BAUSCH+Health
Corporate Social Responsibility
2018 Annual Report
Table of Contents

Letter from Our Chairman and CEO 3

Who We Are & How We Behave 4
- Our Vision, Our Mission, Our Values
- Company Overview
  » Eye Health – About Bausch + Lomb
  » Gastrointestinal Diseases – About Salix Pharmaceuticals
  » Dermatology – About Ortho Dermatologics

Our Approach to Corporate Social Responsibility (CSR) 9
- Our CSR Commitments

Operate with Integrity 10
- Corporate Governance Policies
- Board of Directors
- Patient Access and Pricing Committee
- Commitment to Diversity

Respect the Environment 13
- Our EHS+S Global Management Structure
- EHS+S Global Sustainability Commitments
- EHS+S Key Performance Metrics
- Employee Safety – Days Away Rate (DAR)
  » Energy Usage
  » Carbon Emissions
  » Waste Management/Recycling

Advance Global Health and Patient Care 24
- Philanthropy – The Bausch Foundation
- Patient Safety & Health Advocacy
- Humanitarian Work

Improve Our Communities 33
- Community Enrichment
- Educational Support
- Natural Disaster Assistance

Support Employee Growth and Well-Being 37
- Valuing Our People and Bringing Out Their Best
- Reward and Recognition Programs Spotlight Employee Excellence

Closing 40

The Bausch + Lomb Optics Center in Rochester, N.Y.

Front cover images: Bausch Health’s Tony LaRuffa volunteers in Kenya; in Canada, employees walk for World Obesity Day
Letter from Our Chairman and CEO

Every day, more than 150 million people around the world use a Bausch Health product. As a company dedicated to innovation and advancing global health, I’m proud of the progress we’ve made and in furthering our commitment to help people around the world live longer, healthier and more productive lives in ways that often go beyond health care.

Last year was significant for our company as we changed our name to Bausch Health, continued to expand our portfolio of innovative and meaningful products, and established the Bausch Foundation. We have continued this momentum into 2019 and continue to strive for better, safer, more sustainable operations every day.

It is clearer today than ever before that doing business responsibly is essential to achieving our core business goals, and that we only succeed by holding ourselves to the highest standards of business conduct and ethical behavior. Toward that goal, we’ve taken decisive steps to embed a culture of quality throughout our organization, while continuing to maintain the highest standards to keep our colleagues safe and our operations sustainable.

This is no small feat, particularly for a company of our size and complexity. The progress we’ve made shows what can be achieved when our 21,000 colleagues worldwide are engaged and fully committed. On their behalf, I invite you to explore our efforts on the pages ahead.

Best regards,

Joseph C. Papa
Chairman and Chief Executive Officer
Bausch Health
Who We Are

OUR VISION
To be your trusted health care provider

OUR MISSION
Improving people’s lives with our health care products
Bausch Health’s mission is supported by five Guiding Principles that are foundational to our success and future growth. They provide overall direction for the company and the tools necessary to rise to any challenge:

OUR VALUES
Our core values define what we stand for and how we behave with colleagues, customers, vendors, shareholders and others. The following core values are known internally as the Bausch Health Compass:

- **Accountability** – We accept personal responsibility for our actions and focus on finding solutions and delivering results, rather than making excuses or placing blame. We keep our promises and commitments.
- **Agility** – We respond rapidly to changes in the internal and external environment without losing momentum or vision.
- **Courage** – We are empowered to act decisively and lead boldly, imagining and pursuing new possibilities for our future. We stand up for what is right and support others who do so.
- **Integrity** – We conduct business with the highest standards of professional behavior and ethics. We are transparent, honest, ethical and fair in all our interactions; people trust us to adhere to our word.
- **Teamwork** – We achieve common goals through open and honest communication. We show concern for one another and are supportive of each other’s efforts.
- **Results Orientation** – We consistently deliver required business results, meet deadlines and comply with quality, productivity and performance standards.

Click anywhere on the graphic to learn more.
Who We Are

COMPANY OVERVIEW
Bausch Health is a global company with approximately 21,000 employees united in our mission to improve people’s lives with our health care products. We have a diversified portfolio of products, with a core focus in eye health (Bausch + Lomb), gastrointestinal diseases (Salix Pharmaceuticals) and dermatology (Ortho Dermatologics). We develop, manufacture and market – directly or indirectly – a broad range of branded and generic pharmaceuticals, over-the-counter products and medical devices in approximately 100 countries. These products are relied on each day by more than 150 million people around the world. We are proudly delivering on our commitments to patients, stakeholders and society, as we build an innovative company dedicated to advancing global health.

BAUSCH + LOMB

Salix Pharmaceuticals, Inc.

Ortho Dermatologics

Click the logos to visit company websites.
Eye Health – About Bausch + Lomb

Bausch + Lomb became part of Bausch Health in August 2013 and is one of the oldest continually operating companies in the U.S. today. Bausch + Lomb traces its roots to 1853, when John Jacob Bausch, a German immigrant, set up a tiny optical goods shop in Rochester, NY. When he needed more money to keep the business going, Bausch borrowed $60 from his good friend, Henry Lomb. Bausch promised that if the business grew, Lomb would be made a full partner. The business did grow, and the partnership was formed.

In the early years, Bausch + Lomb manufactured revolutionary rubber eyeglass frames, as well as a variety of optical products that required a high degree of manufacturing precision. By 1903, the firm had been issued patents for microscopes, binoculars and even a camera shutter based on the eye’s reaction to light.

In the 1900s, Bausch + Lomb continued to demonstrate its place at the forefront of technological innovation for optical products. Bausch + Lomb produced the first optical quality glass made in America, developed ground-breaking sunglasses for the military in World War I and created the lenses used on the cameras that took the first satellite pictures of the moon. In 1971, Bausch + Lomb introduced the first soft contact lenses. Bausch + Lomb remains the largest, fully integrated global provider of eye care products today, which include contact lenses, intraocular lenses, ophthalmic surgical equipment, ophthalmic prescription drugs and contact lens solutions.

Although products and times have changed, Bausch + Lomb continues to proudly adhere to the legacy of innovation, quality and craftsmanship established by John Jacob Bausch and Henry Lomb.

Learn more at www.bausch.com.
Gastrointestinal Diseases – About Salix Pharmaceuticals

Salix Pharmaceuticals became part of Bausch Health in April 2015. Today it is one of the largest specialty pharmaceutical companies in the world committed to the prevention and treatment of gastrointestinal diseases. Through Salix, we offer effective solutions and strive to be the first to discover what patients need next.

Salix works side-by-side with patients, health care providers and peers in the ongoing pursuit of better gastrointestinal health care. We gain a deeper understanding of the gastrointestinal conditions our products treat by connecting with the patients who use them and the health care providers who prescribe them. Our therapeutic areas of expertise include management of conditions, such as hepatic encephalopathy, irritable bowel syndrome with diarrhea, opioid-induced constipation and ulcerative colitis.

We are also expanding into new areas of therapeutic expertise, including pharmaceutical pain management innovations. We improve upon existing treatments, uncover new breakthroughs and deliver comprehensive practice support to help health care providers provide best-in-class care. The landscape of health care will continue to change, and patients will continue to present new needs.

Learn more at www.salix.com.
Dermatology – About Ortho Dermatologics

Ortho Dermatologics is one of the largest prescription dermatology companies in the world dedicated to helping patients in the treatment of a range of therapeutic areas, including psoriasis, actinic keratosis, acne, atopic dermatitis, cold sores, athlete’s foot, nail fungus and other dermatoses. Ortho Dermatologics is committed to becoming the most trusted source in the dermatology field by building on our values-driven heritage of helping dermatology professionals improve patients’ lives. The Ortho Dermatologics business adopted its new name in 2017.

Through Ortho Dermatologics, we offer a robust and ever-expanding product portfolio, which includes several leading acne, anti-fungal and anti-infective products. We are committed to continuous product innovation and regularly conduct pivotal studies and research in psoriasis and acne treatments.

We are passionate about serving the dermatology community, including patients whose skin conditions are managed by our treatments and the health care providers who are on the front lines of care.

