

Bold Science, Promise for Patients

2018 Corporate Responsibility Report

PHIL FALKOWITZ was diagnosed with multiple myeloma

Our Purpose

Changing the course of human health through bold pursuits in science, and a promise to always put patients first

Global Reporting Initiative Index

Celgene references the Global Reporting Initiative (GRI) standard for corporate responsibility reporting to account for indicators and aspects that constitute a familiar and globally accepted standard. The Index is available on the PDF version of this report, which can be downloaded at <u>www.celgene.com/responsibility.</u>

Our GRI Index also indicates how Celgene's activities contribute to the UN's Sustainable Development Goals.





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Message from the Chairman and Chief Executive Officer

Celgene Corporation exists to discover, develop and deliver innovative medicines that can improve and extend patients' lives worldwide. It is our purpose and our mission.

In the 14 years I have been a part of Celgene, I've had the privilege of seeing our organization produce transformational medicines that are helping hundreds of thousands of patients. During that time, Celgene has grown from an early-stage start-up to a global company with more than 8,500 employees, eight marketed products and a research engine with nearly 160 ongoing clinical trials and 30 novel agents in development across 40 indications.

As we strive to achieve our mission, we continue to focus on meeting the expectations of all stakeholders. This year's corporate responsibility report highlights how Celgene and its employees are working to make a difference in the lives of patients, communities and economies around the world.

We are at a very important time in our company's journey to help patients and create increased value for our stockholders. Over the next two years, we expect to advance five late-stage products toward regulatory approval—fedratinib, luspatercept, ozanimod, liso-cel and bb2121. These therapies represent the promise of our industry-leading investments in research, and the beginning of our next wave of innovation that is delivering multiple new product candidates expected to enter mid-stage clinical development during this same period.

Our work to discover and develop these therapies is meaningless if patients cannot access them. As a result, patient access is a vital part of our mission and central to our efforts. For patients being treated with Celgene medicines in the U.S., we have and will continue to offer co-pay assistance for eligible commercially insured patients and free product for qualified patients



MARK J. ALLES Chairman and Chief Executive Officer

who are uninsured or underinsured, are unable to afford their medication, and meet other criteria.

To help address patients' medical needs in low- and middle-income countries, Celgene is a member of *Access Accelerated*, a partnership of 24 biopharmaceutical companies developing innovative and sustainable solutions to improve access to treatment and care for non-communicable diseases, including cancer. In the first year of this program, 62 company programs operating in 88 countries are contributing to the mission of Access Accelerated.

To that end, we are working with the Academic Model Providing Access to Healthcare (AMPATH) program in partnership with the Government of Kenya to deliver healthcare services and strengthen health system capacity around important health-related initiatives. This program includes multiple myeloma care, pharmacovigilance, patient education and pharmacy residency programs.

We also recently introduced Celgene Cancer Care LinksTM, a grant program designed to support cancer healthcare capacity through partnerships in resource-constrained countries. This adds to our continued efforts to support health-related philanthropic programs, science education, and local community activities for Celgene sites and affiliates around the world. I am extremely proud of the work we do on behalf of patients with serious unmet medical needs and by Celgene's dedicated and diverse workforce. Our employees embody a remarkable culture at Celgene that was recently recognized by Forbes as one of the World's Best Employers, ranking 9th out of the 2,000 largest companies worldwide. In 2018, we took steps to further enhance this standing as we expanded the benefits provided to our employees—such as flexible work arrangements and increased paid parental leave for our U.S. employees. We recognize and appreciate how vital our employees are to the patients we seek to serve and are continually seeking to further strengthen our culture and engagement.

To help ensure a sustainable future and a healthy environment, we have become a member of the Environmental Protection Agency's Green Power Partnership, which recognizes companies committed to using renewable energy sources. Today, 73 percent of our electricity for U.S. office facilities is derived from renewable energy sources. We continue to advance toward our 2020 environmental goals to reduce emissions, increase purchasing of renewable energy, decrease water withdrawal and decrease solid waste generation. We achieved LEED® certification this year for the recently remodeled Conference Center and office building on our main campus. This follows

the successful certification last year of our main campus expansion.

As part of our focus on business with integrity, we joined the Pharmaceutical Supply Chain Initiative in 2018. This group of major healthcare companies is working to establish and promote responsible practices that will improve social, health, safety and environmental sustainability outcomes for biopharmaceutical company supply chains. Additionally, Celgene ranked in the top five for Clinical Trial Transparency by the Bioethics International Good Pharma Scorecard.

Through our efforts across these critical areas, we continue to meet our responsibilities to stakeholders, remaining focused on our mission to improve patients' lives, while applying the highest standards of ethics, integrity and purpose.

We remain steadfastly committed to our mission, as we work to discover, develop and deliver to patients new and even more effective ways to improve and extend the lives of patients around the world.

Mark J. Alles Chairman and Chief Executive Officer

Reporting Period Highlights

Launched Celgene Cancer Care Links™

a grant program to support cancer healthcare capacity in resource-constrained countries.

Access Accelerated®

is a partnership of 24 biopharmaceutical companies, including Celgene, developing solutions to improve access to treatment and care for non-communicable diseases—such as cancer—in low- and middle-income countries.

Celgene continued its support for AMPATH

a multi-institution partnership working with the Kenyan Ministry of Health to deliver quality healthcare. This includes multiple myeloma care, pharmacovigilance, training, patient education and pharmacy residency programs.

Enhanced benefits to employees

including flexible work arrangements, increased paid parental leave, paid caregiver leave and backup child or elder care, among others.

Included in Forbes' Top 10 List

of the World's Best Employers 2018.

Celgene named #1 biopharma partner

for Leukemia and Lymphoma Society Light The Night campaign corporate and employee fundraising.

Joined the EPA's Green Power Partnership

which recognizes companies committed to using renewable energy sources.

Achieved two of our 2020 environmental goals

purchasing of renewable electricity and waste reduction.

Achieved LEED® certification

for Summit East Building J and a provisional Minergie label for our Couvet facility in Switzerland.

Engaged with stakeholders

on price and value through the new Celgene Value Hub.

Joined the Pharmaceutical Supply Chain Initiative

a group of major healthcare companies working to enhance supply chain sustainability.

Ranked in the top five

for Clinical Trial Transparency by Bioethics International on its Good Pharma Scorecard.



"Celgene Corporation exists to discover, develop and deliver innovative medicines that can improve and extend patients' lives worldwide. It is our purpose and our mission."

MARK J. ALLES Chairman and Chief Executive Officer

BETTY MERKER was diagnosed with multiple myeloma

Celgene at a Glance

Celgene is an integrated global biopharmaceutical company engaged primarily in the discovery, development and commercialization of innovative therapies for patients with cancer, immune-inflammatory diseases and other unmet medical needs.

Our Purpose: Changing the course of human health through bold pursuits in science, and a promise to always put patients first 8,500+

employees globally

\$13B

in total revenue in 2017

201

clinical trials currently being sponsored by Celgene

1986

Founded in 1986 and headquartered in Summit, New Jersey 45.5%

of Celgene's revenue was reinvested in research and development in 2017* 35

unique compounds being examined in clinical trials

88

Serving patients in over 88 countries

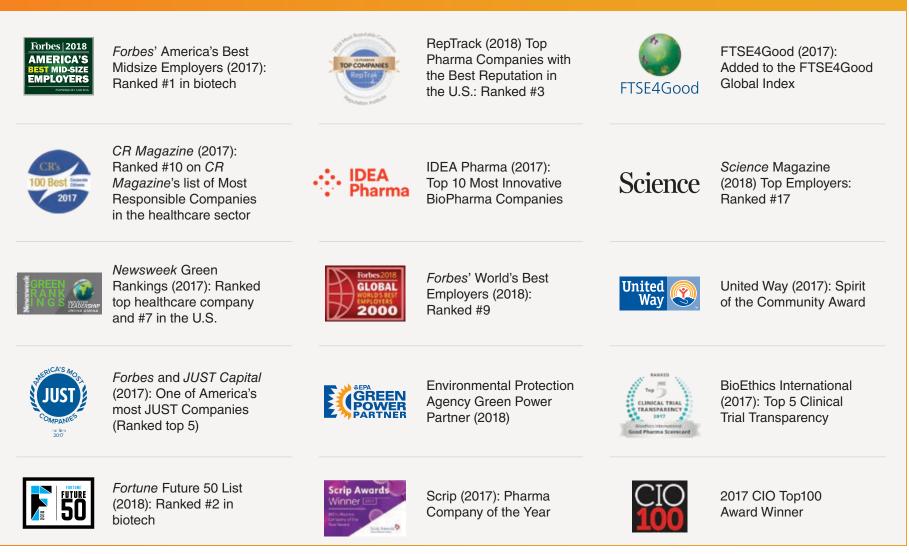
patients enrolled in Celgenesponsored clinical trials

6,89

pivotal trials programs now underway

*On a GAAP (generally accepted accounting principles) basis. Clinical trials data is for the 2017 calendar year.

EXTERNAL RECOGNITION



About Our Company

Celgene Corporation, together with its subsidiaries (collectively "we," "our," "us," "Celgene" or the "company"), is an integrated global biopharmaceutical company engaged primarily in the discovery, development and commercialization of innovative therapies for the treatment of cancer and inflammatory diseases through next-generation solutions in protein homeostasis, immuno-oncology, epigenetics, immunology and neuro-inflammation.

Celgene's long-term commitment to discovering, developing and delivering entirely new classes of therapies is evident in our deep and diverse pipeline of novel compounds. The breadth and depth of our pipeline fuels our ability to further develop innovative new therapies designed to alter the course of disease and improve patient outcomes.

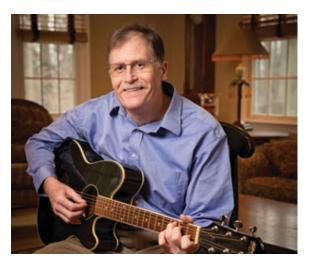
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PORTFOLIO OF PRODUCTS IN AREAS OF UNMET NEEDS

Therapeutic Areas

Celgene is committed to helping patients who suffer from a wide range of debilitating diseases. Our initial focus was on cancers and blood disorders, including immunomodulation in cancer, solid tumor cancers, and blood disorders and diseases. While this is still a core area of expertise, we are committed to addressing a diverse range of patient needs. For example, we have created and are creating new therapies for patients around the world with immuneinflammatory disorders.

The Celgene portfolio consists of therapies and patient services, including REVLIMID[®] (lenalidomide), POMALYST[®]/IMNOVID[®] (pomalidomide), OTEZLA[®] (apremilast), ABRAXANE[®] (paclitaxel protein-bound particles for injectable suspension) (albuminbound), VIDAZA[®], azacitidine for injection (generic version of VIDAZA[®]), THALOMID[®] (thalidomide) (sold as THALOMID[®] or THALIDOMIDE CELGENE® outside of the United States), ISTODAX® (romidepsin), and IDHIFA® (enasidenib). We are also advancing ozanimod, a molecule with multi-indication potential; luspatercept, in collaboration with our partner Acceleron, to address chronic anemia associated with diseases like MDS and beta-thalassemia; fedratinib in myelofibrosis, a disease with few options; and our cellular immunotherapy candidates bb2121, in collaboration with our partner bluebird bio, for multiple myeloma and JCAR017 for diffuse large b-cell lymphoma.



DAVID PECK was diagnosed with multiple myeloma

Franchise Information

Hematology & Oncology

To help advance treatment for patients with multiple myeloma, in 2017 we secured approval (by both the U.S. Food and Drug Administration [FDA] and the European Medicines Agency [EMA]) for REVLIMID® as a post-autologous stem cell transplant maintenance treatment in patients with newly diagnosed multiple myeloma. We also continue to be a leader in the treatment of hematologic malignancies, with innovative therapies that have the potential to transform outcomes for cancer patients worldwide. And we are expanding our reach in multiple myeloma, lymphoma and myeloid disease in a way that ensures we are best positioned to address major unmet needs in segments of each disease.

REVLIMID continued to grow through increased duration, as well as new channels, as we secured an expanded approval as a postautologous stem cell transplant maintenance treatment in patients with newly diagnosed multiple myeloma. Additionally, we expanded our hematology portfolio with the approval of IDHIFA®, a first-in-class targeted therapy for patients with relapsed or refractory acute myeloid leukemia and an IDH2 mutation.



LOIS MINTA was diagnosed with psoriatic arthritis

Inflammation & Immunology

In 2017, performance in our Inflammation and Immunology (I&I) franchise was driven by our flagship product for the treatment of appropriate patients with moderate-tosevere plaque psoriasis or psoriatic arthritis, OTEZLA[®] (apremilast). The drug is now in its fifth year of continued growth. The positioning of OTEZLA as a therapy prior to biologic therapies, and increased patient awareness, supported volume growth in 2017.

We continue to expand our clinical research program for OTEZLA. In 2018, we announced results from a phase III study of OTEZLA in scalp psoriasis, and plan to initiate a pivotal program in mild-tomoderate psoriasis as well as in ulcerative colitis. In addition, we expect to submit supplemental New Drug Applications for OTEZLA for the treatment of active Behçet's disease with oral ulcers in the United States and Japan in 2018, based on a positive phase III study in that disease state.

Our recent acquisition of Juno Therapeutics, Inc., further positions Celgene as a leading cellular immunotherapy company. It adds novel technology platforms and advanced cellular manufacturing capabilities to our pipeline of therapies that address serious unmet needs in hematology and oncology.

To learn more about our franchises and for a detailed look at our pipeline of therapies, please see our 2017 Annual Report, <u>https://ir.celgene.com/financial-information/</u> <u>annual-reports-and-proxy</u>.

Financial Performance

Celgene's 2017 total revenue was \$13 billion, a 16 percent increase over 2016. Further information, annual reports, proxy statements, quarterly financial results, U.S. Securities and Exchange Commission filings, stock information, and investor-related questions can be found on our Investor Relations website <u>https://ir.celgene.com/investors</u>.

500,000+

patients prescribed with Celgene products in 2017

CELGENE COMMERCIAL PRESENCE



Celgene is impacting the lives of patients with cancer and other serious diseases in more than 90 countries

Celgene Principal Locations Worldwide











Bothell, Washington, U.S.

San Francisco, California, U.S.

San Diego, California, U.S.

Phoenix, Arizona, U.S.



Kansas City, Kansas, U.S.



Warren, New Jersey, U.S.



Summit (West), New Jersey, U.S. Summit (East), New Jersey, U.S. Cambridge, Massachusetts, U.S.





