certain policy documents, including country-specific Standards for Interactions with HCPs and Global Policy on Engaging HCPs as Consultants;
- ▶ extended internal compliance reporting mechanisms to new countries and regions;
- ▶ enhanced and developed global and certain country-level compliance risk assessments; and
- ▶ expanded and enhanced compliance coverage in new and expanded markets.

## Mylan's Code of Business Conduct and Ethics

The Code outlines guiding principles on how we should conduct ourselves and informs our policies and standards, while remaining true to our values. It provides high-level guidance on critical areas of the company's business operations including:

- ▶ Operational compliance;
- ▶ avoiding fraud and corruption;
- ▶ complying with fair competition, anti-trust and pricing requirements;
- ▶ awareness and compliance with corporate and securities laws; and
- ▶ engaging in fair employment practices.

All employees receive training in the Code of Business Conduct and Ethics annually.



### Relevant Mylan Policies

- ▶ Code of Business Conduct and Ethics
- ▶ Supplier Code of Conduct
- ▶ Global Anti-Corruption Policy
- ▶ Fair Competition Policy
- ▶ Global Policy on Combating Trafficking in Persons

Available on Mylan.com



## Anti-Corruption Policy

Corruption erodes the trust in public institutions, compromises fair competition and is costly to societies in multiple ways. Corruption also stands in the way of access to medicine and good health, making fighting it and promoting fair competition important to our business and mission. Mylan's Global Anti-Corruption Policy establishes and communicates Mylan's strict prohibition against bribery and corruption in any form anywhere we do business. This policy defines bribery and facilitation payments (also prohibited by Mylan) and highlights the individual responsibility of employees to avoid, recognize, prevent and report bribery and corruption, and to comply with all applicable laws against them.

## Fair Competition Policy

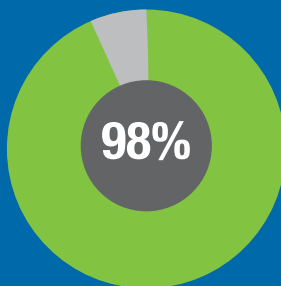
Mylan's Fair Competition Policy states the company's position on complying with applicable competition and antitrust laws, and regulations for all regions in which the company conducts business. The policy also details that employees must promote Mylan's products in a truthful and accurate manner, consistent with applicable laws and regulations.

### ANNUAL COMPLIANCE TRAINING RESULTS<sup>26</sup>

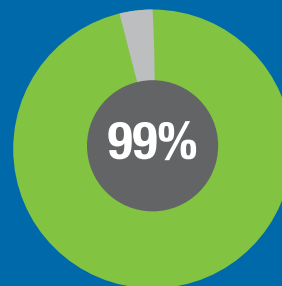
**GOAL:** Train at least 90% of Mylan's employees on the company's Code of Business Conduct and Ethics



**GOAL:** Train at least 90% of Mylan's employees (as applicable) on the company's Anti-Corruption Policy and related laws



**GOAL:** Train at least 90% percent of Mylan's employees (as applicable) on the company's Fair Competition Policy and related laws



<sup>26</sup>Excluding recent acquisitions

## Strong Processes for Reporting Compliance Concerns

Mylan encourages open communication and believes this is particularly important for upholding a culture of integrity. We have a strong framework through which concerns can be reported. Employees can report a suspected matter to their manager, Human Relations representative, local or regional compliance officer, Legal department or our OGC. They also can use Mylan's Compliance Line. We have a clear process for investigating, resolving and remediating potential misconduct. It includes:

- ▶ A review of every report by our head of Global Compliance;
- ▶ a thorough, impartial and timely investigation in coordination with Human Relations, our Legal department and other functions, as appropriate; and
- ▶ fair and consistent disciplinary measures, when necessary.

Mylan's Global Policy on Reporting and Investigating Compliance-Related Matters details the reporting, investigation, communication and resolution of compliance-related matters. It is available to all employees on Mylan's social business intranet.

## Protecting Human Rights and Mitigating Violations

Mylan supports and respects the International Bill of Human Rights. As a signatory to the U.N. Global Compact, we understand our responsibility – and opportunity – to support the protection of human rights beyond our own operations. We seek to do so through our core business and how we conduct ourselves. Every day, we contribute to realizing people's right to health through the development and provision of high quality, affordable medicines and services to treat HIV/AIDS, hepatitis, TB, mental illness and cancer, to name a few. Through our commitment to women's health around the world, we provide much-needed contraceptives, supporting sexual and reproductive rights.

