



Position Paper

Position Title: California Transparency in Supply Chains Act of 2010

Effective Date: January 1, 2012

Position Statement:

The California Transparency in Supply Chains Act of 2010 (the "Act") requires certain retailers and manufacturers doing business in the state of California to disclose information about steps they are taking to address human trafficking and slavery risks in their supply chains. This position paper contains information on Perrigo's Social Responsibility in the Supply Chain Program that addresses requirements of this Act.

Perrigo's "Social Responsibility in the Supply Chain Program" applies to Perrigo sites and Perrigo's direct suppliers. This program addresses, among other things, human rights issues including human trafficking and slavery. The program includes the following components:

- Perrigo Supplier Code of Conduct
- Perrigo Supplier Self-Assessment
- Independent, third-party audits of selected Perrigo sites and suppliers

Perrigo's Supplier Code of Conduct includes the requirement that employment is on a voluntary basis and that the supplier must not use forced, prison, bonded, indentured or involuntary labor and must be in compliance with immigration laws. Perrigo provides our Supplier Code of Conduct to all direct suppliers to the U.S. market and communicates our expectation of compliance.

Third-party audits of suppliers of finished dosage form products verify that sites are meeting human rights, environmental requirements and other social responsibility requirements of their local laws and Perrigo's Supplier Code of Conduct. This includes, but is not limited to, human trafficking and slavery. Depending on the circumstances and geographical location of the facility, audits will typically be scheduled in advance. The purpose of announcing the audit is to ensure that operations are underway when the auditor arrives. Suppliers are selected to be included in the audit program based on a risk assessment that includes country of production, product type and other business criteria.

Certain suppliers deemed lower risk by the risk assessment are required to complete a self-assessment rather than a third party audit.

In addition to working with suppliers to address social accountability, Perrigo also addresses social accountability at its own facilities with its Perrigo Employee Code of Conduct (Code) and audits of Perrigo's finished dosage form manufacturing and packaging facilities. The Code applies to every employee at all levels of the organization. Among other requirements, this Code requires Perrigo employees to understand and comply with applicable laws and regulations in the countries in which we operate, which would include laws related to human trafficking and slavery. The Code includes consequences for failure to comply. Annually, all employees are required to certify they have read and applied the Code. Third party audits of Perrigo facilities ensure compliance with local laws and regulations and customer expectations across a broad range of social accountability subjects.