Stockley Park, U.K.

Seville, Spain



Boudry, Switzerland



Zofingen, Switzerland



Couvet, Switzerland

Seattle, Washington, U.S.

Corporate Responsibility at Celgene

At Celgene, we apply forwardlooking practices, strong values, ethics and integrity to every aspect of our work. Bold science that benefits patients is at the core of our values and our business. Therefore, patients are the focus of every employee, regardless of his or her role. Our growing portfolio of innovative therapies and our commitment to cutting-edge medical research enable us to help more and more patients around the world.

We believe that corporate responsibility is tied to our purpose, our values and our behaviors, and supports ethical and responsible business. More specifically, our corporate responsibility approach provides positive opportunities for patients, our partners, our employees and the environment. We choose collaborations that support the work of relevant medical and academic institutions of excellence, government agencies and regulators, patient advocacy groups and nongovernmental organizations, as well as investors and other biopharmaceutical companies. Beyond the development of new therapies, we invest in patient access to treatment, as well as support groups for patients and their families.

Celgene's values are founded on the belief that by looking at the world around us with fresh curiosity, we can intensify our discovery efforts to find new solutions for patients. We believe that how we work helps create the value we bring to patients, now and in the future. Corporate responsibility at Celgene is constantly evolving to drive consistent improvement. In 2017, our progress gained recognition from external stakeholders, inspiring us to go even further. This report describes the numerous projects underway to further help patients, engage employees, manage our environmental footprint and provide strong governance.

This report is organized around four central dimensions of corporate responsibility at Celgene.

- **Patients First:** We deliver the value of innovative medicines to patients around the world with the ambitious goal of finding cures for patients with significant unmet medical needs.
- Employees and Communities: We nurture the commitment and passion of our people while contributing to and partnering with the communities where we work and live.

- **Environment:** We manage our environmental footprint to promote a healthy planet.
- **Business with Integrity:** We foster a culture of excellence and integrity that governs all we do, from enabling new discoveries to ensuring that patients have access to them.

A copy of Celgene's Corporate Responsibility Report as well as the most recent Corporate Responsibility and Sustainability Policy can be found at: www.Celgene.com/responsibility.

Our Values

- Passion for the patient
- Courage to face our challenges and the unknown
- Trust in our words and our actions
- Excellence in delivering exceptional results
- Curiosity and continuous learning

About This Report

This report conforms to the Global Reporting Initiative (GRI) Standards. The GRI Standards are the first global standards for sustainability reporting and represent the global best practice for reporting on a range of economic, environmental and social impacts. We have selected the disclosures that apply to our business in a meaningful and material manner. Our GRI Index is on our website at www.Celgene.com/responsibility.

Forward-Looking Statements

Any statements contained in this report that are not statements of historical fact may be deemed forward-looking statements. Forward-looking statements can be identified by the words "expects," "anticipates," "believes," "intends," "estimates," "plans," "will," "outlook" and similar expressions. Forward-looking statements are based on management's current plans, estimates, assumptions and projections, and speak only as of the date they are made. We undertake no obligation to update any forward-looking statement in light of new information or future events, except as otherwise required by law. Forward-looking statements involve inherent risks and uncertainties, most of which are difficult to predict and are

generally beyond our control. Actual results or outcomes may differ materially from those implied by the forward-looking statements as a result of the impact of a number of factors, many of which are discussed in more detail in our Annual Report on Form 10-K and our other reports filed with the Securities and Exchange Commission.

Reporting Boundary

Our corporate responsibility reporting includes activities within Celgene at the enterprisewide level, such as governance and global health; site-specific activities in selected facilities, such as water and energy consumption; and some activities that occur outside of Celgene, such as in portions of our supply chain. Site-specific data are provided for the facilities included in our organization boundary.

Unless otherwise specified, the 2018 Corporate Responsibility Report focuses on activities and performance during the 2017 calendar year, as well as important and impactful events and activities that have occurred during the first quarter of 2018.

More details on the reporting boundary can be found in our GRI Index, available at www.Celgene.com/responsibility.

Materiality*

We assess our corporate responsibility work and practices in terms of issues and topics that are material to Celgene's current operations, those that are potentially material in the near future, and those that are not directly controlled, such as activities within our supply chains. Items and aspects deemed material have a financial, social or environmental impact on our day-to-day operations. Our strategies related to business governance, environmental stewardship, community involvement, labor relations, and other material aspects are presented throughout this report to show the breadth and depth of the corporate responsibility work at Celgene. Over the years, we have enhanced our materiality assessment through an in-depth stakeholder engagement process. This has deepened our understanding of priority issues and sharpened our focus on these priorities.

Obtaining Stakeholder Input on Materiality and Corporate Responsibility

Celgene has determined the current environmental, social and governance issues deemed most significant and impactful to the company by obtaining feedback from both our employees and key external stakeholders. To obtain feedback from external organizations we conducted a two-step process. The first step was to analyze social and traditional media coverage of Celgene's material issues. Our analysis revealed a shift in the priority level of some issues. The second step was to adjust the relative positioning of those issues in our materiality matrix and share it with more than 50 external stakeholders who were part of our materiality analysis engagement. Those stakeholders come from a range of backgrounds—including global health, patient advocacy, environmental management and public policy. We aggregated the external feedback and revised the materiality matrix that helped shape the content of this report. Celgene will continue to update our stakeholders on our latest developments and refresh the materiality matrix periodically, as needed.



The foyer of Building L at Celgene's Summit East campus in New Jersey

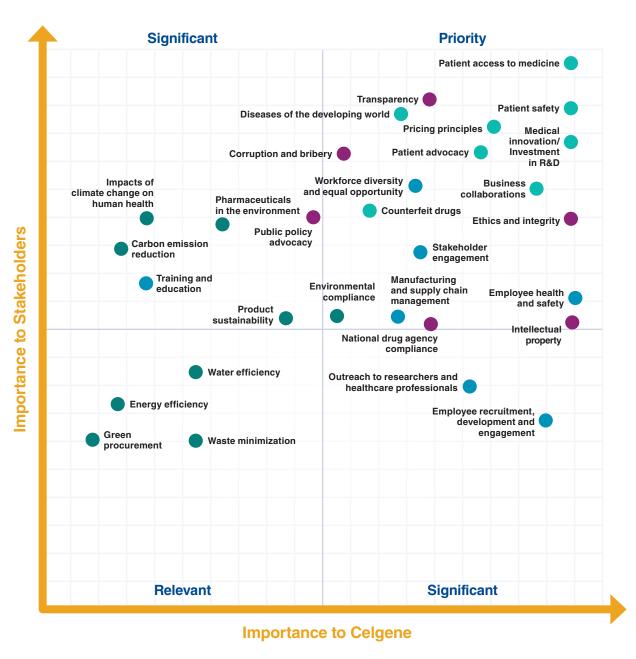
^{*} In this report, we use the terms "material" and "materiality" to refer to topics that reflect Celgene's meaningful economic, environmental and social impacts or that influence the assessments and decisions of stakeholders, or what the GRI Reporting Guidelines define as "Material Aspects." We are not using these terms as defined by the securities laws or any other laws of the U.S., nor are we using them as they are used in the context of financial statements and financial reporting.

Materiality Matrix

All topics at right have been deemed material by Celgene and stakeholders and are graphed according to their significance and priority to both. We monitor all topics regardless of position on matrix.

Materiality Matrix Key

- Patients First
- Employees and Communities
- Environment
- Governance



UN Sustainable Development Goals

Launched in 2015, the Sustainable Development Goals (SDGs) are a set of 17 global goals created by the United Nations through a process involving its 193 Member States along with nongovernmental organizations and the private sector. The goals contain a broad range of sustainable development issues, including poverty and hunger, improving health and education, making cities more sustainable, combating climate change, and protecting oceans and forests. At Celgene, we recognize the importance of contributions from the private sector in reaching the SDGs and are strongly committed to supporting them. Celgene's people, expertise, collaborations and financial resources help advance the SDGs.

The following eight SDGs are the ones we consider to be most relevant to our operations and sustainability areas of focus:



Ensure healthy lives and promote well-being for all at all ages



Achieve gender equality and empower all women and girls



Ensure availability and sustainable management of water and sanitation for all



Ensure access to affordable, reliable, sustainable and modern energy for all



inclusive and sustainable economic growth, full and productive employment and decent work for all

Promote sustained,



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Ensure sustainable consumption and production patterns



Take urgent action to combat climate change and its impacts



Celgene's most significant contributions to the SDGs are to Goal 3: ensure healthy lives and promote well-being for all at all ages. Below, we

are including the goal's targets that are most pertinent to Celgene and how our work is relevant to them. Throughout this report, we describe projects and initiatives we work on that contribute to this goal.

Celgene Programs That Address One or More of These Targets

- Celgene Global Health is a dedicated R&D unit focused on discovering, developing and delivering novel drugs for diseases of the developing world, including malaria and tuberculosis. Learn more on page 47.
- We are a member of <u>Access Accelerated</u>, working with other biopharmaceutical companies to develop innovative solutions to improve access to treatment for non-communicable diseases, such as cancer. <u>Learn more on page 45</u>.
- We are working with <u>AMPATH</u> to strengthen health facilities in Kenya, including a pharmacy residency program for local healthcare workers. <u>Learn more</u> <u>on page 42</u>.

SDG 3 targets that are most pertinent to Celgene

- **3.1** By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment.
- **3.3** By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.
- **3.8** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
- **3.9** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.
- **3.B** Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries.
- **3.C** Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries.
- We launched a grant program called Celgene Cancer Care Links[™], which funds initiatives that enhance patient cancer care in resource-constrained countries. <u>Learn</u> <u>more on page 45</u>.
- We believe that all patients who can benefit from our products should have access to them. Learn more on page 35.

Additionally, we support public policy efforts that enable patients to have access to high-quality care. Learn more on page 95.

• We continuously work to manage and reduce our hazardous waste. Learn more on page 82.

In addition, we are taking steps to address the challenge of pharmaceuticals in the environment. Learn more on page 87.

For a view of how Celgene's activities contribute to the other SDGs, see our GRI index at <u>Celgene.com/responsibility</u>.



An Interview with Zeba Khan, Ph.D., Celgene Vice President of Corporate Responsibility

Q: Celgene is focused on improving the lives of patients worldwide. How has that focus helped to differentiate the company?

By putting patients first, we have dedicated resources to do all that we can to change the course of human health for the better. This focus drives our bold pursuits in science as well as the creation of transformational medicines. Celgene has backed up this commitment by reinvesting a major percentage of its revenue back into R&D each year, with 45.5 percent of revenue being reinvested in 2017. Our intense focus on patients motivates the people of Celgene to do their part in delivering the best treatments—whether their role is in the lab, in the clinic, or in our operations. But as we all know, it's not enough to commit to the science. We also ensure that the patients who can benefit from our discoveries have the opportunity to do so.

We are committed to the UN Sustainable Development Goals, with a particular focus on Goal 3: "Ensure healthy lives and promote well-being for all at all ages," which is directly relevant to our focus on patients. To see how our programs are directly supporting specific targets for this goal, see page 17.

Q: How are you working to improve access to quality healthcare in the developing world?

Celgene has really made a difference in healthcare accessibility through the AMPATH (Academic Model Providing Access to Healthcare) program. It's a signature program that we've been involved in since 2011.

AMPATH is a partnership of Moi University School of Medicine and Moi Teaching and Referral Hospital in Eldoret, Kenya, and a consortium of North American academic health centers led by Indiana University. Today, in partnership with the Kenyan Ministry of Health and the U.S. government, AMPATH is addressing the critical needs for primary healthcare, chronic disease care, and specialty care, including cancer.

This year, we launched an exciting new program called Celgene Cancer Care Links[™] to jumpstart cancer care in local communities within resource-constrained countries, where patients often face challenges including poverty, food insecurity and infectious diseases. By awarding a number of grants throughout the world where they are needed most, we will support additional initiatives to enhance cancer care.

Q: What are some of the ways Celgene employees are engaged in corporate responsibility?

Our employees don't stop thinking about patients when they leave the office. Last year, more than 2,000 employees either walked, ran or cycled for charities that help find cures for diseases such as blood cancers, pancreatic cancer, psoriasis and psoriatic arthritis. To further help our employees support the communities where they work and live, we are expanding employee matching grants and support for employee volunteerism.

Q: How is Celgene working to attract and retain top talent?

Passion, innovation and courage have been in Celgene's genes since our founding in 1986. We've been fortunate to maintain a unique patient-centric and entrepreneurial culture; our impact on patients and focus on workplace diversity and inclusiveness led to our ranking in the top 10 of *Forbes*' World's Best Employers for 2018.

Employees build their careers at Celgene because of our patient connection, challenging work and the many opportunities for hands-on professional development, coaching and mentoring.

Our competitive and differentiated employee benefits are another great perk. Recent enhancements include flexible work arrangements, increased paid parental leave including a policy for new parents to work part-time (with full-time pay) when transitioning back to work, paid caregiver leave, backup child/ elder care, and several maternity support programs, to name a few. Additionally, resource groups for women, employees of color, and LGBTQ+ employees are actively evolving across the organization and help to enhance our focus on important areas of diversity and inclusion. Celgene's mission, culture, and the values every employee embodies make this an amazing place to work.

Q: What efforts helped Celgene to reduce its environmental impact last year?

Our environmental priorities are reflected in Celgene's 2020 Environmental Goals. They focus on reducing our carbon footprint, increasing the purchase of renewable electricity, reducing water withdrawal and reducing waste generation. I'm very pleased to report that we've already met two of these goals ahead of schedule.

In the U.S., 73 percent of our facilities use electricity derived from wind power. As a result of this, we were invited to join the Environmental Protection Agency's Green Power Partnership. Worldwide, approximately 50 percent of all our energy comes from renewable sources, and we're taking steps to increase that percentage.

We also found numerous ways to cut our energy use. We made major upgrades to our Phoenix facility's chillers, which resulted in significant reductions in water and electricity usage. And to reduce our business travel impact, we invested in Cisco TelePresence technology enabling more meetings to happen virtually. Additionally, we increased Celgene's portfolio to four LEED®-certified buildings* in the United States after renovations were completed for our new conference & office building at the Summit East campus in New Jersey.

As for reducing waste, we achieved a diversion rate of 45 percent, our highest to date, and decreased our overall trash generation by 19 percent compared to 2015.

Q: What's next for corporate responsibility at Celgene?