Mylan's global policies, along with the associated procedures, training and due diligence, make up the foundation of our work to mitigate the risk of human rights violations. We will evolve our work on human rights as part of our continuing efforts regarding global social responsibility.

## Mylan's Compliance Line

One avenue for reporting concerns is operated by an independent third party. It is available to employees and external partners 24 hours a day, seven days a week and allows reports to be submitted via telephone, email, online or by mail. In many countries, it permits anonymous reports. All information is confidential. Mylan strictly prohibits retaliation against any employee for making a good-faith report of suspected misconduct.

Mylan's Code of Business Conduct and Ethics, Mylan's Supplier Code of Conduct, Mylan's Global Policy on Combating Trafficking in Persons and the companywide EHS program set forth guiding principles in areas critical to protecting human rights. These include:

- ▶ Legal compliance,
- ▶ prohibition of trafficking of persons,
- ▶ prohibition of forced and child labor,
- ▶ handling of identity and immigration documents,
- ▶ wages,
- ▶ working hours,
- ▶ safety in the workplace,
- ▶ preventing harassment and
- ▶ recruitment practices.





# Appendix 2017: Performance Overview

## BETTER PATIENT HEALTH

### Mylan's Commercial Footprint and Patients Reached

Doses sold	~69 billion
Number of marketed products	>7,500
Number of countries and territories served	>165
Number of products in Mylan's biosimilars portfolio and pipeline	20
% of children treated for HIV/AIDS who use a Mylan medication	~60%
% of patients treated for HIV/AIDS who use a Mylan medication	>40%
Number of people treated with Mylan's hepC and hepB medications	~200,000
Number of women and girls with access to Mylan's contraceptives	~11 million
% of the 69 FP2020 countries in which Mylan has registered its contraceptive portfolio	72% (50 out of 69 countries)
Number of countries in which Mylan has registered its contraceptive portfolio	95
Average selling price of Mylan's medicines	17¢ per dose in 2017

### Mylan's Operational Capacity

Number of operational facilities	47
Number of oral solid doses	>75 billion
Number of complex-product units	~1.3 billion
Number of injectables, units	~500 million
Kiloliters of APIs	~4,800
ARV doses manufactured	~4 billion

## Innovation and Development

Number of global product approvals	>800 in 2017
Total investments in R&D <sup>27</sup>	From 2013-2017, we invested more than \$3 billion in cumulative R&D spend
Total investments in ARVs	~\$250 million
Products in active development in Mylan's R&D pipeline	~550
Products in pipeline <sup>28</sup>	North America: 359 Europe: 174 Japan, Australia and New Zealand (JANZ): 181 Emerging markets: 310
Pending approval <sup>29</sup>	North America: 267 Europe: 528 JANZ: 41 Emerging Markets: 947
Planned submissions in 2018	~500 filings for 132 geo-expansion products
Number of patents filed	~4,000
Number of clinical trials	>100 in 2017

## Ensuring Quality and Product Safety

Number of quality and GMP audits at suppliers	768
Number of GCP audits	64
Number of PV audits	36
Number of quality and GMP audits at own facilities	42

<sup>27</sup>Cumulative spend refers to adjusted R&D. Adjusted metrics are non-GAAP financial measures. Please see appendix or investor.Mylan.com for the most directly comparable U.S. GAAP financial measures as well as reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measure.

<sup>28</sup>Data as of March 1, 2018

<sup>29</sup>Data as of March 1, 2018

## BETTER PARTNER HEALTH

### Business Ethics and Partners

% employees with business partners who interact with government officials on our behalf, trained on our Anti-Corruption Policy and procedures	91%
Number of suppliers that received Mylan's Supplier Code of Conduct	~20,700