Beyond treatment, we strive to build meaningful connections with the dermatology community by supporting charitable programs that serve providers and patients.

Learn more at www.ortho-dermatologics.com.

In 2018, our global aesthetics business, Solta Medical, was added to the Ortho Dermatologics portfolio.
As a global company dedicated to improving people’s lives with our health care products, we take our commitment to Corporate Social Responsibility (CSR) seriously. Every day – somewhere in the world – more than 150 million people use a Bausch Health product, while our more than 21,000 employees live and work in more than 100 countries around the world. This means we have a big opportunity – and an even bigger responsibility – to make a positive difference.

OUR CSR COMMITMENTS
At Bausch Health, we have framed our CSR work around five key commitment areas:

- Operate with Integrity
- Respect the Environment
- Advance Global Health and Patient Care
- Improve Our Communities
- Support Employee Growth and Well-Being
Our vision to be a trusted health care partner is built on a promise to our stakeholders that we will operate with the highest standards of ethics and integrity – every employee, every day. We believe that how we do things at Bausch Health is just as important as what we do. In that spirit, we have equipped our more than 21,000 employees around the world with the tools, information, training and support to always do the right things, the right way.

CORPORATE GOVERNANCE POLICIES

Our strong system of internal controls enables the management team to comply with corporate policies and applicable laws and regulations. For many years, we have conducted annual corporate governance training to ensure our employees stay informed, up-to-date and in compliance with our corporate governance policies which include, among other policies, our:

- **Standards of Business Conduct**
- **Business Ethics Reporting Policy**
- **Insider Trading Policy**
- **Black Out Policy**

These policies apply to all Bausch Health employees, officers and directors, their spouses, other family members and any other person over whose securities trading decisions the officer, director or employee exercises substantial control.

Conducting annual training with employees helps them take ownership and accountability for doing their part to create a culture of compliance marked by an unwavering commitment to adhere to the highest standards of ethics and integrity in all our interactions with patients, health care providers, customers, fellow colleagues and other key stakeholders.

---

Click on policies listed above to review.

BOARD OF DIRECTORS

Our company’s **Board of Directors** provides independent leadership in carrying out its responsibilities. Nearly all directors on our Board are independent of the company and have no consulting or other business relationship with Bausch Health. The Board has adopted, and reviews on an ongoing basis, corporate governance guidelines for the company, which further strengthen Bausch Health’s platform.

Bausch Health has implemented an active governance platform that includes such steps as the selection of a lead director, the ability of directors to schedule executive sessions without management attendance and formal evaluations of the Chairman and the Chief Executive Officer.
In 2016, Bausch Health established a cross-functional Patient Access and Pricing Committee (PAPC) in the U.S. The committee’s guiding principle is to ensure patients have ready access to our products and that the cost to them is consistent with their ability to pay. We achieve this through responsible pricing practices and innovative contracting and patient access programs.

The PAPC includes members from a wide range of company functions, including medical affairs, market access, corporate communications, finance, legal, compliance and representatives from each business unit.

In reviewing product pricing, the committee considers overall market dynamics, along with the impact of any pricing decision on patients, doctors, our health care industry partners and society. The PAPC is designed to ensure that Bausch Health’s pricing, contracting, compliance and reimbursement strategies and decisions are consistent and adhere to all relevant laws, regulations and guidance, as well as our company position on patient affordable access to our medicines.

We have pledged that the average annual price increase for our branded prescription products will be set at no greater than single digits. Additionally, in August 2018, we announced that the company will not increase prices on our U.S. branded prescription drugs for the remainder of 2018.

This commitment to affordable pricing was reflected in the 2018 decision to launch BRYHALI™ (halobetasol propionate lotion) for the topical treatment of psoriasis in adults with a list price lower than all other branded topical corticosteroid treatments currently on the market. The decision was driven by our commitment to ensure the best possible access for patients who need our therapies.

Each day, how we do things is as important as what we do. Given our mission of improving people’s lives with our health care products, it is critical that we continue to keep our patients, and their ability to get the important medications they need, at the center of all we do.

---

**PATIENT ACCESS AND PRICING COMMITTEE**

**PAPC principles guiding patient access solutions and product pricing**

- We will ensure patients have access to our products. Their level of co-pay will be based on their ability to pay for our medicines.
- We will make it easy for patients to navigate Bausch Health’s patient access solutions. This includes a clear and transparent process for gaining access to the medicines they need.
- The Bausch Foundation will govern all of our patient assistance programs and investments in external foundations and patient advocacy groups. See story on page 24.

---

**2019 Pricing Initiatives**

**DUOBRII™ Pricing** – The Wholesale Acquisition Cost (WAC) price of DUOBRII, our topical dermatology product, was set more than 50% lower than the list prices of direct competitors (branded topical combination products).

**Cash-Pay Prescription Program** – In March 2019, Ortho Dermatologics launched an innovative cash-pay prescription program that will make many branded products available directly to patients with a valid prescription only — no insurance, co-pays or prior authorizations needed.
COMMITMENT TO DIVERSITY

A key component of our commitment to operate with integrity is to value and promote diversity and inclusion – in our workplace and in our world. A key example of how we demonstrate this commitment is found within our Supplier Diversity Program.

Supplier Diversity Program Fosters Inclusion

Bausch Health believes that the company, and the communities in which it operates, benefit from sourcing practices that capitalize on the unique skills, knowledge, creativity and talent offered by a diverse supplier base. To encourage the inclusion of diverse-owned suppliers into the company’s sourcing decisions, we recently adopted the formal supplier diversity program initially created by Bausch + Lomb nearly 15 years ago.

The program seeks the most capable suppliers in terms of quality, service, cost and technology on a global basis to become registered in our Supplier Diversity database. We then encourage our employees to utilize the database to identify potential small and diverse-owned businesses to include in purchasing opportunities. To ensure success, we have also developed a process for establishing supplier diversity targets and goals, tracking supplier diversity spend and process-awareness training.

We are revitalizing our Supplier Diversity initiatives in 2019, expanding our external outreach and internal communications, improving spend reporting and developing a new scorecard baseline for future growth targets. In the meantime, we continue to engage with the Women’s Business Enterprise National Council (WBENC), National Minority Supplier Development Council (NMSDC), Diversity Alliance for Science (DA4S), HUBZone Contractors National Council, National Gay and Lesbian Chamber of Commerce (NGLCC), and have expanded our membership to the Elite Service-Disabled Veteran Owned Business (SDVOB) program.
Bausch Health is committed to protecting our employees and communities, and preserving the natural environment for current and future generations. To do so, we are working daily to become a more environmentally sustainable company by reducing our consumption of fuel, energy, water and natural resources, minimizing our generation of waste and providing a safe work environment for our employees. We fulfill this commitment through our global Environment, Health, Safety + Sustainability organization (EHS+S).

Our EHS+S principles are embedded in all of our global operating plans, enabling widespread impact at both the corporate level and throughout our regional locations. Additionally, regional leadership across our company sites is empowered to develop customized EHS+S initiatives that address the specific needs and opportunities within their local operations and community. This approach has resulted in substantial reductions in our environmental impact, millions of dollars of bottom-line cost savings and a significant improvement in Bausch Health’s community capital.

Our EHS+S achievements are evolving as we seek new and better ways to reduce waste, conserve energy and water, globalize our safety reporting and encourage community outreach by promoting employee volunteerism. Across the globe, our businesses are implementing practices, processes and technologies that help us exceed regionally mandated environmental regulations. Our employees place considerable focus on these initiatives and work diligently to identify areas in which further improvements can be made. This report provides highlights of some of the progress we made in 2018 across our global operating sites.

As we work to improve people’s lives with our health care products, we see continuous progress on sustainability as a core measure of our success.
OUR EHS+S GLOBAL MANAGEMENT STRUCTURE

Bausch Health’s global EHS+S initiatives span across the entirety of our organizational activities, including internal operations, logistics, supply chain, commercial operations, administrative activities and governance, and research and development.