There is always room to improve across our focus areas, and we have many exciting initiatives in the works. One example is becoming a member during 2018 of the Pharmaceutical Supply Chain Initiative (PSCI), a group of major biopharmaceutical companies that sets expectations regarding labor, health and safety, environment, ethics and management systems. We have adopted the initiative's principles as our Code of Conduct for Suppliers.

Looking ahead, we are also working on setting new environmental targets beyond 2020, to challenge ourselves to continue pushing to further reduce our environmental impact.

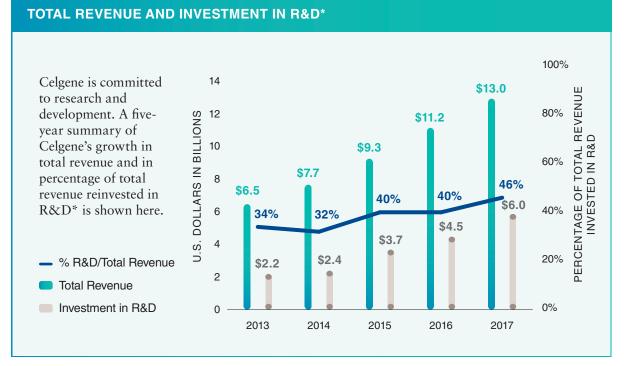
*Two owned buildings and two leased buildings with LEED certification.

Patients First

Underlying Celgene's commitment to improve the lives of patients worldwide is our dedication to change the course of human health through bold pursuits in science and a promise to always put patients first. At Celgene, we believe that a commitment to medical progress must go hand-in-hand with a corresponding mission to help ensure that patients who can benefit from our discoveries have the opportunity to do so.

JAMES FERRELL was diagnosed with peripheral T-cell lymphoma, not otherwise specified

Research and Development



*On a generally accepted accounting principles (GAAP) basis

Medical Innovation

Medical innovation is the process of turning knowledge about a disease at the genetic and cellular level into products and procedures that treat an illness. It creates the building blocks for next-generation therapies, improved healthcare and economic growth.

At Celgene, we take our role in the healthcare ecosystem very seriously, continuously striving to be a leader in medical innovation and pursuing transformational science that may translate into life-enhancing medicines. Last year, Celgene Chairman and CEO Mark Alles participated in a number of healthcare industry leadership forums to discuss the value of medical innovation. One such event was the Milken Institute Global Conference

45.5% of 2017 revenue reinvested in R&D*

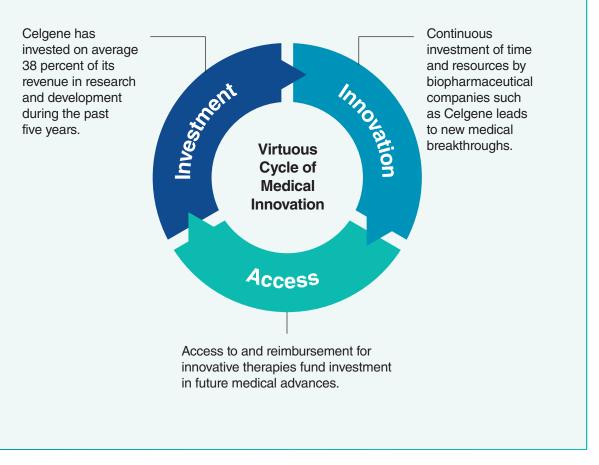


2017. During the panel "Getting Our Health Priorities in Order: Prevention, Research, and Treatment," Mark discussed how biopharmaceutical companies can work with governments, medical research institutions and other organizations to accelerate progress and innovation in healthcare.

Additionally, during a visit to Brussels, Mark reinforced the importance of the incentives framework currently in place to encourage companies like Celgene to undertake highrisk R&D activities leading to new medicines. "Celgene represents a cycle of innovation where our goal is to make sure that our children don't die of the diseases that kill us today. We are trying to make sure that the incentive structure that has been so profoundly strong in Europe evolves to deal with the reality of innovation," said Mark.

VIRTUOUS CYCLE OF MEDICAL INNOVATION

Access to and reimbursement for innovative therapies today make possible the investment in research and development that leads to future medical advances.





This Is Axiom: Exploring the Power of Medical Innovation

A patient facing a serious illness can feel as if he or she is constantly looking for an edge in a fight against overwhelming odds. That's the premise behind *This Is Axiom*, a short science-fiction film by Celgene that tells the story of Nozomi, an astronaut lost in space. Nozomi's story is intended to give a voice to patients who feel trapped and helpless in a healthcare system that is doing everything to help them, but is essentially alien to patients and their loved ones. The film is available for viewing at <u>http://thisisaxionmovie.com/</u>.

While the patient is central to the story, *This Is Axiom* also features the clinicians, healthcare system administrators and support networks whose focus every day is bringing Nozomi home. Celgene wants to work in partnership to find new ways to deliver healthcare to the people who need it most. We're committed to our role in supporting a healthier future, through an exchange of bold and innovative solutions that make a difference to patients. *This Is Axiom* is one step toward advancing this conversation.

The film has been recognized with awards by the Accolade Global Film Competition, the Best Shorts Competition, the Largo Film Awards and Global Shorts.

Advancing Multiple Myeloma Research

In 2017, Celgene made a donation to the Hackensack University Medical Center Foundation to advance multiple myeloma research to help improve patient outcomes at Hackensack Meridian Health John Theurer Cancer Center. The donation helped support the establishment of the Multiple Myeloma Institute (MMI), a leading-edge research facility at the Hackensack Meridian School of Medicine at Seton Hall University that opened in August 2018.

Celgene Research and Development Locations

Celgene's R&D facilities are strategically located around the United States and in Europe. Each location is uniquely equipped for its specialty.

Celgene's expanding informatics and predictive science capabilities have been embedded in all our research facilities, bringing top scientists together with computational experts to drive innovation and targeted therapies.





San Diego, California

• San Diego, CA: The Drug Discovery & Alliance Development Center in San Diego is our hub for biotherapeutics and the Protein Homeostasis Thematic Center of Excellence. With our enhanced insights on cereblon, the target protein for REVLIMID®(lenalidomide) and POMALYST®/IMNOVID® (pomalidomide), we are redefining the therapeutic potential of protein homeostasis. We are developing nextgeneration drugs, called CELMoD® compounds (Cereblon E3 Ligase Modulation Drugs), designed with novel chemistry and differentiated properties that potentially enable us to address a broader range of diseases.

San Diego is also the drug discovery center for the Epigenetics Thematic Center of Excellence. Epigenetics is the study of these chemical reactions and the factors that influence them. Our leadership position within epigenetics is anchored by our two commercially available drugs (VIDAZA[®] and ISTODAX[®]) and an expanding clinical portfolio of epigenetic therapies that further strengthen our capabilities in this critical area of research.

San Francisco, California

• San Francisco, CA: Located in San Francisco, the Celgene Translational Development Center serves as the main site for immunomodulatory drug (IMiD® compounds and CELMoD compounds) research. IMiD compounds are proprietary small-molecule, orally available compounds that modulate the immune system and other biological targets through multiple mechanisms of action, not all of which have been fully characterized. Our IMiD compounds use multiple mechanisms of action that target the sources rather than the symptoms of disease.



Cambridge, Massachusetts

- **Cambridge, MA:** This facility is dedicated primarily to drug discovery and translational development for the Immunology and Inflammation Thematic Center of Excellence. In 2017, the Cambridge site was expanded to include research in neurodegeneration and imaging. The Cambridge site is one of two research locations where our Medicinal Chemistry and Structural Biology groups are based.
- Seattle, WA: The facility in Seattle provides translational support for key assets in the immuno-oncology clinical portfolios as well as in the cutting-edge chimeric antigen receptor T cell (CAR T) programs. There are laboratories for cellular immunology, molecular biology, protein chemistry, flow

cytometry and other areas that will deal with preclinical work with human primary cells and tissues.

- Seville, Spain: The Celgene Institute for Translational Research Europe (CITRE®) in Seville, Spain—our first dedicated R&D site outside the United States bridges Celgene R&D and the European research community.
- **Summit, NJ:** The Summit, New Jersey location houses R&D facilities including laboratories for pharmaceutical and biologics development, drug metabolism and pharmacokinetics, translational development and pharmacology. The site also includes pilot plants for early stage cGMP manufacturing, cGMP quality

control laboratories and a cutting-edge facility for commercial manufacturing of CAR T and other cellular immunotherapy products.



Seville, Spain



Seattle, Washington



Summit, New Jersey

Responsible Sharing of Clinical Trial Data

Clinical trials are a critical part of our research and development pipeline, and help to ensure our innovative treatments that reach patients are both safe and effective. Celgene's research and development team works in collaboration with our patient safety team to ensure that patients who participate are involved in safe, well-planned studies.

Responsible sharing of clinical trial data is an essential element of Celgene's research and development efforts. We are committed to sharing clinical trial data transparently with patients, healthcare practitioners and independent researchers to improve scientific and medical knowledge and foster innovative treatment methods. Specific benefits include enabling our medicines to change the course of diseases, identifying safety concerns and more rapidly providing novel treatment options for patients.

Celgene is a member of the European Federation of Pharmaceutical Industries and Associations (EFPIA) and the Pharmaceutical Research and Manufacturers of America (PhRMA) and is compliant with Principles for Responsible Clinical Trial Data Sharing, and is compliant with regulatory requirements for registration and results posting. Celgene's full Clinical Trial Data Sharing Policy can be accessed at the following site: <u>http://www.celgene.com/</u> <u>content/uploads/clinical-trial-data-sharing-</u> <u>policy.pdf</u>.



KEY ELEMENTS OF CELGENE'S APPROACH TO CLINICAL TRIAL DATA SHARING:

Registering clinical trials

Registration provides opportunities for collaboration and reduces duplication of research efforts while also improving awareness of trials for clinicians, researchers, patients and the public. Celgene registers all its sponsored trials prior to obtaining the first consent on <u>ClinicalTrials.gov</u> and other registries.

Providing access to results of our clinical trials

The transparent exchange of scientific data is integral to evidence-based medicine and public health. Celgene reports the results of our clinical trials via publications, results postings on public registries, and posting of clinical study report synopses on <u>Celgene.com</u>. Sharing patient-level data and documents with researchers

Data are a powerful force driving healthcare forward and can be used to pose new questions, uncover new findings, and validate breakthrough hypotheses. Celgene shares patient-level data and documents with researchers who provide a robust, scientifically sound request that includes an analysis and publication plan. Access to Celgene data can be requested using our researcher portal, which is located at https://celgeneclinicaldatasharing.com/.



Providing summaries to study participants

Communicating trial results engages sponsors and investigative sites and helps to fulfill the ethical obligation of researchers to inform study volunteers about what was learned from their participation in a trial. Since 2014, Celgene has provided lay summaries of results for all sponsored interventional trials involving individual patients. At the close of 2018, we will have distributed lay summaries for 35 trials including over 7,500 patients.

CELGENE CLINICAL TRIALS BY THE NUMBERS

201 clinical trials currently being

sponsored by Celgene

unique compounds being examined in clinical trials

35

16,897 patients enrolled in our clinical trials

CELGENE RANKED IN TOP 5 FOR CLINICAL TRIAL TRANSPARENCY

Bioethics International has ranked Celgene among the top five companies for clinical trial transparency on its Good Pharma Scorecard. We're proud to receive this recognition and believe that responsible clinical trial data sharing can help continually enhance the impact our medicines have in changing the course of diseases and providing new treatment options for patients.



Additional details about Celgene's Clinical Trial Data Sharing Policy and program can be accessed at <u>https://www.celgene.com/research-development/clinical-trials/clinical-trials-data-sharing</u>.

Global Collaborations

We actively seek collaborators in areas such as developing novel targeted therapies, next-generation biologics, protein homeostasis, epigenetics, immunotherapy, combination treatments, and more. We currently participate in approximately 50 active collaborations, ranging from research and development collaborations to clinical and commercial alliances.



Patient Safety

At Celgene, we are focused on providing patients with safe access to our treatments. We subject our safety programs to independent external benchmarking that compares our activities to those of more than 15 other leading biopharmaceutical companies—and Celgene consistently places among the highest-performing companies. We have developed unique, industry-leading risk management programs that have enabled hundreds of thousands of patients worldwide to safely access our therapies. Our emphasis on patient safety includes labeling and informational material developed in compliance with regulatory bodies such as the U.S. Food and Drug Administration and the European Medicines Agency. We also take deliberate, sustained and proactive steps to strictly enforce the quality and safety of our treatments.

We have established strict engineering and environmental controls for manufacturing all active pharmaceutical ingredients, intermediates and drug products. The purpose of these mechanisms is to ensure the highest form of environmental controls for our products across our supply chain. This is a standard practice and requirement in our manufacturing environment and is routinely inspected by Celgene audit teams.



WENDY RYDER was diagnosed with psoriatic arthritis

Risk Minimization and Management

Celgene is proud to be a world leader in pioneering risk minimization techniques related to the safe use of medicinal products. Our Global Risk Management Oversight Committee (GRMOC) works to ensure that risks related to any of our commercial or investigational products are identified, assessed and managed effectively.

The GRMOC is a cross-functional team that involves Celgene's Chief Medical Officer, Regulatory Affairs, Global Drug Safety and Risk Management (GDSRM), Medical Affairs, Legal, Compliance, and Clinical Research and Development. The GRMOC is chaired by the GDSRM Head of Global Risk Management.

The objectives of our risk management activities are to protect patient safety by ensuring that the benefits of a particular product outweigh the risks. This process has three interrelated stages:

- 1. We characterize the product's safety profile, including what is known and what is not known.
- 2. We plan pharmacovigilance activities (defined by the World Health Organization as the science and activities relating to the



detection, assessment, understanding and prevention of adverse effects or any other drug-related problem) as a key component of effective therapy regulation, clinical practices and public health programs. These activities are used to characterize risks, identify new risks and increase knowledge about the safety profile of therapies. 3. If required, we plan and implement risk minimization and mitigation measures, and subsequently assess their effectiveness.

We currently conduct risk management activities in more than 80 countries, and the success of these programs means that over 1 million patients have been treated with Celgene IMiDs[®] compounds, with no *in utero* exposure resulting in congenital malformations of the type associated with thalidomide. The GDSRM team, working in



THOMAS GOODE was diagnosed with multiple myeloma

close collaboration with Celgene colleagues across the globe, is now applying its in-depth risk management knowledge to design similar effective programs for Celgene's pipeline products.

Our GDSRM department is involved in the lifecycle management of products, including every step of the clinical development process—from inception to marketing making sure the safety profile of our therapies is well-defined and our patients are wellinformed. Safety personnel are embedded within clinical development and project teams to help ensure the continuity of safety assessments from pre- to post-marketing.