## BETTER EMPLOYEE HEALTH

### Mylan's Global Workforce

Total workers <sup>30</sup> :	35,560 (100%)
Employees	31,828 (89.5%)
Temporary workers	3,732 (10.5%)
Workforce by region:	
Europe	27.4%
North America	21.2%
Rest of World	51.4%
Workforce by function:	
Operations	58.0%
Sales and Marketing	19.7%
General and Administrative	13.7%
Scientific Affairs	8.6%
Employee ages, %	
Under 25	4.2%
25-34	37.4%
35-44	30.4%
45-54	19.1%
55-64	8.6%
65 and over	0.3%
Part-time employees	1.9%
Employee turnover <sup>31</sup>	17.8%
% of employees who set objectives in support of Mylan's key priorities <sup>32</sup>	94%

<sup>30</sup>Workers and workforce include employees and temporary workers

<sup>31</sup>Includes voluntary and involuntary turnover for regular employees

<sup>32</sup>Not including employees covered by collective bargaining agreements in the U.S., employees on a leave of absence and new employees



Employee Gender by Region <sup>33</sup>	Female	Male
Europe	55.3%	44.7%
North America	38.2%	61.8%
Rest of World	11.9%	88.1%
Global	28.3%	71.7%

## Women in Leadership at Mylan

Board of Directors <sup>34</sup>	36%
Executive Governance Team <sup>35</sup>	53%
Female managers <sup>36</sup>	26%

## People Managers by Gender (Population)<sup>37</sup>

% of male employees responsible for managing people	16%
% of female employees responsible for managing people	14%

## Health and Safety Performance

Total incident rate	0.51 cases per 100 employees This is 75% below the industry average of 2.0 <sup>38, 39</sup>
Days Away, Restricted or Transferred (DART) rate	0.38 cases per 100 employees This is 68% below industry average of 1.2 <sup>40, 41</sup>
Total number of units covered by occupational health and safety management certifications (OHSAS 18001)	6 sites in India. 9 additional locations are currently in process

<sup>33</sup>Based on employee data from Mylan's HR information system

<sup>34, 35</sup>Including CEO Heather Bresch

<sup>36, 37</sup>Based on employee data from Mylan's HR information system

<sup>38</sup>Industry average per U.S. Bureau of Labor Statistics

<sup>39</sup>Data as of April 2018. Information may be restated due to acquisitions, divestitures or the availability of additional data

<sup>40</sup>Industry average per U.S. Bureau of Labor Statistics

<sup>41</sup>Data as of April 2018. Information may be restated due to acquisitions, divestitures or the availability of additional data

**BETTER ENVIRONMENTAL HEALTH**

**API Sites Covered by External Certification**

Total number of sites covered by environmental management certifications (ISO 14001)	8
Total number of sites covered by energy-management certifications (ISO 50001)	7

**Wastewater Management**

Sites with zero liquid discharge (ZLD) systems	11
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Water Supply, thousand cubic meters	2015	2016	2017
	3,142	3,185	3,298

<b>Greenhouse Gas Emissions, thousand tonnes CO<sub>2</sub>e</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Scope 1	382	403	415
Scope 2	378	392	387
Total	760	795	802
Total, normalized by revenue (tonnes CO <sub>2</sub> e per \$ in millions revenue)	81	72	67

- 2015 is base year for total GHG emissions and water data
- Scope 2 emissions are based on market-based method
- Includes data for manufacturing, packaging, research and development, and distribution sites based on direct operational control
- Data from 2015 – 2017 has been adjusted to account for acquisitions and divestitures, in accordance with the methodology prescribed in the WRI Greenhouse Gas Protocol
- Excludes data and sources from commercial, employee travel and commutes, small administrative/lab sites, small warehouses and other business transportation
- Data does not include process emissions from manufacturing or emissions from insignificant sources such as welding gases, lab gases, fire extinguishers, dry ice, etc.
- All solvent combustion in air pollution control devices in Scope 1 emissions is treated as ethanol

<b>Renewable Energy Purchased, MWh</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
	16,317	36,328	56,014



## BETTER SHAREHOLDER HEALTH

### Business Ethics and Compliance Training at Mylan in 2017

% of employees trained in Mylan's Code of Business Conduct and Ethics	100% for employees assigned training in MyUniversity
% of employees trained in Mylan's Anti-Corruption Policy and related laws	98% for employees assigned training in MyUniversity
% of employees trained in Mylan's Fair Competition Policy	99% for employees assigned training in MyUniversity

### Financial Performance (\$ in millions, except for Adjusted EPS)

Total Revenues	\$11,907.7
Adjusted EBITDA*	\$3,791.0
Adjusted EPS*	\$4.56
<b>Third Party Net Sales by Segment</b>	
North America	\$4,969.6
Europe	\$3,958.3
Rest of World	\$2,832.1

\*Adjusted metrics are non-GAAP financial measures. Please see tables on next page for directly comparable U.S. GAAP financial measures and reconciliations of such non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures.