The global EHS+S organization sits within Bausch Health’s Global Manufacturing and Supply Chain function and is organized into five functional working groups, including Americas/Asia Manufacturing, Contact Lens Group, Europe/Middle East/Africa (EMEA), Commercial Operations and Research and Development. Each working group consists of a management team that identifies and implements EHS+S opportunities and initiatives.

Bausch Health has 45 manufacturing and distribution sites around the world with EHS+S resources embedded onsite. The number of resources per facility is based on size, risk, shift schedule, complexity and number of employees.
EHS+S GLOBAL SUSTAINABILITY COMMITMENTS

Bausch Health has a robust framework of environmental policies which form the basis for our global EHS+S commitments, which include:

Environment, Health, Safety and Industrial Hygiene – We conduct our business throughout the world in a way that protects the environment and provides a safe and healthy workplace for our employees. These responsibilities are integral to sound business practices and are derived from the company’s commitment to employees, patients, health care providers, customers and other stakeholders. We strive to comply with both the spirit and letter of applicable laws, regulations and company requirements and we will proactively manage environmental, safety, industrial hygiene and employee health risks arising from past, present and future operations. The company strives to continuously improve our management systems and our performance in each of these areas, and encourages the same from our suppliers.


Sustainable Purchasing – We give purchasing preference to environmentally sustainable products and services that are comparable to their standard counterparts in quality, price and performance. Where environmentally sustainable products are unavailable or impractical, secondary considerations include the environmental management practices of suppliers and producers. The purchase of environmentally sustainable products is a core component of our long-term commitment to sustainability. We communicate this commitment to our suppliers to promote and support wider adoption of environmentally sustainable purchasing practices.

Design for the Environment – We recognize that the design of our products and manufacturing processes have an impact on the environment throughout the life cycle of each of our products. Our products and manufacturing processes are developed, not only to meet customer and consumer needs for performance, quality and efficacy, but also to emphasize efficiency and minimization throughout the product life cycle.

Top environmental design considerations:
• Avoid hazardous and/or toxic materials
• Reduce air, water and land emissions
• Minimize generation of waste
• Maximize ability to recycle and/or dispose of material in an environmentally responsible manner
• Use natural resources responsibly
Sustainable Building Management — New building planning and construction, as well as capital improvement projects for existing buildings, are evaluated for feasibility to achieve a sustainable building management certification, such as the U.S. Green Building Council Leadership in Energy and Environmental Design (LEED) system, U.S. Environmental Protection Agency Energy Star, equivalent international certification or an equivalent internal management system. This helps to ensure we are incorporating into our facilities the most advanced sustainability practices, such as recycling and reuse of natural resources and production materials, and use of state-of-the-art energy and water technologies to maximize building efficiency.

Sustainable Packaging — We recognize that product packaging plays a unique role in shaping the way our products are presented to patients, customers, consumers and communities. In addition to understanding our necessary role in protecting the quality, safety and efficacy of our products, we also recognize our responsibility to optimize the use of packaging materials, reduce waste and continually improve our processes. We are committed to developing packaging that:

- Optimizes packaging design to use the fewest materials necessary
- Promotes the use of packaging materials that can be recycled
- Minimizes post-industrial waste
- Avoids known negative impacts on the environment
- Supports fuel, energy, water and waste efficiency across the product life cycle

Sustainable Business — We conduct business in a way that meets the needs of patients, health care providers, customers, consumers and stakeholders today, while preserving, protecting and sustaining the community, the environment and natural resources so they are available for future generations.

In 2018, the Waterford, Ireland facility received LEED certification for its Film Capacity Expansion Area, approximately 130,000 square feet in size, as part of a planned expansion which will include full LEED certification for all of its proposed new and expanded buildings.
EHS+S KEY PERFORMANCE METRICS

In 2016, Bausch Health’s Global Manufacturing and Supply Chain established the following set of standardized global EHS+S Key Performance Metrics which guide the company’s improvement plans and track our progress to protect our employees and communities and become a more environmentally sustainable company:

- Employee Safety – Days Away Rate (DAR)
- Energy Usage
- Carbon Emissions
- Water Utilization
- Waste Management/Recycling

We’re pleased to share that within each metric we’ve achieved significant improvements each year, often exceeding industry standards, as well as our own annual goals. Following are highlights of our 2018 progress and latest global projects and initiatives supporting each metric.

Employee Safety – Days Away Rate (DAR)

Since 2016, Global Manufacturing and Supply Chain has exceeded its DAR goals, and 2018 was no exception. With a ‘Not to Exceed’ DAR Goal of 20 for 2018, the organization achieved an actual DAR of 9.2 – well below the industry standard of 50 DAR.

Days Away Rate Calculation:

\[ \text{# Days lost} \times 200,000 / \text{work hours} \]

The Amsterdam Logistics Center was recognized as the “Safest Warehouse in the Netherlands.”

Several Netherlands logistics organizations sponsored the safest warehouse competition, which included jury visits and other pre-selection criteria. Three finalists were selected for gold, silver and bronze awards. The Amsterdam Logistics Center won the gold award, which is a reflection of its overall health and safety record compared to industry benchmarks.
Energy Usage

For the third straight year, we have reduced our overall energy usage due to major regional improvement projects and initiatives. Following are a few highlights of our 2018 energy efficiency efforts:

**AUBENAS, FRANCE**

- **Chiller Unit Replaced.** In 2018, the facility’s chiller unit was replaced with new refrigerated gas to reduce overall carbon dioxide (CO₂) emissions and enable energy recovery. The facility can now collect heat that is released by the chiller unit and use it to heat the plant, helping to reduce oil/petroleum consumption heating.

- **Solar Panels Installed.** The Aubenas facility also entered into an agreement with Engie, a French supplier for Energy, to install solar panels which will produce ~10% of the facility’s energy needs. Engie is financing the infrastructure upgrades, implementing the solar panels onsite and supplying the facility with solar energy for ~15 years. The panels were installed in 2018 in the parking area and we expect they will generate 549 megawatts of energy per year once operational.

**MILAN, ITALY**

- **Energy Audit Conducted to Identify Improvement Opportunities.** From May 2017 – April 2018, the plant collected and analyzed primary energy consumption data for methane and electricity to identify the most critical areas of intervention in the plant and define an action plan to improve site energy efficiency. Based on the data collected during the energy audit, a feasibility study showed that the installation of a high efficiency energy generation and conversion system will achieve primary energy savings, while also reducing environmental impact and costs. The high efficiency systems identified for the site are:
  - *Geothermal heat pump with free cooling system* to reduce chiller consumption, which is the most energy consuming user in the plant.
  - *High efficiency cogeneration plant* for the combined production of electricity, steam and hot water.

The next step is to complete the basic design of the systems described above, which will occur during 2019.

---

**Other 2018 Energy Efficiency Projects at the Milan Plant:**

- **Chillers Heat Exchanger Cleaned** — Elimination of fouling deposits on batteries due to atmospheric pollution was completed. The intervention has significantly improved the efficiency of the heat exchangers.

- **Optimization of non-critical HVAC operation** — Switch-on/switch-off times for non-critical HVAC were regulated based on the presence of personnel to reduce energy usage.

- **Reduction of thermal load of an HVAC machine** — The dismantling of Line 1 in the clean room resulted in the energy reduction of an HVAC machine.

---

### Energy Usage

<table>
<thead>
<tr>
<th>Year</th>
<th>MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3888000</td>
</tr>
<tr>
<td>2017</td>
<td>3888000</td>
</tr>
<tr>
<td>2018</td>
<td>3882000</td>
</tr>
</tbody>
</table>
Heat Pump Project to Reduce Gas Consumption by 40–45% –

The process of dehumidification consists of passing air through a cooling coil in an air handling unit (AHU) until it reaches its dew point where moisture condenses out of the air. The air is then re-heated to support the manufacturing plant needs. The chiller plant, which provides cold water for cooling the air, and the boiler plant, which provides hot water or steam for warming the air, must work in parallel to supply the AHU coils. By installing an independent heat pump, the boiler plant can be shut down to reduce energy use during warmer weather.