For risk management activities conducted in the United States, we support prescribers, pharmacies and patients through our Risk Evaluation and Mitigation Strategy (REMS) programs. To avoid embryofetal exposure, REMS programs are mandatory for the Celgene products THALOMID® (thalidomide), REVLIMID® and POMALYST®. These programs require prescribers and pharmacists to be certified and patients to enroll and comply with all of the requirements for each program. Our focus on developing innovative features for our REMS programs means that most

How we ensure a safe supply chain

We have created a robust and proactive supply chain security strategy to protect patients by ensuring the integrity of our medicines is maintained throughout the value chain. This strategy includes:

- Implementing new technological developments to identify and deter counterfeiting
- Adopting supply chain security standards and verifying compliance with our partners
- Investigating threats to the integrity and resiliency of our supply chain

Celgene prescriber and pharmacy REMS tasks are fulfilled online, saving time and streamlining the REMS process.

We work with other regulatory authorities ex-U.S. on Risk Management Plans to ensure appropriate access to medicines and agreeing on pregnancy prevention programmes and educational materials for patients and healthcare providers.

To learn more about REMS and our commitment to the safety of our patients, visit our website: <u>http://www.celgene.com/</u>newsroom/media-library/celgene-rems/.

Access to Treatment

We embrace our responsibilities to patients today by helping ensure access to our medicines, and to patients tomorrow by ensuring that we can invest in future medical innovations that will help treat debilitating and chronic diseases.

Celgene Patient Support®

This U.S.-based program helps patients access the Celgene Hematology or Oncology medication their physicians have prescribed. Celgene Patient Support[®] Specialists have experience supporting patients, having worked as nurses, pharmacists and social workers, and in other healthcare roles. At Celgene, we believe patients always come first. We are committed to helping patients obtain their Celgene medications. Celgene Patient Support provides:

- A dedicated Celgene Patient Support Specialist assigned to help patients in specific geographic areas
- Assistance with understanding patient insurance coverage for Celgene medications
- Information about financial assistance for prescribed Celgene medications including:
 - » Celgene Commercial Co-pay Program for eligible patients with commercial or private insurance (including healthcare exchanges)¹

- » Independent third-party organizations for patients who are unable to afford their medication (including patients with Medicare, Medicaid, or other government-sponsored insurance)²
- » Celgene Patient Assistance Program (PAP) for qualified patients who are uninsured or underinsured^{1,3}

Key highlights from the 2017 reporting period include:

- Unique patients assisted: 19,887
- Benefit assistance provided: 14,751



¹ Other eligibility requirements and restrictions apply. Please see full Terms and Conditions on the Celgene Patient Support[®] website.

² Financial and medical eligibility requirements vary by organization.

³ Patients must meet specified financial and eligibility requirements to qualify for assistance.

- Unique Patient Assistance Program approvals: 8,497
- Prior authorizations facilitated: 1,814

Celgene Patient Support is committed to helping U.S. patients access their prescribed medication.

For more information, visit: www.celgenepatientsupport.com.

Otezla[®] Supportplus™

OTEZLA SupportPlus (OSP) is a program for people taking OTEZLA (apremilast), as well as those looking for more information on treatment. It's designed to support plaque psoriasis and psoriatic arthritis patients throughout their journey. OTEZLA SupportPlus provides:

- 24/7 access to trained specialists
- Prior authorization and appeal support for patients
- \$0 co-pay enrollment for commercially insured patients
- Patient Assistant Program for uninsured or underinsured patients
- Educational information



CINDY CUSTODIO was diagnosed with psoriasis and psoriatic arthritis

Key highlights from the 2017 reporting period include:

- 25,000 Prior Authorization/Appeals facilitated through Healthcare Providers and/or Specialty Pharmacies
- 50,000+ patients benefited from the Otezla Savings Program (co-pay support)

For more information, visit: <u>www.otezla.com</u>.

HéMaVie™

HéMaVie is a flagship program in France, demonstrating Celgene's commitment to improving the daily lives of multiple myeloma patients, beyond their care pathways. This first-of-its-kind multiple myeloma patient support program received a prestigious industry award at one of France's most important healthcare industry ceremonies. Designed in France in 2016 by the AF3M (French Multiple Myeloma Patients'



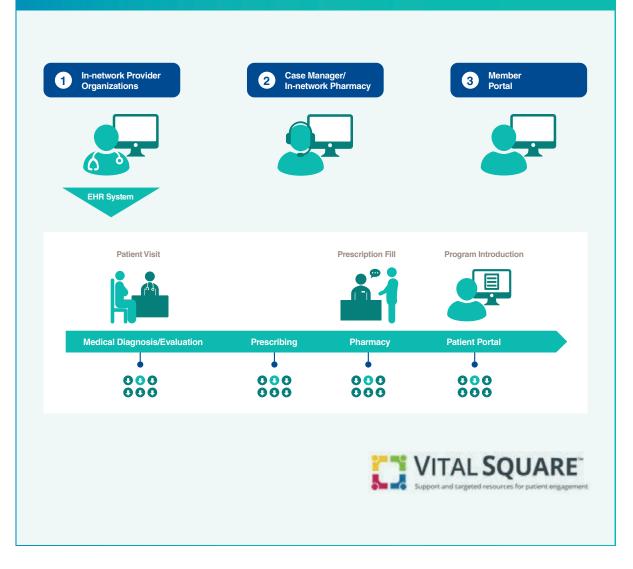


Organization) and Celgene, HéMaVie is a multichannel and personalized program that can adapt to the needs and expectations of multiple myeloma patients, according to the local hospital practices. The program aims to improve patients' daily lives and has the potential to improve healthcare system efficiency. An impact evaluation protocol may be initiated in the next few years to assess the program.

Vital Square[™]

Celgene recently introduced a new patient engagement platform in the United States to help educate multiple myeloma patients about their disease. Called Vital Square, the platform works with any electronic medical record (EMR) system and lets healthcare professionals deliver patient education right at the point-of-care. Doctors or pharmacists can select videos, brochures, flash cards, and other materials to print or email to patients. The educational materials include Understanding Your Blood Tests, Glossary of Multiple Myeloma Terms, and Getting the Most from Your Multiple Myeloma Medicine. "By engaging patients in understanding their disease and treatment, their quality of care may improve," says Michael McCarthy, Senior Director of Channel Marketing, whose team developed the program.

VITAL SQUARE DELIVERS THESE SUPPORT RESOURCES WITHIN THE CLINICAL WORKFLOW



Celgene Pricing Principles

When considering pricing for its therapies, Celgene follows an approach that recognizes the following four principles:



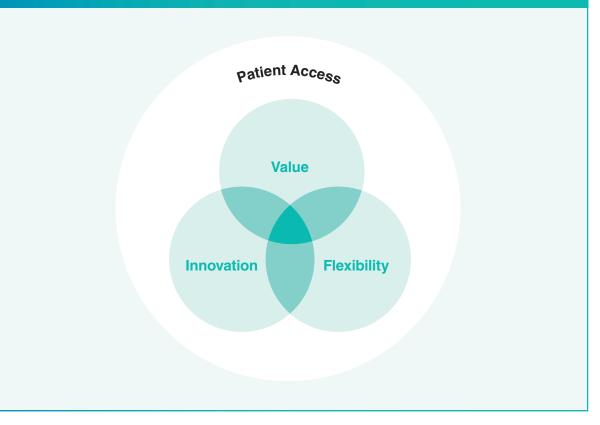
Principle 1: The price of medicines should be based upon the benefits they deliver to patients, healthcare systems and society.

Principle 2: Pricing should provide incentives for continued investment in discovery and development of innovative medicines.

Principle 3: Pricing flexibility among countries according to their financial circumstances permits broad global access.

Principle 4: Patients who can benefit from Celgene products should have access to them.

HOLISTIC APPROACH TO VALUE AND PRICING



Celgene Pricing Principles

As part of these principles, if Celgene increases the price of any individual therapy across our portfolio, the price increase will be limited to no more than once a year and at a level no greater than the Centers for Medicare and Medicaid Services projected increase in National Health Expenditures for the year. For 2018, this rate is 5.3 percent. Because value is a guiding principle of our pricing decisions, there may be exceptional circumstances in which additional clinical or health economic evidence demonstrates a clear and significant increase in the value of one of our medicines where this standard would not apply. We believe this action will provide greater certainty for all stakeholders and contribute to limiting the growth of healthcare spending.

For more information on these principles please visit <u>https://www.celgene.com/value/</u>pricing-principles/.

Enhancing Communication on Value and Innovation

At Celgene, we have taken a holistic and long-term approach to assessing the value of our innovative medicines and ensuring that this value is also reflected in the manner in which we price our medicines. It is our goal to clearly define how Celgene measures the value of our medicines. We seek to develop therapies that improve patient outcomes and quality of life with benefits that can extend to the surrounding health system, the economy, and the perpetuation of medical innovation.

Recently we introduced our first Value and Innovation Framework Report, offering comprehensive evidence on the value we provide to patients, the health system, the economy and society, and future innovation. A PDF of the report is available at <u>media.celgene.com/content/uploads/valueframework.pdf</u>. We will keep updating this report and will issue it annually.

Patient Advocacy

Celgene's Patient Advocacy team works with over 250 patient groups around the world who are deeply dedicated to supporting and advocating on behalf of patients and their families. Celgene develops strong collaborations with patient and professional advocacy organizations to deliver patientfocused initiatives such as education for patients and their caregivers, navigation tools and engagement opportunities within the healthcare ecosystem, and policy engagement that will help drive positive legislative change for patients. All this is done in the spirit of strengthening the care patients receive at every step of their journey.

For Celgene, patient advocacy is about building long-term strategic collaborations that provide important insights for all collaborators—insights that influence research and clinical development, patient access to the medicines they need, pro-innovation and pro-patient policies, outreach, and education. This is all in addition to the countless personal hours Celgene employees devote to volunteering in support of activities and events that serve patients.

Celgene Innovation Impact Awards

Through the Innovation Impact Award program, we seek to be a catalyst to help transform dialogue into game-changing, tangible action resulting in the incorporation of the patient voice at every step of the drug discovery and development continuum. In 2017 we asked during our fifth annual competition, "How Can Patient Outcomes Be Optimized Through Collaborative Decision-Making?" The goal of this topic was to identify innovative approaches to engaging patients and their families in decision-making processes to drive improved outcomes.



The winners of Celgene's 2017 Innovation Impact awards were:

• Facing Our Risk of Cancer Empowered (FORCE): Project DeCoDe-DEveloping COlaborative DEcision-making Guides on Hereditary Breast, Ovarian, and Related Cancers for Patients, Families and their Providers.

FORCE's goal is to create collaborative decision-making tools to improve communication between patients, families, and healthcare providers.



• **Myeloma Crowd – Health Tree:** This is an online tool/patient portal where multiple myeloma patients enter their specific information and receive personally relevant treatment information such as nearby myeloma clinics, clinical trials, and treatment options.



• Foundation for Sarcoidosis Research: SARC-ID (Sarcoidosis Institution Designation Program): The foundation's goal is to establish criteria by which sarcoidosis clinics can become certified as centers of excellence and develop a scorecard that tracks patients' experiences in clinics.



Celgene awarded two additional groups, the American Gastroenterological Association and the National Coalition for Cancer Survivorship, with pilot funding to initiate innovative and impactful programs.



Celgene leaders with European patient advocates at the ChangeMakers Summit

Working to Empower Patients at the ChangeMakers Summit

In 2017, we opened our site in Boudry, Switzerland, to nearly 100 patient advocacy organizations from more than 25 European countries for the inaugural ChangeMakers Summit. The mission of Celgene ChangeMakers is to recognize and amplify the voice of the patient representative organizations, based on the understanding that a strong patient voice is central to the delivery of good healthcare. During the summit, Celgene senior management and representatives from patient organizations pledged their commitment to the ChangeMakers Goals, spanning clinical trial design and participation, access to care and patient empowerment.

Support for Patient Advocacy Organizations

Celgene provides support for several hundred patient organizations across the U.S. and Europe, with the aim of improving the lives of patients. Celgene's patient advocacy teams work to build collaborative relationships with patient organizations and advocacy groups on a local, national and international level. In 2017, Celgene's patient advocacy teams provided various grants, donations and sponsorships to promote capacity building among advocates, disease awareness and education initiatives, and support for patients and their families.

Examples of patient organizations supported by Celgene worldwide

Celgene is proud to support the work of patient and professional advocacy organizations across the world:

American Academy of Dermatology American Academy of Neurology American Association for Cancer Research American Behcet's Disease Association American Brain Tumor Association American Cancer Society Cancer Action Network American College of Rheumatology American Gastroenterological Association American Society of Clinical Oncology American Society of Hematology Aplastic Anemia & MDS Foundation Arthritis Foundation Asociación Cáncer de Páncreas Association of Community Cancer Centers Association Connaître et Combattre les **Myélodysplasies** Blodcancerförbundet BMT InfoNet Bonnie Addario Lung Cancer Foundation Can Do MS Cancer Support Community CancerCare

artners

Examples of patient organizations supported by Celgene worldwide (continued)

Community Oncology Alliance Cooley's Anemia Crohn's & Colitis Foundation EuropaColon **European Cancer Patients Coalition** European Federation of Crohn's and Ulcerative Colitis Associations-EFCCA European Multiple Sclerosis Platform European Patients Forum (EPF) EURORDIS (European Organization for Rare Diseases) FamilyReach FasterCures FORCE France Psoriasis Friends of Cancer Research **Global Myeloma Action Network** IFPA International Federation of Psoriasis Associations International Brain Tumor Alliance International Foundation for Autoimmune & Autoinflammatory Arthritis International Myeloma Foundation International Organization of MS Nurses Italian Association against Leukemia, Lymphoma and Multiple Myeloma Onlus

Leukemia & Lymphoma Society Leukemia Research Foundation Living Beyond Breast Cancer Lung Cancer Research Association LUNGevity Lupus Foundation of America Lupus Research Alliance Lustgarten Foundation Lymphoma Coalition Lymphoma Research Foundation Manhattan Institute MDS Foundation Metastatic Breast Cancer Alliance MPN Advocacy & Education International MPN Research Foundation MS Focus MS Views and News Multiple Myeloma Research Foundation Multiple Sclerosis International Federation Multiple Sclerosis Association of America Myeloma Crowd Myeloma Patients Europe Myeloma UK National Breast Cancer Coalition National Coalition for Cancer Survivorship

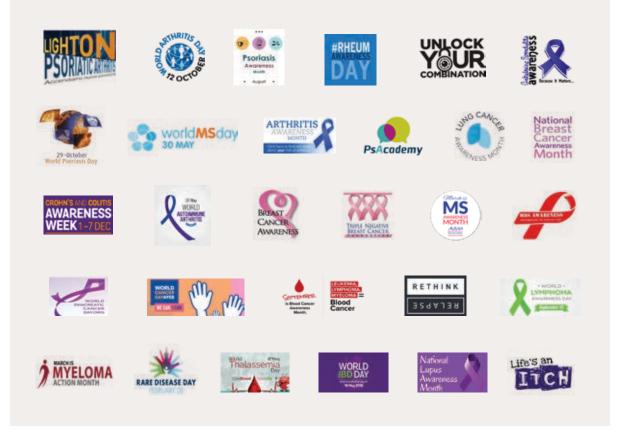
National Comprehensive Cancer Network National Consumers League National Forum for Rare Diseases ORPHAN National Health Council National MS Society National Organization for Rare Disorders National Pancreas Foundation National Psoriasis Foundation Pancreatic Cancer Action Network Patient Empowerment Network Patients Rising Prevent Cancer Foundation **Pulmonary Fibrosis Foundation** Research!America Rheumaliga Schweiz Share Sharsheret Thalassaemia International Federation **Triple Negative Breast Cancer Foundation** Tumoren und Erkrankungen der Bauchspeicheldrüse e.V Vasculitis Foundation WALCE-Women against Lung cancer in Europe Onlus World Pancreatic Cancer Alliance

Disease Awareness

Disease awareness provides education about specific diseases, encourages early detection (when available) and encourages contributions to support organizations that serve patients and advance research.