## Reconciliations on Non-GAAP Financial Measures

This report includes the presentation and discussion of certain financial information that differs from what is reported under accounting U.S. GAAP. These non-GAAP financial measures, including adjusted R&D, adjusted EBITDA and adjusted EPS, are presented in order to supplement investors' and other readers' understanding and assessment of the financial performance of Mylan N.V. ("Mylan" or the "Company"). Investors and other readers are encouraged to review the related U.S. GAAP financial measures and the reconciliations of the non-GAAP measures to their most directly comparable U.S. GAAP measures set forth below, and investors and other readers should consider non-GAAP measures only as supplements to, not as substitutes for or as superior measures to, the measures of financial performance prepared in accordance with U.S. GAAP.

### Adjusted R&D For The Years Ended December 31

<b>(Unaudited; USD in millions)</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Amounts may not sum due to rounding					
U.S. GAAP R&D	\$783	\$827	\$672	\$582	\$508
Deduct:					
Acquisition-related costs	(2)	(2)	(2)	(3)	-
Restructuring and other special items	(126)	(129)	(20)	(18)	(52)
Adjusted R&D	\$655	\$696	\$650	\$561	\$456

## Adjusted EBITDA For The Years Ended December 31

<b>(Unaudited; USD in millions)</b>				
Amounts may not sum due to rounding	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
U.S. GAAP net earnings attributable to Mylan N.V.	\$696	\$480	\$848	\$929
Add adjustments:				
Net contribution attributable to the noncontrolling interest and equity method investments	58	113	105	95
Income tax (benefit) provision	207	(358)	68	41
Interest expense	535	455	339	333
Depreciation and amortization	1,806	1,523	1,032	567
EBITDA	\$3,301	\$2,212	\$2,392	\$1,966
Add / (deduct) adjustments:				
Share-based compensation expense	75	89	93	66
Litigation settlements and other contingencies, net	(13)	673	(97)	48
Restructuring and other special items	428	704	625	286
Adjusted EBITDA	\$3,791	\$3,678	\$3,012	\$2,366



## Adjusted EPS For The Years Ended December 31

<b>(Unaudited; USD in millions, except for EPS)</b>	<b>2017</b>		<b>2016</b>		<b>2015</b>		<b>2014</b>	
Amounts may not sum due to rounding								
U.S. GAAP net earnings and U.S. GAAP diluted earnings per share	\$696	\$1.30	\$480	\$0.92	\$848	\$1.70	\$929	\$2.34
Purchase accounting related amortization (primarily included in cost of sales)	1,530		1,412		901		419	
Litigation settlements and other contingencies, net	(13)		673		(97)		48	
Interest expense (primarily related to clean energy investment financing)	20		23		44		46	
Interest expense related to the accretion of contingent consideration liabilities	28		43		40		35	
Clean energy investments pre-tax loss	47		92		93		79	
Financing related costs (included in other expense, net)	-		-		112		33	
Acquisition-related costs (primarily included in SG&A and cost of sales)	70		335		420		140	
Acquisition-related customer incentive (included in third party net sales)	-		-		17		-	
Restructuring-related costs	188		150		19		10	
Other special items included in:								
Cost of sales	64		45		36		41	
Research and development expense	118		121		20		18	
Selling, general and administrative expense	14		36		48		61	
Other expense, net	14		(18)		7		(11)	
Tax effect of the above items and other income tax related items	(330)		(844)		(370)		(432)	
Adjusted earnings and adjusted EPS	\$2,445	\$4.56	\$2,547	\$4.89	\$2,137	\$4.30	\$1,416	\$3.56
Weighted average diluted ordinary shares outstanding	537		521		497		398	