Reconstruction of DryCooler Cold Water System to Reduce Energy Consumption by 10–15% –

During cold weather, the DryCooler system used for production of cold water is unable to deliver enough cold water capacity (at 15°C) to meet all production needs. As a result, it is necessary to start the chiller plant to provide enough cold water to maintain production processes and avoid downtime. By reconstructing the cold waste system, the plant will reduce energy consumption by 10–15%. This capital investment will provide sufficient cold water supply to meet production needs during cold weather and eliminate the need to use the chiller for supplemental cold water capacity.

Improving Energy Efficiency of HVAC Systems and Automation System –

These projects improved automation system and energy efficiency when the outside temperature is above 30°C. The improvements resulted in reduced gas consumption from April to September.

Installed Hot Pipe Insulation –

All hot pipes were insulated to prevent lost heat energy in boiler plant.

ROCHESTER, NY

• Approximately 40% of Site Converted to LED Lighting
• Solar Farm Provides 3–4.5% of Site’s Energy Requirements
  » Bausch + Lomb’s Renewable Energy Credits (RECs) registered through the New York Generation Attribute Tracking System (NYGATS) between 2016 and 2018 equaled 1,381.
  » RECs are tradable energy commodities that represent proof of one megawatt-hour (MWh) of electricity that has been generated by a renewable power source such as a solar photovoltaic system. Although the financial value of RECs in New York State is currently unknown, they offer a mechanism to track the Rochester site’s carbon footprint reduction initiatives. This could potentially offer a value stream in the future to Bausch Health if other entities with carbon reduction goals choose to purchase Bausch Health’s RECs through trade in NYGATS.

The solar array at the Rochester, NY Optics Center.
Annual gas consumption in m³ per year

<table>
<thead>
<tr>
<th>Year</th>
<th>Gas Consumption (m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>300,000</td>
</tr>
<tr>
<td>2016</td>
<td>250,000</td>
</tr>
<tr>
<td>2017</td>
<td>200,000</td>
</tr>
<tr>
<td>2018</td>
<td>150,000</td>
</tr>
</tbody>
</table>

Average gas consumption in m³ for 2015, 2016, 2017 and consumption for 2018

Average consumption (2015, 2016, 2017) vs. 2018

---|---|---|---|---|---|---|---|---|---|---|---|
30,000 | 25,000 | 20,000 | 15,000 | 10,000 | 5,000 | 0 | 45,000 | 40,000 | 35,000 | 30,000 | 25,000 | 20,000 | 15,000 | 10,000 | 5,000 | 0

Respect the Environment
Bausch + Lomb Rochester, NY Optics Center Partners with NYSERDA on Industrial and Process Efficiency (IPE) Project

The Bausch + Lomb Rochester, NY Optics Center has partnered with the New York State Energy Research & Development Authority (NYSERDA) for the past decade to identify and implement energy conservation opportunities. The most recent project mainly involves the installation of our new, more efficient ULTRA® contact lens production lines.

The baseline for this project, as determined by NYSERDA, was the existing legacy contact lens production lines, the most recent manufacturing installation at the Optics Center. Based on the engineering analysis conducted by NYSERDA’s technical reviewer, the energy intensity of the new production lines would provide a significant energy savings as compared to the legacy lines. The potential energy savings based on the anticipated production volume would total more than 10,000,000 kWh and 24,000 MMBtu annually.

NYSERDA identified the following savings based on the actual energy consumption/efficiencies of the new ULTRA Lines:

- Final kWh Savings: 5,182,040 kWh
- Final MMBtu Savings: 12,337 MMBtu
- Final Annual Cost Savings: $448,262
- Final Project Cost: $112,572,000

NYSERDA’s calculated incentive, based on these savings, was nearly $807,000 — which serves to significantly offset the company’s overall project cost. To date, the Rochester site has received $242,070 from NYSERDA for this project. The balance will be paid following the completion of the measurement and verification of the installation.

Carbon Emissions
Since 2016, Bausch Health has reduced its global carbon emissions from 547,180 metric tons of carbon dioxide equivalent (CO\(_2\)e) to 528,085 metric tons of CO\(_2\)e in 2018 — a reduction of nearly 20,000 metric tons of CO\(_2\)e!

Water Utilization
Water capture and conservation initiatives at Bausch Health sites worldwide have resulted in dramatic reductions in water withdrawal, discharge and consumption from 2016 – 2018, as highlighted below.
Waste Management/Recycling

Bausch Health has taken a lead role in our industry to become a model for waste management/recycling efforts. Following are a few examples of 2018 global waste management efforts and achievements:

**BAUSCH + LOMB – BERLIN, GERMANY**
- The site now re-uses up to 35% of plastic waste material in its blow-fill-seal process for single-dose unit production. As a result, *more than 145 tons of waste are diverted from the landfill and re-used in production*. This also *prevents some 247 tons of carbon emissions* being released as it prevents the need to manufacture virgin plastic material.

**MED PHARMA – SHARJAH UAE**
- The Sharjah UAE region is in the early stages of developing its sustainability infrastructure and Med Pharma is playing a supporting role by educating and involving its workforce in sustainability and recycling efforts. To date, the facility has *diverted some 46 tons of waste from the landfill through recycling efforts*.

**BAUSCH + LOMB – ROCHESTER, NY**
- **Zero Waste to Landfill Initiative** – Currently the site’s *landfill diversion rate is greater than 85%*, meaning only 15% of the site’s waste ends up in the landfill – the rest is either repurposed or recycled.
- **Cafeteria Composting Initiative** – All kitchen food scraps are now collected and composted weekly. All cafeteria plastic/styrofoam drink cups and serving containers have been eliminated and replaced with fully commercially compostable materials. Plastic cutlery and straws will be replaced with fully compostable materials in 2019. Once fully converted to compostable products, more than 95% of waste generated by the cafeteria will be commercially composted. This has the *potential to divert approximately 1.27 tons of food/cafeteria waste from the landfill per year*.

**2018 Hazardous Waste Reduction Results in Rochester, NY**
- **19.0 tons of hazardous waste eliminated** (vs. 27.7 tons in 2017)
- **31% reduction** of site generated hazardous waste
- **Re-classification** of monomer waste to non-hazardous waste

---

![Image of Earth Day awareness programs at several Bausch Health sites]

*Respect the Environment*
**More than nine million used contact lens materials recycled through ONE by ONE Program**

In 2016, Bausch + Lomb launched its exclusive ONE by ONE Recycling program in the U.S. – the first contact lens recycling program of its kind – aimed at collecting and recycling traditionally difficult-to-recycle contact lenses, blister packs and top foils. The program is made possible through a collaboration with TerraCycle®, a world leader in the collection and repurposing of hard-to-recycle post-consumer waste.

**How it Works:** Eye care professionals who are registered with the ONE by ONE Recycling Program are provided custom recycling bins for collection in the office. Patients can bring in their contact lens materials, and the practice can collect lenses used within the office. Or, patients can send used lenses and blister packs directly to TerraCycle using a free shipping label found at [www.bauschrecycles.com](http://www.bauschrecycles.com). In addition to the recycling component, for every pound of waste accepted, a $1 donation is made to Optometry Giving Sight, the only global fundraising initiative that specifically targets the prevention of blindness and impaired vision by providing eye exams and glasses to those in need.

**The Results:** As of April 2019, the ONE by ONE Recycling program recycled more than 9.2 million used contact lenses, blister packs and top foils, diverting more than 55,200 pounds of waste from oceans, lakes, streams and landfills – which is roughly the weight of an adult whale shark. Today, more than 4,000 eye care professionals’ offices participate in the program. Bausch + Lomb also has similar programs in The Netherlands and Australia.