Celgene's commitment to improving the lives of patients worldwide is not only reflected in our mission to deliver innovative and lifechanging drugs, but is also evidenced in our corporate responsibility to the organizations that support the patients we serve through disease awareness.

Learn more about our disease awareness efforts on our website <u>www.celgene.com/</u><u>diseases</u>.



World Cancer Day

On February 4, we recognize World Cancer Day in partnership with the Union for International Cancer Control (UICC). While healthcare policy reform has improved coverage for cancer patients over the past decade, much work remains, according to a recent report from the American Cancer Society Cancer Action Network. For example, on top of high out-of-pocket costs, patients are facing medical management from their insurers more often. Oral and cutting-edge cancer therapies are increasingly subject to tactics such as prior authorization and step therapy. These different tools put hurdles between patients and their doctors' recommended treatments.

World Cancer Day was founded by the UICC to support the goals of the World Cancer Declaration, written in 2008. The primary goal of World Cancer Day is to significantly reduce death and illness caused by cancer. The UICC is a coalition of nations, cancer organizations and corporations committed to conquering cancer.

Standing in the Gaap

Celgene has created the "Standing in the Gaap for African Americans with Multiple Myeloma" initiative (the double a's in "Gaap" reflect the focus on African Americans) to help spread the word about how multiple myeloma affects African Americans in particular, so as to improve the quality of care.

Standing in the Gaap has received a variety of awards for the work that we are doing to combat healthcare disparities in the African American myeloma community. Illinois State Representative Marcus Evans authored an op-ed about Standing in the Gaap, which was distributed in a newsletter reaching 5,000 people on the South Side of Chicago and shared with Illinois Black Caucus members. We also worked to increase awareness of blood cancer during Blood Cancer Awareness Month by creating an employee video to help show the world that our global team is committed to finding a cure. The video is a compilation of authentic, memorable and inspiring messages of hope and encouragement to share with audiences worldwide.

Raising awareness for psoriasis

This year, in support of World Psoriasis Day, Celgene launched a global educational initiative featuring a video and website to help people understand the causes of psoriasis and what treatment options are available. The disease awareness video, which used imagery of various water surfaces as an analogy, helps to spotlight that psoriasis goes beyond the surface of the skin and actually starts inside the body. Viewers were encouraged to learn more by visiting <u>www.</u> <u>DeeperLevelPSO.com</u> or consulting our partner, the National Psoriasis Foundation, for additional resources.

Roots of Care

Celgene recently launched a comprehensive awareness campaign called Roots of Care to reinforce the importance of a supportive community for blood cancer patients. Throughout Blood Cancer Awareness Month (September), we illustrated our commitment to improving the care of blood cancer patients. Roots of Care reinforced the role of science, research and innovation as the root of advancement in patient care. We also honored hematologists/oncologists, nurses, caregivers, patient advocates, and researchers who are making a positive impact in the blood cancer community.

Global Health

At Celgene, our commitment to changing the course of human health includes both those living in developed nations and those living in developing parts of the world.

Building Healthcare Capacity for Patients in Africa: AMPATH

An important step to enhance global healthcare goals is to strengthen local health systems by equipping local institutions with skilled health workers and critical resources.

To do this, since 1989, Moi University School of Medicine and Moi Teaching and Referral Hospital (MTRH) in Eldoret, Kenya, and a consortium of North American academic health centers led by Indiana University have worked together to deliver health services, conduct health research, and develop leaders in healthcare for both North America and Africa. The institutional partners are collectively named the Academic Model Providing Access to Healthcare (AMPATH). In 2001, in the face of the deadliest pandemic in human history, the partners joined forces to create one of Africa's largest, most comprehensive and effective HIV/AIDS control systems. Today, in partnership with the Kenyan Ministry of Health and the United States government, AMPATH is expanding from an HIV focus to address the critical needs for primary healthcare, chronic disease care, and specialty care, including cancer. Celgene joined the collaboration in 2011 and has been working to increase access to oncology diagnosis and treatment services for low-income populations in Kenya.

Oncology Update

Celgene's support, along with that of other partners, has allowed a dramatic expansion of services through the AMPATH-Oncology Institute (AOI). This effort is focused on developing a sustainable and comprehensive academic clinical care cancer program serving the 20 million citizens of western Kenya and neighboring areas.

- Each year, the AOI receives nearly 20,000 patient visits, treats 8,000 and screens 20,000–30,000 women for breast and cervical cancers. To date, more than 120,000* women have been screened for these two cancers.
- Celgene's support of the AOI has helped create a successful **multiple myeloma program, the first and only in Kenya.** We have extended the program to 16 outreach sites, increasing diagnosis from five new patients per year in 2010 to 60 per year in 2017. The partnership provides MM education to healthcare providers, patients and communities.
- Recognizing that capacity building is important in cancer care in Kenya at

*As of September 30, 2018.

all levels, Celgene provided funding for the Higher National Diploma (HND) in Medical Oncology for Clinical Officers, which was established in 2012 in conjunction with MTRH. Celgene's support enabled the school to hold stakeholder meetings, develop the training curriculum, help assess the trainees, and develop training manuals and programs.

- More than 40 Clinical Officers have been trained through the 18-month HND program, and three classes have graduated so far. In 2018, the program received more than 50 applications for the September class, which is limited to 12 trainees per year.
- Celgene's funding has enabled the AOI to develop and adopt much-needed oncology nursing and physician assistant oncology training.
- Celgene support allowed the AOI to develop a **Research and Care Laboratory** and to purchase supportive care drugs required in oncology.

EVERY YEAR, THE AMPATH-ONCOLOGY INSTITUTE

ReceivesTreatsScreens20,0008,00020,000-30,000patientspatientswomen for breast and cervical cancers

Pharmacy Update

Through Celgene's continued support, MTRH has been established as a Center for Clinical Pharmacy Excellence. This is the first institution in Kenya to make a firm, demonstrable commitment to advancing patient outcomes through a more clinically focused pharmacy practice.

In 2017, Celgene's support helped MTRH's anticoagulation clinic make great strides in advancing **anticoagulation care** for patients with venous thromboembolism.

• The clinic has become one of the largest providers of anticoagulation services in sub-Saharan Africa, having served 2,760 patients and more than 1,800 active patients.

• The partnership has also extended anticoagulation care to 2,400 patients, developed a tablet-based electronic medical record system, and implemented biopharmaceutical supply chain and inventory control mechanisms, among other programs.

AMPATH recently introduced its novel **Peer Educator Program** in rural western Kenya to improve outcomes for patients suffering from chronic diseases, with a focus on higher-risk illnesses like HIV. The program delivers disease and disclosure counseling, medication adherence counseling, and psychosocial support to people living with chronic diseases, with the goal of improving engagement in care.

- In the outpatient HIV setting, the Peer Educators have become an essential component of the care process for over 200 ever-enrolled patients in a novel HIV Resistance Clinic, which serves patients who are on the last line of HIV treatment. In the inpatient setting, peer educators identify HIV patients, provide counseling, and ensure post-discharge linkage to care.
- From April 2017 to May 2018, 1,222 people living with HIV were admitted to the adult internal medicine wards. The peers interacted with 80 percent of these patients, providing 2,422 counseling sessions and 520 medication refills.

Support for Provider Education

Celgene's support has also contributed to the growth of the various clinical pharmacy training programs at Moi University and MTRH (post-graduate diploma in Clinical Pharmacy, and Master's in Clinical Pharmacy), and AMPATH is now responsible for a large number of trainees seeking advanced education. As seen in Figure 1, AMPATH has been able to continue to increase the depth and breadth of training for clinical pharmacists in Kenya.

Given the success of the program, the government continues to seek training of additional pharmacists across the country



Figure 1

to help further promote the transition to a more clinically oriented practice. Celgene's initial funding for this initiative helped seed the numerous training programs that are now funded and supported by MTRH and Moi University.





Celgene Cancer Care Links[™]

As people around the world are living longer, cancer rates are increasing. In some countries with limited economic resources, healthcare systems are not well-equipped to care for cancer patients. These countries span Asia, Africa and Latin America.

While organizations and medical centers with cancer expertise have developed programs to share their knowledge and resources, the burden of cancer in these underserved areas—which are already dealing with poverty, infectious disease and food insecurity—continues to require additional support. This need has been recognized by the World Health Organization, the American Cancer Society and the Union for International Cancer Control, among others.

To help address cancer care gaps in resourceconstrained countries, in December 2017, Celgene launched a grant program called Celgene Cancer Care LinksTM, a joint effort of Celgene Global Health and Celgene Corporate Responsibility. The program funds initiatives that enhance patient cancer care in resource-constrained countries. Eligible initiatives for the Celgene Cancer Care Links grant program include:

- Oncology training programs
- Cancer prevention, detection and treatment
- Nursing training programs and services
- Pharmacy training programs
- General medical support programs
- Awareness and education

Following review by an advisory board, the first grant recipients were notified of the awards in fall of 2018.



Moving NCD Care Forward

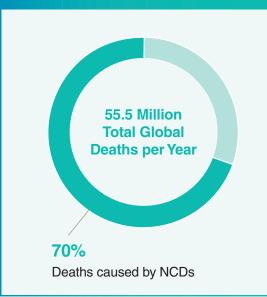
Access Accelerated

Launched in January 2017, Access Accelerated is a partnership of 24 biopharmaceutical companies, including Celgene, developing innovative and sustainable solutions to improve access to treatment and care for non-communicable diseases (NCDs)—such as cancer—in low- and middle-income countries. The vision for Access Accelerated is a future where no one dies prematurely from treatable, preventable diseases and where all people living with, or at risk of, NCDs have access to appropriate, quality, and affordable prevention, treatment and care. NCDs have emerged as a significant public health threat, accounting for 40 million deaths a year and 70 percent of all deaths globally.

Access Accelerated moved toward its vision in year one by registering 62 programs operating in 88 countries. Programs were geographically clustered in sub-Saharan Africa and Southeast Asia. Two-thirds of programs addressed cancer, and diabetes and cardiovascular disease were a focus in a number of them. Celgene is proud to be a member of Access Accelerated, and two of our key programs highlighted are the AMPATH Oncology Partnership and Celgene Cancer Care Links.

To learn more about Access Accelerated and its outcomes so far, read <u>Access</u> <u>Accelerated: Year One Report 2017</u> at <u>www.accessaccelerated.org</u>. In March 2017, Access Accelerated and the Kenyan Ministry of Health hosted a conference in Nairobi, Kenya, that brought together representatives from patient groups, civil society, government, and the private sector to discuss the specific challenges of addressing NCDs such as cancer in Kenya, as well as current and potential sustainable solutions.

NCDs CAUSE 38 MILLION DEATHS EACH YEAR, 70% OF ALL DEATHS GLOBALLY



Source: www.accessaccelerated.org.



The "Engaging Across Sectors and Disciplines To Address NCDs" panel included patients, healthcare professionals, biopharmaceutical companies, non-profit organizations and Kenya's Ministry of Health

Zeba Khan, Ph.D., Celgene Vice President of Corporate Responsibility, participated in a panel discussion on Engaging Across Sectors and Disciplines to Address NCDs. The panel included patients, healthcare professionals, biopharmaceutical companies, non-profit organizations and Kenya's Ministry of Health. In the discussion following the panel, several participants noted the need for a complementary approach to addressing NCDs, and emphasized how organizations across all parts of the healthcare sector private and public, large and small—can help in the fight against NCDs, in Kenya and elsewhere, by working together. This type of collaboration is the aim of Celgene's partnership with AMPATH Oncology. Through this partnership, the first and only multiple myeloma program in Kenya was created to educate patients and healthcare professionals. Through continuing education programs for oncologists, the partnership has helped to improve diagnostics so that patients are more likely to get accurate diagnoses and, consequently, earlier interventions when warranted.

To learn more, visit <u>https://www.celgene.com/</u> cooperation-collaboration-needed/.

Research and Development for Diseases of the Developing World

Celgene has a long-standing connection to global health. We began as a company with a drug to treat a form of leprosy, a disease that is limited now to the poorest parts of the world. In 2009, Celgene established Celgene Global Health (CGH) as a dedicated R&D unit committed to discovering, developing and delivering novel drugs for Diseases of the Developing World (DDW).

Celgene has more than 400,000 compounds in our library across multiple platforms that have potential applications to treat neglected DDW. These diseases, such as malaria and tuberculosis, affect the most impoverished around the world. CGH is collaborating with Product Development Partnerships (PDPs), global academic institutions, nongovernmental organizations (NGOs), public/private funding organizations, contract research organizations (CROs), and other biopharmaceutical companies to evaluate our proprietary compounds for activity in neglected disease. We make the compounds in our library freely available to organizations using them for non-commercial purposes.