# Additional qualitative information

## MYLAN'S EHS MANAGEMENT PRINCIPLES

- |   |  |
|---|--|
| 1. Management and leadership accountability       | 8. Information systems                           |
| 2. Risk assessment and management                 | 9. Supplier, contractor and partner relations    |
| 3. Compliance management                          | 10. Product supply chain stewardship             |
| 4. Emergency preparedness and response            | 11. Facility acquisition, design and divestiture |
| 5. Incident management                            | 12. Change management                            |
| 6. Environmental impact and resource preservation | 13. Assessment and improvement                   |
| 7. Personnel development and training             |  |

## LIMITING ANIMAL STUDIES

Mylan does not conduct animal studies unless required by national regulations. In some countries, animal studies are required to introduce a pharmaceutical product to the market. In these instances, we have clear procedures to ensure animal studies are conducted ethically. Facilities that perform work on our behalf must comply with regional scientific procedures for laboratory animal science and be accredited or approved according to the Association for Assessment and Accreditation of Laboratory Animal Care, thereby demonstrating their commitment to responsible animal care and use. We ensure our vendor partners adopt the same approach and procedure. Mylan's Global Operations Audit team performs regular audits on all parties to ensure compliance.

## MANAGING POLITICAL CONTRIBUTIONS RESPONSIBLY

Mylan's Global Political Contributions and Activity Policy – adopted by the board – guides our approach to political contributions. It is overseen by Mylan's Compliance Committee and applies to all company personnel. Only to the extent allowed by law, the company may directly contribute to political candidates and political organizations. This is relevant primarily for Mylan's U.S. subsidiaries and Mylan's Political Action Committee, a voluntary, nonpartisan, employee-run committee. Contributions are made in accordance with the U.S. Lobbying Disclosure Act. Mylan files a quarterly report of expenses associated with lobbying the federal government.<sup>42</sup> The report can be found on the U.S. Senate Office of Public Records website or the U.S. House of Representatives Office of the Clerk website.

## HONORING OUR COMMITMENT AS A PUBLICLY TRADED COMPANY

Mylan N.V. is listed on the NASDAQ stock exchange in New York. Its corporate seat is Amsterdam, Netherlands, with its principal executive office located in Hatfield, Hertfordshire, England.

The global headquarters of the Mylan group is Canonsburg, Pennsylvania, U.S. It is at this location where the CEO and other executive officers of the group carry out the day-to-day conduct of our worldwide business.

Mylan N.V. is managed and controlled under the oversight of the company's board of directors in the U.K., where the board generally meets. Each director is elected annually by the company's shareholders. Certain of the directors' duties, rights and responsibilities are detailed in the company's Articles of Association, Board Rules and Corporate Governance Principles.<sup>43</sup> Mylan is subject to applicable rules, regulations and/or listing standards of the U.S. Securities and Exchange Commission, NASDAQ and the Dutch Corporate Governance Code.