---

**Bausch + Lomb/Kodak Solvent Recycling Program Partnership Significantly Reduces Waste**

Kodak and Bausch + Lomb first discussed the potential of a partnership to recycle spent isopropanol (IPA) in July 2015. IPA is a liquid alcohol used as a solvent. Both organizations accumulate spent IPA in their manufacturing processes. Kodak worked with the New York State Department of Environmental Conservation (NYSDEC) to show the benefits of recycling the material, and the advantages of having Kodak and Bausch + Lomb work together to recycle their collective spent IPA. In October 2016, Kodak and Bausch + Lomb entered into an agreement with NYSDEC to allow the recycling of the spent IPA without the material being classified as a hazardous waste. The first trailer of material was delivered to Kodak for recycling on January 3, 2017. For all of 2017, more than 4 million pounds of Bausch + Lomb spent IPA was recycled to high-quality IPA, which is suitable for many manufacturing applications and is also used in windshield washer fluid and industrial cleaners. Recently, the companies have started work to accredit Kodak-recycled IPA for use in Bausch + Lomb manufacturing – providing another potential benefit of the partnership.

---

**In 2017, 2,541 tons of spent IPA were recycled, with sales revenues (rebates) totaling $339,403.**

---

“We are proud of our progress to standardize, strengthen and expand our EHS+S commitments, activities, metrics and outcomes across our global Bausch Health sites. And we look forward to doing even more in the years ahead to ensure both the long-term success of our company and the long-term health and vibrancy of the communities and world in which we live and work.”

**Amy R. Butler, Vice President**

*Global Environment, Health, Safety + Sustainability*
Advance Global Health and Patient Care

Our mission of improving people’s lives with our health care products goes far beyond our business pursuits. It also serves as the driving force behind our social responsibility commitments. We firmly believe it is our duty to:

- Provide affordable access to our health care products to all those in need
- Do our part to make life better for those underserved throughout the world

We fulfill this responsibility through our expanding commitment to philanthropy, patient safety and health advocacy and humanitarian work. Following are a few recent highlights of these commitments in action.

PHILANTHROPY – THE BAUSCH FOUNDATION

The Bausch Foundation was established in 2017 to improve the lives of patients globally by providing access to safe, effective medicines and by financially supporting health care education and causes around the world. The Bausch Foundation is a charitable foundation that oversees and directs all of Bausch Health's charitable giving globally.

The Bausch Foundation supports initiatives aimed at disease prevention, improving patient outcomes and lives, and education related to our core businesses. Additionally, it supports disaster-recovery efforts and those who need help in the communities in which we live and work. Our goal is to direct efforts toward contributions that can be repeatable, gather critical mass and make important benefits within our therapeutic communities.

Since its inception, the Bausch Foundation has contributed millions of dollars’ worth of financial and product donations to global charitable health organizations, including:

- Bausch Foundation brings eye relief to California firefighters – As wildfires raged throughout California in 2018, the Bausch Foundation approved an immediate-need donation of dozens of cases of Bausch + Lomb’s ADVANCED® Eye Relief Dry Eye Lubricant Eye Drops to be sent to fire stations throughout California. Some 400,000 acres were affected and at one point more than 14,000 firefighters were working to contain the fires. The Bausch Health location in Irvine, CA is located about ten miles from the site of one of the larger blazes.

Learn more at www.bauschfoundation.org.
PATIENT SAFETY & HEALTH ADVOCACY
Global Quality Program Serves as Foundation to Ensure Patient Safety and Sustainable Compliance

BAUSCH HEALTH QUALITY MISSION
As quality stewards, we integrate quality into our global processes by partnering with internal and external stakeholders to attain and sustain E²C (Effectiveness, Efficiency, Compliance) quality:
• Ensure the implementation and continuous improvement of robust quality systems
• Utilize quality sciences and learning to drive operational excellence
• Deliver consistent products and services to our customers
• Achieve and maintain sustainable compliance for all operating sites and functions
• Build, promote and drive our capability to sustain a robust quality culture

GLOBAL QUALITY LEADERSHIP STRUCTURE
We have a formal Global Quality Leadership structure, team and annual committees in place to ensure the consistent implementation, management and evaluation of our Quality Program worldwide. The team reports to our chief quality officer, who in turn is a direct report to the CEO.

E²C Defined
Effectiveness for Patients – Consistently meet or exceed customer requirements with robust quality systems to deliver products and services that are available when needed, are price competitive, safe and effective.

Efficiency for our Shareholders – Achieve operational excellence by right-first-time (RFT) design, execution, optimization of resources and lean processes.

Compliance for our Regulators – Consistently meet the evolving quality standards and regulatory requirements by continuous improvement of systems and processes.
**2018 QUALITY HIGHLIGHTS**

**Bausch Health Celebrates World Quality Day Across the Organization**

For the second year in a row, Bausch Health sites worldwide took part in World Quality Day. The 2018 theme was, “Quality: A Question of Trust!” and it provided the opportunity to celebrate the role that everyone in the organization plays in building and sustaining trust for all stakeholders, including customers, suppliers, staff, regulators, shareholders, patients and society as a whole.

**New Global Quality Policy Rolled Out** — In 2018, we introduced our new Global Quality Policy across the organization. Signed by our CEO and Chief Quality Officer, the policy was unveiled at multiple site events across the globe on World Quality Day:

**Global Quality Policy**

At Bausch Health, we achieve quality health care outcomes for our patients through customer focus, efficiency, innovation and people. Our quality commitment is to earn the trust and confidence of our customers every day by delivering effective, safe and consistent quality products that are available to patients and always meet regulatory requirements.

All of us at Bausch Health are entrusted with this responsibility, and we have instituted an effective, efficient and compliant Quality system, and a global culture of continuous improvement, which are essential to achieving these goals.

**Site Excellence Awards Created to Recognize Outstanding Operational Performance** — The Site Excellence Awards are an annual recognition of the manufacturing and distribution locations that best represent the guiding principles and core values of the company while also achieving or exceeding operational, safety and engagement goals. The 2018 winners were the Bausch + Lomb contact lens manufacturing site in Waterford, Ireland, Solta Medical manufacturing site and distribution center in Bothell, WA, and Pharma Swiss distribution center in Belgrade, Serbia.
Educational and Medical Grants  
Foster Provider Excellence

Bausch Health understands that professional schools and residency programs are the beginning of a health care provider’s training. For the rest of their careers, health care providers rely on continuing medical education to help them improve their practice and deliver high-quality, safe, effective patient care. Educational grants cover the full range of topics important to health care — from the latest breakthroughs in research to how to communicate with families.

Bausch Health provides millions of dollars in educational and research grants each year. Continuing medical education grants contribute to the improvement of patient care and advances in the use of health care products. Bausch + Lomb, for example, funds grand rounds, lectures, symposiums and workshops to educate medical students, university faculty physicians, nurse practitioners, optometrists, ophthalmologists, allied health professionals, optical research scientists and others regarding improvements and new information for ocular health.

Patient Health and Care Quality Enhanced Through Support of Investigator-Initiated Studies

Bausch Health recognizes that investigator-initiated studies (IIS) enable research that has the potential to improve the treatment of disease, patient outcomes and the quality of health care. Support is awarded based on the scientific merit of each submitted proposal. The IIS program is offered to all academic and community-based scientists who are interested in conducting their own research.

In general, investigator-initiated studies are smaller in scale than Phase IV trials and are “proof of concept” or “exploratory” in nature. Bausch Health may provide funding and other forms of support, such as clinical trial materials, to support studies initiated and sponsored by outside researchers.

Scholarship Fund Created to Support Students Pursuing Careers in Health Care

In 2018, Bausch Health established a permanently endowed scholarship fund at the University of Missouri in the amount of $750,000. The endowment will be used to fund scholarships for students studying in health care related fields.

“We are pleased to establish this scholarship fund to help support the next generation of scientists and physicians,” said Joseph C. Papa, Chairman and CEO, Bausch Health. “Supporting science and medical education is critical as we pursue our mission to improve patients’ lives and advance health care globally.”

The endowment and its accrued annual income are expected to fund multiple scholarships each year. The scholarship amounts, as well as the selection of candidates, will be determined by the University of Missouri chancellor or a committee chosen by the chancellor.