Progress in 2017

Discovery: The CGH Discovery Portfolio addresses numerous neglected diseases at all stages of the drug discovery pipeline. We partner with worldwide experts for each of our discovery projects. During 2017, we progressed several projects from screening to the hit-tolead phase, including for leishmaniasis, Chagas disease, malaria, cryptosporidiosis, helminthic diseases, and tuberculosis.

Development: Enrollment for a Phase II clinical study in tuberculosis evaluating hostdirected therapy of our phosphodiesterase-4 inhibitor (CC-11050) in combination with standard anti-TB regimen is ongoing. The study is being conducted in South Africa and is funded by the Bill & Melinda Gates Foundation. CGH is planning on initiating a pilot study evaluating CC-11050 in erythema nodosum leprosum (ENL), a form of leprosy, in Katmandu, Nepal. In addition, pomalidomide was granted an Orphan Drug designation by the FDA for the treatment of Kaposi sarcoma, and Celgene is preparing a regulatory submission for pomalidomide in this rare disease.

Lead optimization: We are using medicinal chemistry efforts to make new molecules based on the core structures of our compound library. This not only improves their properties but also expands our library, as these molecules are looped back into Celgene's library.

Our work in addressing specific diseases includes:

Malaria: As part of our partnership with the Medicines for Malaria Venture, we have identified three chemical series that are active against liver and blood stages of the disease.

MMV 🔴 🔴 🔵

Medicines for Malaria Venture

Helminthic diseases such as elephantiasis and river blindness: In partnership with the Drugs for Neglected Diseases initiative (DNDi), we have identified compounds that are effective in killing adult worms selectively in animal models.

DNDi Drugs for Neglected Diseases initiative

Other neglected diseases: Celgene is developing CC-11050, a PDE4 inhibitor that may be a promising candidate for host-directed therapy of patients with pulmonary TB.

Lymphatic filariasis³ **Tuberculosis**¹ 2 billion infected. 10.4 million new cases. 1.3 billion at risk, 120 million infected, and 1.8 million deaths 40 million disfigured **Onchocerciasis**³ Malaria² 212 million new cases, and 429,000 deaths, 120 million at risk, 100 million infected, including 303,000 children under 5 millions lose sight Leprosy³ Leishmaniasis³ 1 billion at risk, 1.6 million new cases, 200.000 new cases; permanent damage and 40,000 deaths to skin, nerves, limbs, eyes Chagas disease³ Kaposi sarcoma⁴ 50 million at risk, 10 million infected, 80,000 prevalence (most in Africa), and **11,000** deaths no new drug, unmet need ¹ WHO Global TB report 2016, http://www.who.int/tb/publications/global_report/en/.

THE NEGLECTED DISEASE STATISTICS ARE DAUNTING:

² WHO World Malaria Report 2016, http://www.who.int/malaria/publications/world-malaria-report-2016/report/en/.

- ³ Third WHO report on Neglected Tropical Diseases 2015, <u>http://apps.who.int/iris/bitstream/10665/152781/1/9789241564861_eng.pdf</u>.
- ⁴ Kaposi Sarcoma, http://www.who.int/selection_medicines/committees/expert/20/applications/KaposisSarcoma.pdf?ua=1.

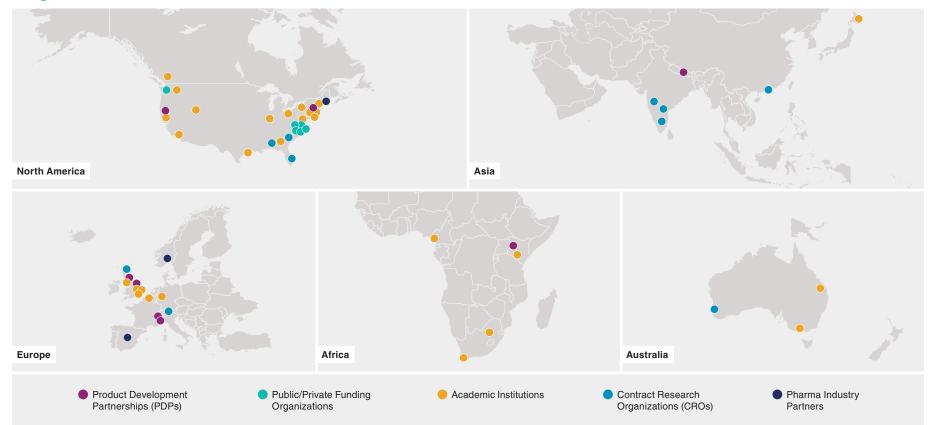


CELGENE GLOBAL HEALTH PIPELINE

CGH Efforts Recognized

In 2017, CGH was named Team of the Year for its participation in the Drugs for Neglected Diseases (DNDi) Drug Discovery Booster project. CGH's work was recognized at the 6th World Congress on Leishmaniasis. The award was based on CGH's innovative approach to discovering new medicines for neglected diseases, specifically leishmaniasis and Chagas disease. The Drug Discovery Booster project was launched in 2015 to circumvent early-stage commercial barriers between pharmaceutical participants, enabling DNDi to search millions of unique compounds simultaneously in search of new treatment leads. Celgene was the first U.S. company to join the Booster project.

Celgene Global Health Worldwide Partners



FINDING SOLUTIONS FOR THE DISEASES OF THE DEVELOPING WORLD



Employees and Communities

Putting patients first is only possible because of the commitment of Celgene's more than 8,500 employees. From Celgene scientists to Celgene Patient Support Specialists, our employees are dedicated to pursuing our purpose every day, and focused on the single mission of discovering, developing and delivering innovative therapies to patients for the treatment of cancer, immune-inflammatory and other medical needs.

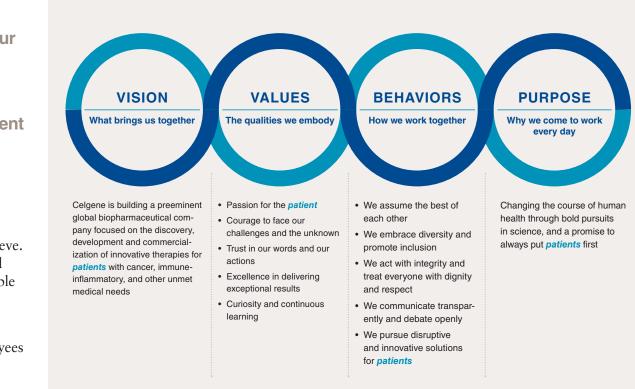
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Our Culture and Values

Celgene's culture inspires us to do our best work, deliver exceptional results and achieve our purpose. Our high-performance culture fosters a strong spirit of cooperation and collaboration to advance the discovery, development and commercialization of our products.

Our Values and Behaviors live vibrantly at Celgene, guiding how we work, the decisions we make and the results we achieve. Celgene employees are bold at work—and in life—and are rewarded through equitable compensation, opportunities for increased reward, and stock ownership.

Our managers are coaches, helping employees to leverage their strengths and inspiring them to be passionate about their role and contribution to our mission.



Because every individual at Celgene matters, we are committed to developing employees for both the present and future. Celgene is dedicated to hiring the best people, unleashing every employee's potential, fostering a culture of curiosity and continuous learning, and energizing a culture of high performance and innovation. The result is a workforce that keeps the patient at the forefront of all we do.

Employees

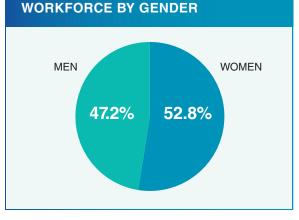
As unique and diverse as Celgene employees are, there's one thing that unites them: their commitment to discover, develop and bring to market innovative therapies that make a measurable difference in the lives of patients.

Our employees strive to build on our scientific achievements and secure patient access to our innovative therapies.

Diversity and Inclusion

At Celgene, we respect and value all diversity of human identity and expression. To achieve our fullest potential, we expect everyone to embrace diversity, promote inclusion, and champion the free exchange of ideas. It is our responsibility to continually foster a culture of acceptance and respect where *every* employee's voice is heard and matters, and each individual has equal opportunity to drive our growth and innovation. We also understand the importance of appreciating the uniqueness of each individual and supporting diversity within the communities in which our employees reside and where Celgene does business. Only by appreciating the talents, backgrounds and diverse perspectives of each employee can we do our best work for the patients we serve.

Women constitute 52.8 percent of Celgene's global workforce, and received 53.3 percent of all promotions during 2017. Celgene has been a partner of the Healthcare Businesswomen's Association (HBA) since 2006 and annually recognizes Celgene HBA Rising Stars within the organization, providing visibility organization-wide to the talent and accomplishments of our female



employees. In 2017, the HBA Steering Committee was acknowledged as a Celgene employee resource group for women, renamed Women Advancing Leadership at Celgene (WALC). Minority employees make up 34.3 percent of our U.S. workforce and received 33 percent of all promotions during 2017. Celgene's global workforce includes employees in 40 countries.



The WALC Resource Group aims to educate and cultivate enlightened leaders; inspire, coach and develop female talent; and champion solutions to fill diversity and inclusion gaps

INTRODUCING THE CELGENE PRIDE ALLIANCE: NEW ORGANIZATION AIMS TO SUPPORT LGBTQI COLLEAGUES AND ALLIES

In 2018, Celgene launched a new employee resource group to support our LGBTQI (lesbian, gay, bisexual, transgender, queer and intersex) employees and their allies.

The Celgene Pride Alliance will be a global resource for our entire LGBTQI community, participating in social and charitable events, attending external recruiting events, and engaging in professional development.

Over the past two years, Celgene has added additional benefits to support the company's commitment to diversity and inclusion and there has been a continued interest in growing our efforts in these areas.

"Celgene's commitment to diversity and inclusion will allow the company to attract the best talents, inspire employees and create an environment where differences are welcomed to challenge the status quo, lead to innovation and achieve our patient-focused mission."

OLIVIER GOUEDARD

Chair, Celgene Pride Alliance





D&I at Celgene: Recent Accomplishments

- Nominated by the Healthcare Business Association (HBA) as a founding company for the HBA Gender Parity Collaborative and participation in the McKinsey Women in the Workforce Study for 2018
- Extended health-insurance coverage to be transgender-inclusive and added progressive benefits including paid caregiver leave, paid parental leave for all new parents and a part-time "bridge back to work" policy; enhanced and inclusive family-focused benefits including breastmilk freezing/ shipping, fertility benefits for employees and their partners, adoption assistance and surrogacy reimbursement
- Launched companywide Employee Resource Groups including Women Advancing Leadership at Celgene (WALC), Celgene Pride Alliance (CPA), and People of Color
- Expanded flexible work arrangements and added Summer Fridays
- Continued focused diversification of leadership development programs
- Use of diverse data-driven candidate slates for Talent Acquisition to increase candidate diversity among job requisitions
- Unconscious bias and decision-making training provided across the enterprise to enhance parity relating to talent reviews, performance management and recruiting

About Our People

Celgene has been fortunate to attract employees of the highest caliber. Here's a look at today's Celgene employees:

CELGENE PEOPLE LOVE TO LEARN

>70%

of Celgene employees are college graduates and half of those employees hold postgraduate degrees (master's, Ph.D.s, MDs, Pharm.D.s, other post-graduate degrees or their equivalent) CELGENE IS HEAVILY FOCUSED ON MEDICAL INNOVATION AND PATIENT CARE

>30%

of global employees are engaged in science

>40%

of global employees are directly involved in bringing healthcare solutions to patients WHETHER NEW OR LONGSTANDING EMPLOYEES, CELGENE'S POPULATION IS INFUSED WITH THE SPIRIT OF OUR CULTURE

28.8%

of global employees have been with Celgene fewer than 2 years

36.7%

of global employees have been with Celgene 2–5 years

34.5%

of global employees have been with Celgene 6 years or more

Camille Menendez: From Figure Skater to Bioengineer

To celebrate our newest Celgene Value— Curiosity & Continuous Learning—we asked Celgene employees to share their stories of seizing the moment for new learning opportunities. Camille Menendez, an Associate Bioengineer II at the Warren campus, came to Celgene after earning her M.S. in biotechnology—but not before completing a competitive figure skating career. Here's her Personal Learning Journey.

My personal learning story begins in the spring of 2012, just before my senior year of college. My bioinformatics research work was going well, so as I prepared to graduate, I was expected to start applying to bioinformatics Ph.D. programs. Yet, despite how proud I was of my accomplishments, I felt that a Ph.D. program was not the path for me, at least not at that time. In addition, I knew that sooner or later I would have to bring my competitive figure skating career to a close and I did not want to do that hastily.

I was faced with a decision and chose to seize the moment. Continuing my education and launching a career would always be available, but being a full-time athlete in my early to mid-20s and building on the skills I had developed over the past 16 years



wouldn't be. So, I informed my professors that immediately after graduation I would focus on my competitive figure skating before reassessing my academic and career goals. My choice wasn't received well at first, but over the years I have earned much respect for this decision.

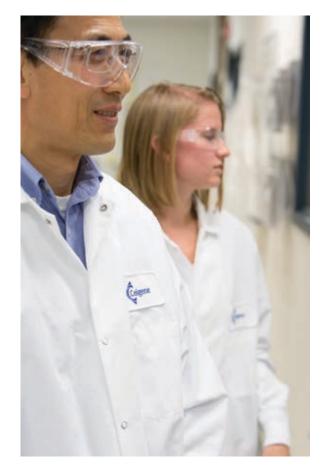
For more than a year, my days consisted of training for myself and coaching young figure skaters. At the end of 2014, I took a part-time biomedical engineering job (coincidentally down the street from Celgene's Warren location) and enrolled in the M.S. in Biotechnology program at Kean University.

As I approached graduation, I knew that I had finally reached the point that I could confidently end my competitive figure skating career and join the full-time workforce. I was highly recommended for a job at Celgene by former classmates from Kean who were already working there.

My first week on the job was the same week as my last figure skating competition for the season. Everything worked out seamlessly.

WORKFORCE STATISTICS¹

		2014	2015	2016	2017
Workforce		6,366	7,140	7,297	7,656
Gender	Male	2,944	3,292	3,387	3,611
	Female	3,422	3,848	3,910	4,045
Region	Americas ¹	3,904	4,297	4,274	4,566
	Europe ²	1,950	2,296	2,393	2,507
	Asia	304	318	330	194
	Japan	208	229	300	389
Туре	Full-Time	6,123	6,971	7,132	7,496
	Part-Time	243	169	165	160
Hires		1,327	1,268	1,143	1,364
Hires by Region	Americas ¹	765	653	527	771
	Europe ²	450	511	411	436
	Asia	74	62	116	45
	Japan	38	42	89	112
Turnovers		377	589	997	997
Turnover by Region	Americas ²	177	299	556	480
	Europe ³	137	202	318	313
	Asia	56	67	100	182
	Japan	7	21	23	22



¹ As of the end of 2017.