<sup>42, 43</sup><http://www.mylan.com/en/company/corporate-governance>

This document contains “forward-looking statements.” These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may include, without limitation, statements about future expectations, ability to achieve future goals, and any other statements regarding Mylan’s future operations, anticipated business levels, future earnings, planned activities, anticipated growth, market opportunities, strategies, competition, and other expectations and targets for future periods. These may often be identified by the use of words such as “will,” “may,” “could,” “should,” “would,” “project,” “believe,” “anticipate,” “expect,” “plan,” “estimate,” “forecast,” “potential,” “pipeline,” “intend,” “continue,” “target” and variations of these words or comparable words. Because forward-looking statements inherently involve risks and uncertainties, actual future results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: actions and decisions of healthcare and pharmaceutical regulators; failure to achieve expected or targeted future financial and operating performance and results; uncertainties regarding future demand, pricing and reimbursement for our products; any regulatory, legal, or other impediments to Mylan’s ability to bring new products to market, including, but not limited to, where Mylan uses its business judgment and decides to manufacture, market, and/or sell products, directly or through third parties, notwithstanding the fact that allegations of patent infringement(s) have not been finally resolved by the courts (i.e., an “at-risk launch”); success of clinical trials and Mylan’s ability to execute on new product opportunities, including but not limited to generic Advair and products in our biosimilar pipeline; any changes in or difficulties with our manufacturing facilities, supply chain or inventory or our ability to meet anticipated demand; the scope, timing, and outcome of any ongoing legal proceedings, including government investigations, and the impact of any such proceedings on our financial condition, results of operations, and/or cash flows; the ability to meet expectations regarding the accounting and tax treatments of acquisitions, including Mylan’s acquisition of Mylan Inc. and Abbott Laboratories’ non-U.S. developed markets specialty and branded generics business; changes in relevant tax and other laws, including but not limited to changes in the U.S. tax code and healthcare and pharmaceutical laws and regulations in the U.S. and abroad; any significant breach of data security or data privacy or disruptions to our information technology systems; the ability to protect intellectual property and preserve intellectual property rights; the effect of any changes in customer and supplier relationships and customer purchasing patterns; the ability to attract and retain key personnel; the impact of competition; identifying, acquiring, and integrating complementary or strategic acquisitions of other companies, products, or assets being more difficult, time-consuming or costly than anticipated; the possibility that Mylan may be unable to achieve expected synergies and operating efficiencies in connection with strategic acquisitions or restructuring programs within the expected time-frames or at all; uncertainties and matters beyond the control of management, including but not limited to general political and economic conditions and global exchange rates; and inherent uncertainties involved in the estimates and judgments used in the preparation of financial statements, and the providing of estimates of financial measures, in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and related standards or on an adjusted basis. For more detailed information on the risks and uncertainties associated with Mylan’s business activities, see the risks described in Mylan’s Annual Report on Form 10-K for the year ended Dec. 31, 2017, and our other filings with the Securities and Exchange Commission (“SEC”). You can access Mylan’s filings with the SEC through the SEC website at [www.sec.gov](http://www.sec.gov) or through our website, and Mylan strongly encourages you to do so. Mylan routinely posts information that may be important to investors on our website at [investor.mylan.com](http://investor.mylan.com), and we use this website address as a means of disclosing material information to the public in a broad, non-exclusionary manner for purposes of the SEC’s Regulation Fair Disclosure (Reg FD). Mylan undertakes no obligation to update any statements herein for revisions or changes after the date of this document, which is May 5, 2018.



# GRI 102: General Disclosures

The GRI Standards offer a framework for companies to communicate their economic, environmental and social impact. We have used selected portions of the GRI standards to inform internal and external stakeholders of our company's contribution to sustainable development.

Disclosure	Description	Cross-Reference or Answer	UNGC Principle
<b>Organizational Profile</b>			
102-1	Name of the organization	pg. 85	
102-2	Activities, brands, products and services	pg. 2,7,12-38 2017 10-K (pg. 3-24)	
102-3	Location of headquarters	pg. 85	
102-4	Location of operations	pg. 15-38, 47-50, 59-61, 63, 77 2017 10-K (pg. 3-24)	
102-5	Ownership and legal form	pg. 85	
102-6	Markets served	pg. 15-38	
102-7	Scale of the organization	pg. 2, 68, 75-78, 81-84	
102-8	Information on employees and other workers	pg. 77-78	Principle 6
102-9	Supply chain	pg. 27-29, 34	
102-10	Significant changes to the organization and its supply chain	2017 10-K (pg. 30, 57)	
102-11	Precautionary principle or approach	pg. 40, 47-52	
102-12	External initiatives	pg. 4-6, 24, 27-29, 45, 48-49, 74	
102-13	Membership of associations	pg. 6, 59-60, 64	
<b>Strategy</b>			
102-14	Statement from senior decision-maker	pg. 6	
102-15	Key impacts, risks and opportunities	pg. 12-29, 31-36, 39-40, 45-52, 58-74, 85	
<b>Ethics and Integrity</b>			
102-16	Values, principles, standards and norms of behavior	pg. 7-9, 27-29, 33-35, 39-40, 42-48, 68-74, 85	Principle 10
102-17	Mechanisms for advice and concerns about ethics	pg. 70-74	