Waterford Institute of Technology Salutes Bausch + Lomb Waterford for Involvement in Health Research Project

In 2018, Waterford Institute of Technology formally recognized Bausch + Lomb Waterford for participating and supporting a research project conducted at the Nutrition Research Centre Ireland (NRCI). This research study included 59 employees from Bausch + Lomb. The enrolled participants were provided with a targeted nutritional intervention, were followed-up with for 6 months and were evaluated across a validated nutrition platform, medical evaluation and state-of-the-art assessments of visual performance and cognitive health.

The study was extremely successful as it not only promoted nutritional aspects of employee diet to improve eye health, but also provided an excellent method of individual health screening. Bausch + Lomb Waterford and NRCI are looking at other health initiatives for 2019 and 2020.
Furthering Research and Education in Clinical Dermatology

A critical need in the field of dermatology is ongoing education and research in order to continue advancing the care of patients and realize the clinical dermatology innovations of tomorrow. This is why we are committed to the ongoing support of organizations that fund dermatology research and education, including:

• The Dermatology Foundation which awards funding for promising, novel research and supports the work of tomorrow’s expert teachers, innovative investigators and master clinicians in the field of dermatology.

• American Academy of Dermatology, the premier educational resource for continuing professional development in dermatology.

Salix Pharmaceuticals Advances Gastrointestinal Health Advocacy

Salix Pharmaceuticals supports a range of educational programs, charitable grants and sponsorships aimed at improving gastrointestinal health and supporting those with gastrointestinal diseases.

Below are just a few of the organizations where Salix provides advocacy support:

- American Society for Gastrointestinal Endoscopy
- American Association for the Study of Liver Diseases
- Chronic Liver Disease Foundation
- American Gastroenterological Association
- American Liver Foundation

Learn more at www.ortho-dermatologics.com/philanthropy.

National Colorectal Cancer Awareness Month Donation

– In 2018, Salix employees donated funds to replace a vital education tool – a ten-foot, 150-pound inflatable colon used to teach the dangers of colon cancer – after it was stolen from the organization.
Since 2014, in partnership with Prevent Blindness®, the nation’s oldest volunteer eye health and safety organization dedicated to fighting blindness and saving sight, we have helped educate people to fight for their sight during AMD (Age-Related Macular Degeneration) Awareness Month in February.

In recognition of AMD Awareness Month in 2018, Bausch + Lomb launched a public service announcement and docu-series to showcase deeply powerful stories of people living with AMD, while encouraging others to understand the risk factors for AMD and how they can help reduce the risk of progression of the disease.

The company also launched a social media campaign where $1 was donated for every “share” or “like” of a Bausch + Lomb Facebook post that promoted AMD Awareness Month to Prevent Blindness – raising a total of $50,000 during the month-long campaign.

In early 2019, the company furthered its advocacy efforts with the launch of www.SightMatters.com to help people living with AMD take control of their condition.

For more information on AMD, and to join the SightMatters Community, visit www.SightMatters.com or www.facebook.com/SightMattersCommunity.

“We value our long-standing collaboration with Bausch + Lomb to help bring awareness to this pervasive condition and the importance of checking now versus later to catch AMD early,” said Jeff Todd, president and CEO of Prevent Blindness. “By working with Bausch + Lomb for the fourth consecutive year we can continue to encourage people to prioritize their eye health.”
Bausch Health Sets the Standard for Supporting Patients with Wilson’s Disease

In 2018, Bausch Health developed and launched a comprehensive advocacy and awareness program to support patients and their families who are living with Wilson’s disease (WD). WD is a rare inherited disorder that causes copper to accumulate in the liver, brain and other vital organs. Most people with WD are diagnosed between the ages of 5 and 35, but it can affect younger and older people, as well. People with WD are unable to properly eliminate copper from their system, which can be life-threatening if not treated. When diagnosed early, WD is treatable, and many people with the disorder live normal lives.

Bausch Health produces the medications — Cuprimine and Syprine — to treat WD, and also offers patients and their families free annual membership in WD Rx Access — a robust support program consisting of educational tools, prescription cost-savings and support resources to minimize the effects of the disease, and help patients maximize their quality of life. Enrollment in the program is available through WDRxAccess.com.

Also established recently was an online resource library, “Wilson’s Wisdom.” In addition, the company developed a series of WD Summits that were launched in early 2019 to connect with WD patients and providers to share experiences, insights and ideas about living with the disease and ways to advance treatment and care options.

Click to learn more about Wilson’s disease.

Supporting Work of Optometry Giving Sight

Bausch + Lomb has long supported Optometry Giving Sight, a global fundraising organization that specifically targets the prevention of unnecessary blindness and impaired vision due to Uncorrected Refractive Error. For four consecutive years, the company has held fundraising opportunities in support of a coalition led by Optometry Giving Sight in support of World Sight Day in October. The company also donates $1 to the organization for every qualifying shipment of two pounds or more of contact lens materials recycled through its ONE by ONE Recycling Program. See story on page 23.
HUMANITARIAN WORK

Building Local and Global Connections in the Dermatology Community

By supporting charitable programs that serve providers and patients, we strive to build meaningful connections within the dermatology community. In 2018 we were honored to support the following important programs:

- **Camp Wonder**, a program through the Children’s Skin Disease Foundation that provides children with chronic skin conditions a week of wonder, empowering them to believe that their disease does not define them. Camp Wonder is free of charge and provides a safe, nurturing, positive and accepting environment for campers. Ortho Dermatologics sales representative Kim Koenig volunteered at the camp in June 2018 and described her experience as “life-changing.” We look forward to continuing our involvement in the volunteer program to build on Kim’s positive and rewarding experience.

- **Camp Discovery**, a free program through the American Academy of Dermatology (AAD) that helps give children with chronic skin conditions the opportunity to enjoy an entire week of fun and activities. At Camp Discovery, campers meet other children facing similar challenges and learn they are not alone.

- **Passion to Heal**, a program that gives dermatologists the opportunity to provide treatment to overseas patients who otherwise wouldn’t have access to first-rate dermatologic care. See more on page 32.

Aspire Higher: Helping Students with Dermatological Conditions Pursue Higher Education

In 2018, we were proud to again offer Aspire Higher, a college scholarship program for students who are affected by dermatological conditions, including mothers pursuing a college or advanced degree. Since its inception in 2013, Aspire Higher has awarded $450,000 in scholarships. In 2018, nine students were selected to receive scholarships of $10,000 each to pursue graduate or undergraduate degrees at an accredited, nonprofit, two- or four-year college, university, or advanced (post-high school) vocational or technical school.
Each year Bausch Health donates millions of dollars’ worth of products to medical mission trips to developing countries and other remote areas, donations that help disadvantaged people see better and live better. Following are a few inspirational stories of health care providers and employee volunteers who generously donated their time and talents in 2018:

**Employees assist in helping Kenyans see better** –
Three Bausch + Lomb employees completed a medical mission trip to Kenya in 2018 focused on preserving eyesight and correcting visual impairment. The employees, Keith Donley, Director of Daily Disposable Franchise; Tony LaRuffa, Principle Engineer, Medical Devices; and Rob Kissling, Vice President, Medical and Scientific Affairs, were accompanied by a team of two optometrists, an ophthalmologist, optician and an ER nurse, to assist in eye screenings, visual testing and diagnosing of eye-related medical conditions.

“Our team prescribed glasses and pharmaceuticals, dispensed sunglasses to children, and along with local eye surgeons, performed cataract surgeries,” said Donley. The team also conducted an analysis of the equipment the eye clinics would require to improve their level of care. The following is an excerpt from a letter Donley received from one of the optometrists who participated in the trip:

“In one short week, the eight people on the mission you funded came together, bonded and worked tirelessly to accomplish our common goal of bringing eye care to the underserved people in the Maasai Mara region of Kenya. Particularly touching were those who’d come from hours away, often on foot, and then left with glasses that sharpened their vision to see at night or do the beading that was their sole source of income. The smiles on their faces said it all.”

“I can speak for the entire group in saying this experience will last a lifetime,” added Donley.

**Three employee volunteers help to make a difference in India** –
Jessica Bucci and Sarah Sietstra, both in Ortho Dermatologics Sales, and Beatriz Crooks, manager, Procurement, Solta Medical, spent several days in Rajasthan, India in 2018, as part of a Passion to Heal medical mission trip.