² For 2014 and 2015 data, Americas does not include field-based employees in the U.S. or Canada, nor employees at the Basking Ridge site, the Chicago site, the Seattle site, Brazil or Mexico.

³ For 2014 and 2015 data, Europe includes only the Boudry, Zofingen, Madrid, Sevilla, Paris, London, Munich and Milan sites.

Recognizing Award-Winning Celgene Employees

John W. Jackson (JWJ) Award

The John W. Jackson Award is the highest individual recognition bestowed by Celgene. It recognizes Celgene leaders who have demonstrated leadership qualities upon which the foundation of Celgene was built and whose work has had significant positive impact on the contributions that support our global corporate objectives and commitment to improve the lives of patients.

2017 JWJ LEADERSHIP AWARD STEVE RITLAND, Ph.D., MBA

Executive Director, Project Leadership



Steve was selected for his leadership on the luspatercept program over the last seven years. He also chairs the Myeloid Disease Strategy Team and leads all Project Leaders and Managers in the myeloid therapeutic area. Steve's team achieved extraordinary results under his leadership. He was recognized for his attributes of drive and decisiveness balanced with empathy and compassion.

2016 JWJ LEADERSHIP AWARD PAUL SHEEHAN

Executive Director, Head of U.S. REMS



Paul oversees the Customer Care team for our patented Risk Evaluation and Mitigation Strategy (REMS) covering Revlimid, Pomalyst and

Thalomid. He joined Celgene 12 years ago and has served as a visionary who fully established our REMS system. The FDA views our REMS system as best-in-class and has cited it as an industry role model.

Mentor of the Year

This award recognizes individuals who demonstrate long-term support for the advancement of their colleagues in the healthcare industry and have a personal dedication to developing, mentoring and promoting others.

We believe that to foster a community of continued support and leadership at Celgene, it is important to recognize individuals who embody Celgene's values by mentoring and developing others.

2018 MENTOR OF THE YEAR JENNIFER HOPWOOD

Vice President, Multiple Myeloma Global Marketing



Jennifer was nominated in recognition of her ability to continually challenge colleagues to be curious, focus on what's important and speak up when it matters. Her mentees felt that she believed in them and helped them to go further than they thought they could. They appreciated her ability to create a safe environment to share perspectives.

2017 MENTOR OF THE YEAR ANJAN THAKURTA Ph.D.

Executive Director, Translational Development & Diagnostics, Research & Early Development



Anjan Thakurta, Ph.D., was presented with the inaugural Mentor of the Year Award. He is recognized as an idea generator who empowers colleagues to take

their ideas from infancy and make them their own. Anjan creates opportunities for people, opens doors and breaks down barriers to inspire colleagues to do great things.

Employee Safety

Celgene is dedicated to providing a safe, healthy and environmentally responsible workplace for employees, contractors and visitors. This dedication begins with a commitment to establishing a best-inclass Environmental Health and Safety (EHS) Management System. Celgene's EHS Management System establishes the framework for extending our "Passion for the Patient" to our workforce and the environment. It empowers Celgene sites and holds them accountable to operate in a healthy, safe, compliant and environmentally responsible manner.

The Celgene EHS Management System is supported by policies that establish Celgene's commitment to ensuring the health and safety of our employees, contractors and visitors while ensuring protection for the environment. The Celgene EHS Management System consists of EHS Directives, which set Celgene corporate guidance and minimum requirements that cover a wide range of safety, health and environmental requirements that apply to all Celgene locations.

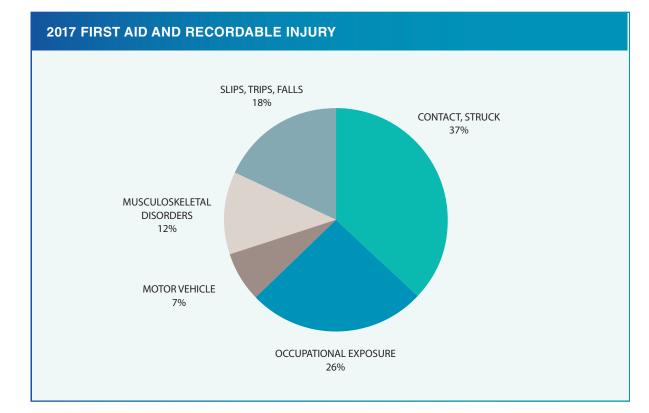
Celgene's internal Global EHS Audit Team monitors compliance with EHS Directives and local and country regulations or requirements. Established in 2015, this team audits Celgene manufacturing and research sites based on operational risk. These sites also perform internal inspections to proactively identify and mitigate hazards.

Shown here is a summary of three years of global safety metrics. We continue to identify and mitigate injury and illness risks wherever they may be found as part of our ongoing and consistent approach to safety.

GLOBAL SAFETY METRICS

	2015	2016	2017	Industry Rate
Injury and illness rate	0.20	0.44	0.35	1.00
Lost day case rate	0.03	0.15	0.10	0.30
Occupational disease rate	0.00	0.00	0.00	N/A
Fatalities	0.00	0.00	0.00	N/A

DETAIL ON 2017 SAFETY METRICS								
Total Injury and Illness Cases	First Aid Cases	Recordable Injury and Illness Cases	Fatalities	Total Cases with Lost Time	Total Lost Days	Total Working Hours	Total Recordable Case Rate	Lost Time Injury Rate
82	51	31	0	9	104	17,820,000	0.35	0.1



Contractor Safety Program

Our commitment to keeping workers safe is not limited to employees. To ensure contractor safety, we:

- Provide supplemental workforce contractors with the same screening, on-boarding and training as Celgene employees
- Require contractors to follow Celgene's EHS Policies and Directives
- Require contract companies to submit documentation on the type of work to be performed at Celgene sites
- Review and approve contractor background information prior to them beginning work on-site. The review includes program content, employee training, experience modification rate (EMR), injury rate, and environmental performance

Employee Benefits

Celgene employees enjoy a high level of benefits—befitting our most important resource. These benefits include opportunities for professional development and a wide range of health and wellness options.

Continuous Learning and Professional Development

At Celgene, every employee matters, and our culture of high performance and engagement is enabled by highly trained employees and skilled managers. We're committed to the professional development of employees, and empower them to unleash their potential through challenging work assignments, learning opportunities and exposure to all levels of leadership. We equip individuals and teams with robust tools and training that help them meet the changing demands of



Employee Training Session

work and support their curiosity and desire for continuous learning as they achieve their personal and professional goals.

Our companywide talent assessment provides a common approach to understanding employees' performance and potential to grow so that we can effectively support and invest in them. Additionally, we encourage employees to partner with their managers to complete Individual Development Plans and identify and create clear development goals that will enhance current skills or build new knowledge.

Our standardized program of regular formal performance reviews for all permanent employees incorporates their performance contribution as well as their learning and growth. These long-standing principles guide our employee development efforts:

- Development opportunities are designed to recognize and enhance individuals' strengths and passions while aligning to very real business needs and priorities.
- Manager effectiveness is defined by leaders who are skilled at coaching and providing feedback that promotes individual performance and supports developmental growth.

- Development occurs along a spectrum of experiences, ranging from on-the-job training to attending external professional conferences, throughout one's career across the company.
- Eligible employees receive tuition reimbursement and are encouraged to attend courses of study that augment and enhance their technical skills, knowledge and value creation in their roles.

The Celgene Values and Leadership Success Behaviors serve as guideposts for the acceptable behavior required to achieve our vision, mission and purpose.

Education and Learning Programs

In collaboration with the Rutgers Pharmaceutical Industry Fellowship (RPIF) program, Celgene currently hosts 10 post-doctoral Pharm.D. fellows across seven functional areas, namely Medical Communications, Medical Affairs, Regulatory Affairs, Clinical Research & Development, Project Leadership, Health Economics & Outcomes Research, and Market Insights. Each of our fellowship programs offers a dynamic experience, with rotation through multiple therapeutic areas, functions and/or geographies, allowing flexibility to maximize opportunity for key learnings. Our fellows gain meaningful experience and exposure to the numerous career possibilities within the biopharmaceutical industry.

More than 750 post-doctoral fellows have completed the RPIF program at Celgene and other biopharmaceutical companies, and over 30 alumni of the program are currently employed at Celgene. We are also partnering with Rutgers and other biopharmaceutical companies within New Jersey and elsewhere to launch a novel industry-based Physician Fellowship program.

More than **750**

post-doctoral fellows have completed the RPIF program at Celgene and other biopharmaceutical companies

^{Over}

alumni of the program are currently employed at Celgene



Celgene Rutgers Pharmaceutical Industry Fellows

Celgene offers a Medical School Gap Year Program (MSGYP). The MSGYP is a one- to two-year post-baccalaureate program for premedical students, designed to provide training opportunities and meaningful work experiences during the "gap" or "bridge" year(s) before attending medical school. The MSGYP provides highly talented graduates with hands-on clinical development experience, allowing them to increase their competitiveness for admission to top medical programs. Students perform independent work with a dedicated Celgene scientific/ medical mentor and are involved in the development and execution of a clinical trial, collaborating with our worldwide teams throughout the stages of the drug development process.

Curiosity and Continuous Learning Award Winners

The Curiosity and Continuous Learning Team Challenge asked employees around the world to incorporate curiosity and continuous learning into team exercises, ranging from a Hackathon and Scavenger Hunt to a Book Club and Curiosity Cram on industry current events.

Winners of the challenge, selected by our Executive Committee, were:

1st Place: The Multiple Myeloma IMiD® Foundation MoA Immersion Day. A global, crossfunctional team of colleagues hosted an IMiD Foundation MoA Lunch & Learn to raise awareness and awaken the curiosity of Celgene employees as to how the IMiD Foundation works, and how it improves the lives of patients with multiple myeloma. Some 180 colleagues attended live in Summit, NJ, and more than 100 employees worldwide participated via WebEx.

2nd Place: CAR T Contractor Education—"Doing It for the Patient." Global Pharmaceutical Development and Operations worked on an ambitious timeline to bring Celgene's CAR T manufacturing facility online in only nine months—a project that should take 30 months. The core project team devised innovative approaches to shorten the project timeline.

3rd Place: Clinical R&D's Summer Intern Mock FDA Advisory Committee. The Clinical R&D group created a mock FDA advisory committee to help summer interns experience the drug development and regulatory process.



Ignite: Helping Ideas Grow into Solutions

In 2017, Celgene launched an "ideas management platform" called Ignite that enables colleagues to propose challenges to their team or organization to solve a key business issue. The platform is a collaboration space to harness and share intellectual capital of colleagues through crowdsourcing. Ignite leverages our unique culture, particularly our value of Curiosity and Continuous Learning. The platform invites all Celgene leaders to share their ideas for leading with Celgene's culture, Values and Behaviors. These can include practical suggestions for other leaders on how to support Curiosity and Continuous Learning across their teams and advance Celgene's culture, Values and Behaviors. Using Ignite, we hope to ensure that a culture of Curiosity and Continuous Learning remains a driver of Celgene's success.

ENHANCEMENT TO EMPLOYEE BENEFITS

Celgene Human Resources continuously engages with employees in meaningful conversations to find ways to make their experience at Celgene better. In 2018, these conversations with U.S. employees helped us to better understand how their benefits and policies could be enhanced to address their needs and concerns.

As a result of this feedback and in keeping with our culture, we have enhanced our U.S. benefits offerings. This includes increasing flexibility for employees to navigate the demands of career and home life, providing options for employees to customize their work schedules, and supporting employees who have growing families.

Increased Paid Parental Leave

Becoming a new parent is a life-changing event. To support new parents and to assist with balancing work and family, Celgene U.S. provides eligible employees with up to 12 weeks of paid time off to care for a newly born infant or new adopted or foster child. The amount of the benefit is 100 percent of the employee's base salary, determined by the employee's regularly scheduled hours of work. If both parents work at Celgene and meet the eligibility requirements, both employees are eligible for the benefit. In addition, at the end of the 12-week Paid Parental Leave, adjusting back to a daily routine can be challenging for the employee and child. Celgene's U.S. employees can now gradually "bridge back" to work part-time with full pay for up to four weeks based on their regular scheduled hours of work.

Caregiver Leave Benefit

Caring for a family member with a serious illness is one of life's greatest challenges. As a company focused on improving the lives of patients, Celgene recognizes that our employees are caregivers as well. Celgene provides eligible U.S. employees with up to six weeks of paid time off to care for an immediate family member with a serious illness.

Backup Child or Elder Care

This offering provides a backup service for employees whose regular child care or elder care becomes unavailable.

Additional Maternity Support

These expanded benefits include nutrition, pediatric and lactation consultation. Additionally, nursing mothers traveling on business will be able to freeze and ship breast milk home to their child with this new benefit.

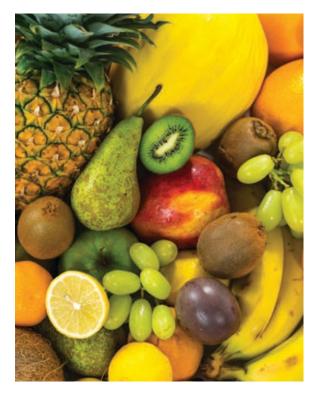
Flexible Work and Summer Hours

With the demands of career, family and home life, Celgene supports our employees and provide them with the flexibility to balance their personal and professional lives with the Flexible Work Arrangement program. Face-to-face interaction is an important part of Celgene's collaborative culture, but technology has enabled many employees to perform some duties remotely. In addition, Celgene also provides Summer Hours, enabling eligible employees to leave the office on Fridays at 1:00 p.m. local time to get a headstart on the weekend, if their schedules permit.



Wellness Options

Celgene's investment in employees extends to their health and well-being. That's why Celgene offers a number of healthy living programs, services and educational opportunities. These opportunities include nutritious food and exercise programs.



Healthy food alternatives at Celgene's cafeterias

Healthy Food and Exercise Programs in the U.S.

- All U.S. benefits-eligible employees may take advantage of robust programs that support employees' and their families' health, from preventive care to clinical support for chronic medical conditions. Each year, the Benefits and Wellness teams provide an array of webinars, sharing information on various health-related topics such as healthy heart programs and stress reduction.
- Health club reimbursement is available to eligible employees in the U.S. and Canada as well as certain countries in Europe and Latin America.
- On-site fitness centers and group fitness classes are available at certain Celgene facilities, with certified fitness professionals.
- Healthy food alternatives are provided in workspaces and at meetings where Celgene provides cafeteria services.
- We support soccer, softball and other teams of employees that participate in local and community sporting leagues.
- On-site educational services cover topics such as anti-inflammatory diet, healthy

eating on-the-go, and "ask the exercise specialist."