Disclosure	Description	Cross-Reference or Answer	UNGC Principle
<b>Governance</b>			
102-18	Governance structure	pg. 6, 45, 47, 69-75	
102-20	Executive-level responsibility for economic, environmental and social topics	pg. 6, 70-73	
102-21	Consulting stakeholders on economic, environmental and social topics	pg. 6, 68	
102-22	Composition of the highest governance body and its committees	pg. 69-72	
102-23	Chair of the highest governance body	pg. 69	
102-24	Nominating and selecting the highest governance body	pg. 69	
102-25	Conflicts of interest	pg. 69	
102-27	Collective knowledge of highest governance body	pg. 6, 68-69	
102-29	Identifying and managing economic, environmental and social impact	pg. 6, 69-72	
102-30	Effectiveness of risk-management processes	pg. 70-72, 74	
<b>Stakeholder Engagement</b>			
102-40	List of stakeholder groups	pg. 3, 15, 28-30, 36-41, 47, 53, 58, 67	
102-41	Collective bargaining agreements	pg. 44	Principle 3
102-42	Identifying and selecting stakeholders	pg. 15, 28-30, 36-41, 47, 53, 58, 67	
102-43	Approach to stakeholder engagement	pg. 58-60, 67-68	
102-44	Key topics and concerns raised	pg. 58-60, 67-68	
<b>Reporting Practice</b>			
102-45	Entities included in the consolidated financial statements	2017 10-K (pg. 53-55, 93 and item 21.1)	
102-48	Restatements of information	None	
102-49	Changes in reporting	None	
102-50	Reporting period	Jan. 1-Dec. 31, 2017, and it also reflects some informational and key event updates relative to the beginning months of 2018.	
102-51	Date of most recent report	May 23, 2017	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	pg. 5	
102-54	Claims of reporting in accordance with the GRI Standards	This report references the GRI Standards	
102-55	GRI content index	pg. 87-90	
102-56	External assurance	Mylan's 2017 Global Social Responsibility Progress Report has not been assured by a third-party. Mylan's 2018 CDP Climate Change and Water Security Program's data will be verified by an external party.	

# Standard Disclosures

Topics	Disclosure	Description	Cross-Reference or Answer	UNGC Principle
Economic				
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	pg. 81-85 2017 10-K (pg. 53)	
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments	pg. 15-26, 53-57	
	203-2	Indirect economic impacts	pg. 15-26, 31-33, 37-38, 60-63, 65-66	
GRI 205: Anti-Corruption	205-2	Communication and training about anti-corruption policies and procedures	pg. 40, 71-74, 77, 81	Principle 10
GRI 206: Anti-Competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practice	2017 10-K (pg. 160-170)	Principle 10
Environmental				
GRI 302: Energy	302-4	Reduction of energy consumption	pg. 47-48, 52	Principle 8 Principle 9
GRI 303: Water	303-3	Water recycled and reused	pg. 47-48, 52	Principle 8
	303-1	Water withdrawal by source	pg. 47-48, 79	
GRI 305: Emissions	305-1	Scope 1 GHG emissions	pg. 47, 52, 80	Principle 7 Principle 8
	305-2	Scope 2 GHG emissions	pg. 47, 52, 80	Principle 7 Principle 8
	305-5	Reduction of GHG emissions	pg. 47, 52, 80	Principle 7 Principle 8 Principle 9
GRI 306: Effluents and Waste	306-2	Waste by type and disposal method	pg. 48-50	Principle 8
	306-3	Significant spill	No significant spills occurred at Mylan's facilities in 2017	
GRI 307: Environmental Compliance	307-1	Noncompliance with environmental laws and regulations	No significant fines and nonmonetary sanctions for noncompliance with environmental laws and/or regulations in 2017	

Topics	Disclosure	Description	Cross-Reference or Answer	UNGC Principle
Social				
GRI 401: Employment	401-1	New employee hires and employee turnover	pg. 77	Principle 6
	401-2	Full-time benefits not provided to temporary/part-time employees	Mylan Careers	
GRI 403: Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities	pg. 45-46, 78	
GRI 404: Training and Education	404-1	Average hours of training per year per employee	pg. 43	
	404-2	Programs for upgrading employee skills and transition assistance programs	pg. 42-43	
	404-3	Percentage of employees receiving regular performance and career development reviews	pg. 42	Principle 6
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	pg. 43-44, 69, 77-78	Principle 6
GRI 408: Child Labor	408-1	Operations/suppliers at risk for child labor	pg. 39-40, 74	Principle 5
GRI 409: Forced or Compulsory Labor	409-1	Operations/suppliers at risk for force labor	pg. 39-40, 74	Principle 4
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