Rajasthan is an impoverished area of more than 145,000 people. While the region represents 10% of India, it has extremely limited resources, including challenging access to wells with unfiltered water.

As word spread throughout the area, hundreds of people made the journey to a clinic set up at a local school seeking treatment, some walking for hours. **Over four days, more than 1,400 people were treated by volunteer physicians working in the clinic.** In addition, nurse practitioners, physicians’ assistants and medical assistants participated on the trip as well. “It was wonderful to see how much the newer health care professionals learned from their peers,” said Bucci. “They were able to treat and diagnose a variety of conditions.”

The Bausch Health volunteers worked mostly in the clinic’s pharmacy, assisting with filling prescriptions, as well as working in registration/triage stations. The volunteers worked with two pharmacists who spoke Hindi and communicated to patients how and when to take the medications. “Many patients were ‘tribals’ and are illiterate, which poses a challenge when trying to enforce compliance, such as taking the medications as prescribed”, said Crooks. He added, “All and all, the trip filled our hearts mostly with gratitude. It was inspirational, powerful, educational and impactful. I would do it again, without hesitation.”
Improve Our Communities

Our company and our people are deeply committed to improving the health and well-being of the communities where we live and work. Bausch Health’s long-term success is linked directly to our ability to make a positive difference – and we do so in many ways, including community enrichment activities, such as volunteering in our neighborhoods and donations to local charities; educational support through business relationships with academic institutions and investments in student work programs and internships; and natural disaster relief efforts. Following are just a few examples of the many ways we have worked to improve our communities throughout the world in 2018.

COMMUNITY ENRICHMENT

Bausch + Lomb Rochester, NY doubles its contribution to the United Way of Rochester in 2018 – Through our Bausch Foundation, we took a leadership role in the 2018 United Way of Rochester campaign by matching employee contributions, dollar-for-dollar, raising an additional $64,700 for a total contribution amount of nearly $130,000. Our Rochester location provided further support by hosting Spring and Summer book fairs where proceeds were donated back to the United Way.

Rochester, NY employees help fight hunger in the community – Employees at our Rochester site actively supported the Foodlink organization by donating more than 800 pounds of food in 2018. These donations represent the equivalent of 966 meals and help Foodlink in their mission to end hunger and build healthier communities.

The first-ever Bausch Health Canada participation in World Obesity Day drew a major response from employees as they took part in physical activities in Laval, Quebec (Bausch Health’s head office and manufacturing site); Vaughan, Ontario (Bausch + Lomb offices); Steinbach, Manitoba (manufacturing site); and in their local communities. To support the cause of healthy weight management, employees walked a total of 1,674.5 kilometers – or one quarter of the way across Canada.
Bausch + Lomb UKI employees revive a garden for elderly community as part of Day of Giving in the UK — A team from Bausch + Lomb UKI (United Kingdom and Ireland) participated in a Day of Giving. The group chose to restore an overgrown garden at Raleigh House, a local independent charity which provides seniors in the community – up to 60 each day – with companionship and a daily program of activities. The Bausch + Lomb team of 35 employees got to work and cleared out some 4.5 tons of garden waste, enabling the Raleigh House seniors to enjoy the garden once again.

Employees around the world do their part to make the holidays a little brighter for those in need – Employees at our site in Berlin, Germany collected Christmas presents for children of women with limited financial resources. The children’s wish letters were hung up on a Christmas tree at the Bausch Health facility where they were chosen by employees to fulfill.

Bausch + Lomb Tampa, FL employees sponsored 100 underprivileged children through the Salvation Army 2018 Angel Tree Program. Employees donated thousands of dollars’ worth of new toys and clothes to give to the children during the holidays.

Bausch + Lomb Brazil employees support blind, elderly community – In 2018, employees took part in the eighth annual donation campaign to bring clothes and supplies to blind, elderly people living in a residential facility in Porto Alegre. On the donation delivery day, employees volunteered to pass out donations and spend time with the residents.

Employees in Brazil conducted their annual “Solidarity Christmas” clothing and toy drive to provide gifts and joy to underprivileged children throughout the community.

Tampa, FL site supports eye health through Lions Eye fundraising – Bausch Health employees volunteered and participated in the 2018 “Roar through Ybor” Fun Run to raise money for the Lions Eye Institute Foundation’s Transplant and Research Program.

Waterford, Ireland site builds brighter future for socially disadvantaged youth through Children’s Group Link – In 2018, Bausch + Lomb Waterford celebrated 20 years supporting Children’s Group Link, an organization that supports socially disadvantaged children, teens and their families through recreational and artistic activities, educational support, sports programs, personal development, counseling services and care facilities. Many of the leaders of the group are current or former employees of the company.

Employees around the world do their part to make the holidays a little brighter for those in need – Employees at our site in Berlin, Germany collected Christmas presents for children of women with limited financial resources. The children’s wish letters were hung up on a Christmas tree at the Bausch Health facility where they were chosen by employees to fulfill.

Bausch + Lomb Tampa, FL employees sponsored 100 underprivileged children through the Salvation Army 2018 Angel Tree Program. Employees donated thousands of dollars’ worth of new toys and clothes to give to the children during the holidays.

Bausch + Lomb Brazil employees support blind, elderly community – In 2018, employees took part in the eighth annual donation campaign to bring clothes and supplies to blind, elderly people living in a residential facility in Porto Alegre. On the donation delivery day, employees volunteered to pass out donations and spend time with the residents.

Employees in Brazil conducted their annual “Solidarity Christmas” clothing and toy drive to provide gifts and joy to underprivileged children throughout the community.

Tampa, FL site supports eye health through Lions Eye fundraising – Bausch Health employees volunteered and participated in the 2018 “Roar through Ybor” Fun Run to raise money for the Lions Eye Institute Foundation’s Transplant and Research Program.

Waterford, Ireland site builds brighter future for socially disadvantaged youth through Children’s Group Link – In 2018, Bausch + Lomb Waterford celebrated 20 years supporting Children’s Group Link, an organization that supports socially disadvantaged children, teens and their families through recreational and artistic activities, educational support, sports programs, personal development, counseling services and care facilities. Many of the leaders of the group are current or former employees of the company.
EDUCATIONAL SUPPORT

Ireland – The Waterford, Ireland site continued its partnerships with the Waterford Institute of Technology (WIT) and other higher educational institutions to develop courses and offer internships that enhance graduates’ employability in technology fields. The site also continued its scholarship program with WIT that provides financial support and mentoring to children and dependents of employees. In 2018, four students participated in the scholarship program, which also provides valuable work placement opportunities and a supportive mentoring facility.

Four years ago, the Waterford site developed a transition-year program with Waterpark Secondary School to encourage students to: Go to school in Waterford, attend college in Waterford and work in Waterford. Waterford site department heads in engineering, supply chain, environmental health safety & sustainability, quality, chemistry and HR work with student groups on projects that have a dual interest for school and the plant. The students spend time at the facility and their projects are vetted and voted on. In the coming years, the plan is to roll the project out to other schools in the area.

In 2018, our Waterford site marked the 20th anniversary of its successful partnership with Junior Achievement. Over the years, more than 100 employees have volunteered to deliver programs and provide resources to local schools. Through these programs, employees help to inspire and motivate young people to realize their potential by making the most of their education and learning first-hand about how to succeed in the working world. The company also hosts many school visits to the plant each year, and supports and attends the annual Young Scientist and Technology event.

Poland – In collaboration with the Medical University of Wroclaw, our Jelfa Poland site organizes visits for students, which provides an opportunity for the students to better understand pharmaceutical manufacturing processes. The site also provides local high school and university students with work placement opportunities. The site is a member of the local Business and Administration Managers Council, which provides local high schools with guidance and expectations around educational programming to expose and prepare students for careers in the pharmaceutical manufacturing industry.

Our Poland site also partners with Rzeszów University of Technology and the University of Rzeszów to offer student internships and support research projects. The site offers free access to equipment, chemicals and reagents for research, and co-fines scientific publications in the field of chemical sciences. Annually, about 50 students participate in site internships, gaining professional and diploma credentials, as well as materials for master’s theses.

For 19 years, the Poland plant has offered a university scholarship program for children and dependents of employees. The scholarship award criteria includes high average grades, documented scientific achievements, sports results, participation in symposia and conferences, as well as social work. In 2018, 17 students received scholarships.

U.S. – The Bausch + Lomb Tool Engineering & Manufacturing Department in Rochester, NY offers a four-year apprenticeship program to candidates from local colleges, including the National Technical Institute for the Deaf (NTID) at Rochester Institute of Technology (RIT). The program teaches candidates how to make the precision machined optical tools that are used in manufacturing Bausch + Lomb’s contact lenses and intraocular lenses. Actively recruiting hearing-impaired candidates has not only expanded the pool of excellent apprentices, it has also allowed the department to build the skills and resources necessary to ensure the success of hearing-impaired employees. For example, interpreters are now added to team meetings, employees take sign language classes and the department is integrating advances in automated communications.
NATURAL DISASTER ASSISTANCE

Bausch Health partners with Americares to respond to disasters and humanitarian crises – For 13 years, Bausch Health has been an integral partner in Americares’ responses to disasters and humanitarian crises by providing vital medicine and health care products quickly to help restore health services for survivors in dire need. To date, Bausch Health has donated more than $145 million in medicine, products and supplies to Americares global health programs.

Bausch + Lomb Waterford supports children impacted by Chernobyl power plant accident through Vision for Vasilivichi – Since its inception, employees and the company have supported Vision for Vasilivichi, which was established to alleviate the hardship of children in a school for the blind and visually impaired near Chernobyl. Up to 100 children attend the school, some of whom are orphans. The Chernobyl exclusion zone is only an hour away and the children continue to suffer the impact of the 1986 nuclear power plant accident. The charity has raised funds since 1995, initially to pay for two ambulances filled with aid which was delivered to one of the worst hit areas in the post-Chernobyl radiation zone. Since then, with the continuous support of Bausch + Lomb Waterford employees, Vision for Vasilivichi has refurbished toilets and bathrooms, bedrooms and playrooms, created an optometrist treatment room and a learning and development room, provided outside playground equipment and completed a number of other improvement projects. Each summer, a group of children from the school visit Waterford and are hosted at the plant. During the summer camp, the children are seen by local opticians, dentists and other services in addition to having a fun holiday organized by dedicated employees.
Support Employee Growth and Well-Being

Annually, Bausch Health’s Executive Committee establishes the company’s strategic priorities for the upcoming year. The priorities emphasize areas of our business that are crucial to the success of our transformation, and that each employee can positively impact in some way. One of these priorities is to continue to make Bausch Health a great place to work by recruiting, engaging, developing, rewarding and retaining talent.

We want all our employees at each of our more than 100 sites worldwide to feel proud to be a part of our company and energized to be their best and do their best every day. We are dedicated to ensuring all individuals who work for us and with us feel welcomed, supported and valued for their talents and contributions.

**Inspiring transformation through engagement**

During 2018, we launched a new and improved Engagement Survey to our more than 21,000 employees worldwide. As the company posted its best-ever response rate, we had a “sustainable engagement” score, which looks to measure the intensity of employees’ connection to an organization, generally better than U.S. or pharmaceutical industry norms. Other survey highlights include:

- Employee pride in telling others they work for Bausch Health had a high favorability score, increasing year-over-year;
- The statement, “People at this organization treat each other with dignity and respect” scored much greater than the norm for pharmaceutical companies; and
- Additional areas of strength included communication, customer focus, empowerment and supervision.

We consider these results strong endorsements of our direction and culture.

**VALUING OUR PEOPLE AND BRINGING OUT THEIR BEST**

Our philosophy of supporting employees in all aspects of their daily life is built on three pillars: physical, emotional and financial well-being – a foundation that supports employee needs and for them to be successful both at and away from work. We offer a comprehensive and integrated employee support system focused on total well-being. This support system consists of competitive health and welfare benefits, an array of programs, tools and resources, robust learning and development programs, and meaningful reward and recognition opportunities. Additionally, we are firmly committed to creating a safe and inclusive workplace for all those who work with and for us. Learn more about these commitments below.

In 2018 we offered a wide range of support programs focused on physical and financial health. Some of the highlights include:

- Linking corporate health programs to monthly themes, such as February Heart Month and March Colorectal Cancer Awareness Month.
- Onsite financial workshops.
- Student Loan Debt Management Support promotions to encourage employees to take advantage of the free tools and resources to help manage student loans and explore cost-effective ways to pay down debt.
- 401k participation promotions and education to encourage employees to maximize their retirement savings and take advantage of free matching contributions from Bausch Health.
- The company provides employees up to six weeks of job-protected paid parental leave following the birth of a child or placement of a child in connection with adoption or foster care, allowing time to care for and bond with a newborn, newly adopted or newly placed foster child.
Enhancing our focus on employee development

We understand that life is busy for our employees. A critical part of our strategic priority to make Bausch Health a great place to work is equipping and empowering our employees with the skills, talents and support to maximize performance and achieve their career objectives as they contribute to the company’s business goals and live our values.

In 2018, we introduced leadership competencies across all organizational levels and aligned on a common language to support the continued development of employees, with a goal of enabling their advancement to greater, more complex positions in the organization.

Additionally, we enhanced our leadership development tools to better enable every type of Bausch Health leader to grow and excel. Program offerings include:

- High Potential Program for Emerging Leaders (last year, the program included 54 employees from commercial sales and other corporate functions)
- Management Essentials Program
- Director Essentials Program
- Field Sales Trainer Program

“I feel privileged to work for a company that would invest in my development and future. I cannot say enough good things about this experience. Thank you to everyone for the hard work behind the scenes to make it happen!”

— 2018 graduate, Director Essentials Program

“I found this program to be transformational, allowing me to network cross-functionally and gain leadership expertise from a wide variety of professions. I am very grateful to have been part of the program.”

— 2018 graduate, Emerging Leaders Program

“This program has given me the opportunity to implement actionable concepts throughout one-on-one training and new hire onboarding. With the high level of communication and valuable connections I make with each new hire, this program builds trust and strengthens our company culture.”

— 2018 graduate, Field Sales Trainer Program
REWARD AND RECOGNITION PROGRAMS
SPOTLIGHT EMPLOYEE EXCELLENCE

Our employees work hard, strive for excellence in all they do and often go above and beyond to achieve ambitious performance goals. Ensuring they feel valued, appreciated and respected for their hard work, exceptional talents and contributions is a top priority. In addition to the hundreds of informal and in-the-moment employee recognition activities that exist at our regional sites worldwide, we also administer several formal company awards programs, including the following:

• **CEO Awards** – These awards recognize individuals and teams who make significant contributions to the company and consistently demonstrate behaviors that align with our guiding principles (Quality Health Care Outcomes, Customer Focus, Innovation, Efficiency and People) and core values (Accountability, Agility, Courage, Integrity, Teamwork and Results Orientation). Since the award was established in 2017, we have honored nine individuals and nine teams – nearly 160 employees in total – who stood out through their significant accomplishments and contributions to our company.

• **Shining Stars** – Quarterly awards thanking and celebrating employees whose efforts go beyond their usual set of responsibilities.

• **Above and Beyond** – Recognizing employees who demonstrate exemplary individual achievement, personify a strong commitment to our guiding principles and make a significant impact to our business. Similar programs exist across the globe and provide leaders and colleagues the opportunity to recognize exceptional work, done in the right ways.
Closing

Thank you for taking the opportunity to review our 2018 Bausch Health Corporate Social Responsibility (CSR) Report. We hope it has provided an informative and dynamic overview of our key CSR commitment areas, as well as our most recent CSR activities and achievements across the globe.

We will continue to strengthen and expand our CSR commitments in support of our mission to improve people’s lives with our health care products – and look forward to providing you with an update on our 2019 progress and achievements in the year ahead.