- There are on-site nurse practitioners at select U.S. locations to provide medical care to employees who experience episodic and acute illnesses while at work.
- We host health fairs at which employees can take advantage of free health services such as screenings for biometric wellness including blood pressure and cholesterol, bone density, and sun damage.
- We also host on-site flu clinics and mammography screenings at certain on-site locations as a convenient way for employees to participate in support of their health and well-being.
- Celgene also provides an Employee Assistance Program to employees and their families for confidential emotional well-being support. Licensed counselors are available to support with stress management, strengthening relationships, work/life balance, grief and loss, and more.
- At certain Celgene locations, there are wellness rooms available for employees who may want to have rest, quiet and/or prayer time during the day.

Helping Celgene Employees Stay Fit at Celgene's New Jersey Campuses

Celgene now has two fully equipped fitness centers at our Summit, NJ, locations. The centers at Summit East and Summit West include 24/7 access for all employees; certified trainers available from 7:00 a.m. to 7:00 p.m., Monday-Friday and Personal Training Services. A variety of equipment is available for employees, ranging from standard items such as dumbbells, barbells, free weights, Olympic benches, cables and pulleys to newer state-of-the-art items such as a unique and customizable Queenax bodyweight training system (Summit East). Together, these two centers comprise more than 19,000 square feet, and offer many options to support employees' health and well-being.





Celgene Again Named a CEO Cancer Gold Standard Employer



We're proud to be accredited as a global CEO Cancer Gold Standard[™] organization. This accreditation recognizes the company's worldwide

commitment to reducing cancer risk through tobacco-free facilities and by promoting healthy lifestyle choices, encouraging early detection through cancer screenings, and ensuring broad access to innovative cancer therapies that are extending lives, improving quality of life and increasing productivity for employees and their family members around the globe.

Celgene Canada

In Canada, benefits-eligible employees are reimbursed for qualifying fitness-related activities and gym memberships. Also, there is an on-site wellness room and two fitness classes offered weekly. Employees also have access to wellness-related resources through an Employee and Family Assistance program.

Celgene United Kingdom and Ireland

Health and wellness are addressed in the United Kingdom & Ireland Affiliate through monthly visits to Celgene's Stockley Park facility with Occupational Health partners at Managed Occupational Health (MOH). The focus of these visits is on optimal personal health and guidance on having a healthy work/life balance. There is the opportunity to book a private appointment with a doctor from MOH to discuss any personal health concerns, and for those employees who are not based at Stockley Park, this can be via telephone or Skype. All our employees may receive an annual flu vaccination, either via a nurse attending our office or by providing a voucher which can be used at a national chain of pharmacies in both the United Kingdom and Ireland. There are also plans for a masterclass for 2018, in partnership with MOH, for all our line managers on supporting good health in the workplace.

Healthy eating options are provided in our cafeteria, with a monthly focus on a theme, and free fruit provided daily. Soups are homemade, and there are always a range of healthy smoothies made fresh-to-order. In addition to giving up to £450 per annum per employee toward any personal fitness activity of their choice, complementary health practitioners are invited to our head office to offer a range of services.

Celgene Boudry, Switzerland

Each year, Celgene's Boudry, Switzerland, International Headquarters offers an on-site health fair that addresses health and wellness topics and has blood pressure, healthy eye, cholesterol and balance checks. Informational sessions are presented by our Employee Assistance Program provider to address stress reduction, the benefits of healthy eating, smoking cessation and general program information.

On a weekly basis, the Boudry infirmary is staffed by an occupational nurse and a doctor providing preventive medical checks, promoting good occupational health for Celgene employees, supporting absence management and occupational rehabilitation, and providing assistance with and knowledge of the mandatory system and insurances.

Celgene Italy

A healthy work/life balance is promoted through an advanced regulation of "smartworking," strongly encouraged with a flexible working hours policy and with several in-office supportive services. The infirmary is available for local doctor visits and for an on-call physiotherapist whose activities are included in the flexible benefit plan.

A Pilates course is also held once a week at the gym of the building in Milan, and healthy lifestyle awareness campaigns are now recurring appointments: sport, nutrition, mindfulness and preventive healthcare are the main topics.

Celgene Australia and New Zealand

A significant focus is placed on employee health and well-being within the Australia and New Zealand affiliate. The offices in Melbourne were specifically designed to ensure that natural lighting is available in each of the workstation areas and that the office space is surrounded by live plants and greenery. Having created an activity-based working environment, the office design also offers "private quiet areas" where employees may take some time to reflect, simply take a "mental health break," or enjoy a spiritual timeout. There are also spaces provided for nursing mothers who need to express milk for their babies. They may do so in the comfort of a recliner in a private room and may store their expressed milk discreetly in a dedicated refrigerator located for convenience and privacy. End-ofjourney facilities offer private bathroom and dressing facilities to promote bike riding, walking or running to work as an alternative to driving. In addition, the staff kitchen pantry is stocked with fresh fruit, nuts and other healthy snacks to promote healthy eating.

Employees are offered a number of regular on-site health-focused events including annual flu shots just prior to the winter months, and annual health screens—including blood pressure testing, glucose, cholesterol and full blood screen testing—with medical consultation following. In recent years, mindfulness and health awareness programs have been provided, such as women's and men's health-related seminars. Our building management offers yoga and Pilates group sessions, offering employees an opportunity to exercise while socializing during their lunch break.

Communities

We see the communities where we work and live as extensions of Celgene and are committed to creating a positive impact in each one. We're proud that our people devote countless hours to volunteering in support of activities and events in their communities.

Celgene Community Initiatives

Celgene supports numerous signature events each year, including fundraising events for which Celgene provides corporate matching of employee contributions.

Light The Night[®] Walk is a fundraising campaign dedicated to supporting the Leukemia & Lymphoma Society (LLS) and its research to find blood cancer cures. In 2017, 1,089 people walked on 69 Celgene teams during the event, raising \$714,933 for the Light The Night Campaign, including Celgene matching funds.

Once again, Celgene was named the #1 biopharma fundraising partner for LLS.

PurpleStride, known as The Walk To End Pancreatic Cancer, is a signature event of the Pancreatic Cancer Action Network (PanCAN). This nationwide network of people is focused on advancing research, supporting patients and creating hope for those affected by pancreatic cancer. Celgene was proud to be the first National Presenting Sponsor of PurpleStride events and currently PanCAN's largest corporate contributor. In 2017, more than 288 Celgene employees participated in 52 PurpleStride runs/walks, raising more than \$57,000, including matching funds from Celgene.

#1

ranking as the Leukemia & Lymphoma Society biopharma partner for Light The Night[®] Walk



The PurpleStride fundraising walk for the Pancreatic Cancer Action Network

Team NPF Cycle raises money to provide the services that people with psoriatic disease need to live well, while funding research for a cure. In 2018, Celgene had its largest team to date for the 2018 National Psoriasis Foundation (NPF) Team Cycle event. On a sunny day in June with a starting point at the Unionville Vineyards in Ringoes, NJ, 35 Team Celgene members came together for fun and philanthropy. Celgene's team raised the most money of any team, with a total of \$12,307 including matching funds from Celgene.



Team NPF Cycle

Training the Long-Term Unemployed in Switzerland

In Boudry, Switzerland, Celgene leads a collaborative project to help people with long-term unemployment, who no longer receive unemployment payments, to return to work. The initiative helps biopharmaceutical companies find specialized blue-collar workers by training selected unemployed people to become biopharmaceutical operators. Working closely with leaders and colleagues from Celgene manufacturing, Celgene collaborated with other companies to interview and select the candidates, provide two months of practical education, and offer jobs to candidates who successfully graduated from the program.

In 2018, 13 unemployed people were selected for the program based on their motivation and attitude. Celgene hired five of the program graduates in the past two years and is looking for future opportunities in Boudry and the new manufacturing site in Couvet.

Community Day in Brussels

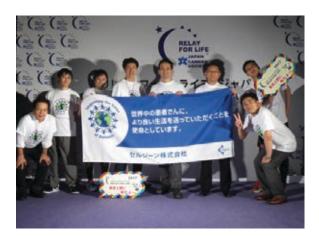
As part of Celgene's commitment to get involved and help in local community activities, employees in Brussels stood shoulder-to-shoulder for our first BeLux Community Day. A record-breaking 49 colleagues from the Celgene BeLux affiliate joined for a full day of meaningful corporate volunteering. Based on employees' expressed desire to help children, refugees and the planet, four different activities were scheduled to allow everyone to participate.

Marking 10 years in the U.K. and Ireland

Celgene U.K. & Ireland recently celebrated 10 years of operations in both countries and the more than 37,000 patients who have been helped along the way. As part of the 10-year anniversary celebration, patients and caregivers who have benefited from our presence in the U.K. & Ireland took the opportunity to share their thoughts, underscoring our innovative therapies and the difference that our products have made to their lives and those of other patients. "Celgene effectively became the company that saved my life," said Bob Munro, a fiveyear multiple myeloma patient from England.

Relay for Life

Relay for Life is a charity event that honors cancer survivors, encourages people with cancers and their caregivers, and raises awareness of diseases and cancer prevention initiatives. Team members take turns walking around a track for 24 hours, symbolizing the ongoing fight against cancer. Celgene KK (Japan) employees formed a team with co-workers and family members as Team Celgene and participated in the event for the first time in 2017. The team aims to enhance awareness of all types of cancers in the community.



Relay for Life in Japan

Multiple Myeloma Ride from London to Paris

Cycling from London to Paris, employees from our U.K. & Ireland affiliate helped raise $\pounds 270,000$ (\$356,643) for Myeloma UK, Great Britain's only charity focused exclusively on myeloma.

During this event, Myeloma UK supporters ride 500 kilometers (311 miles) from London to Paris in four days to raise funds for crucial myeloma research. Myeloma UK works to step up the discovery and development of effective treatments, and ultimately, to find a cure for myeloma. Celgene's support enabled employees to ride in the Myeloma UK London Paris Ride 2017.



The Myeloma UK London to Paris Ride



Scholarship for children with hematologic cancer in Korea

Scholarship for Children with Hematologic Cancer

To support patients and their families, Celgene Korea has entered a partnership with Kids and Future Foundation to donate to a scholarship for children whose parents are suffering from hematologic cancer. While treatments for these cancers, which include lymphoma, leukemia and multiple myeloma, have improved, patients require long-term continuous treatment. As a result, these patients are burdened by both their health and financial conditions. The scholarship helps their children continue their education. The scholarship fund was raised through an internal campaign that encouraged all Celgene Korea employees to walk 100,000 steps in the month of March.

Celgene Netherlands

Carbon Offsetting Through Clean Cookstoves

Working with the Climate Neutral Group in the Netherlands, Celgene is working to compensate for CO₂ emissions from business flights by investing in clean cookstoves in Kenya. This reduces CO₂ emissions in Kenya while adding to the health and quality of life of the Kenyan people involved in



Volunteering to help elderly people in the Netherlands



Celgene Netherlands supports clean cookstoves in Kenya

this project. In 2017, Celgene Netherlands avoided 324 metric tons of CO₂ equivalent by investing in cooking stoves.

Volunteering to Help Elderly People with Dementia

Celgene Netherlands is partnering with the King Arthur Group to organize small-scale support and activities for elderly people in several locations around Utrecht, where Celgene Netherlands is based. The King Arthur Group seeks to address the unmet needs of people with dementia, their family members and informal caregivers. Each year, the group identifies a number of projects and events that need volunteer support. Celgene Netherlands employees can volunteer for these projects, and Celgene Netherlands supports their participation by giving them a day off to volunteer.

International Peace Marathon in Slovakia

For the fifth year in a row, Celgene Slovakia expressed support for patients suffering from multiple myeloma by organizing a team to "Run for Multiple Myeloma Patients" during the International Peace Marathon in Košice, Slovakia, the oldest marathon in Europe. The team, whose slogan is "Multiple myeloma never gives up. Neither do we!", ran with doctors, healthcare professionals, and patients and their family members. More than 230 runners participated to support multiple myeloma patients. While some of the participants were endurance runners and internationally known athletes, most were amateurs who came out to support this worthwhile campaign.



International Peace Marathon in Slovakia



Solidarity Days: Volunteering for the community in France

Solidarity Days in France

Since 2016, Solidarity Days has been offering Celgene's employees in France the opportunity to take a day off from work to volunteer to support non-profit organizations that help vulnerable populations, or to address environmental issues. In 2017, employees' achievements ranged from building a game library in Marseille to developing an urban agroecological garden in the suburbs of Paris. When the day of volunteering ended, a total of 82 volunteers had donated 600 hours of service, and 100 percent of the employees who participated in 2017 said they would like to repeat the experience.

Supporting Access to Treatment for Vulnerable Multiple Myeloma Patients in Mexico

Celgene Mexico has been working to help vulnerable multiple myeloma (MM) patients those without access to health insurance that covers MM—and to raise awareness of the disease. Celgene is advocating for MM to be covered by the public health insurance system and urging that MM issues be placed on the public agenda with the goal of achieving changes in public policy.

In addition, Celgene Mexico is supporting patient organizations by providing training in advocacy, public policy, instructional



Multiple myeloma awareness campaign in Mexico sponsored by Celgene

development, navigating the Mexican Health System, fundraising techniques, and volunteering. Celgene grants are providing patient education workshops in MM and disease management, such as psychology and nutrition support, and sponsoring communications materials to raise awareness about MM.

Hurricane Disaster Relief Efforts

Celgene employees are well aware of the damage a hurricane can cause, as our own corporate headquarters was impacted for more than a week in the fall of 2012 when Hurricane Sandy hit New Jersey. As good corporate citizens, we believe we have a responsibility to support those in need around the world.



Celgene provided relief after hurricane Maria hit Puerto Rico



Celgene provided support following hurricane Harvey in Houston

In 2017, Celgene provided support for communities hit by hurricanes Harvey, Irma, and Maria.

Donating Laptops to Help Children in Mali

Mali is one the poorest countries in the world, with one of the highest adult illiteracy rates — 52 percent of the male and 66.8 percent of the female citizens are illiterate. The country's primary public school enrollment rate is low, in large part because families are unable to cover the cost of uniforms, books, supplies, and required fees. Many young girls are kept at home to help with housework or sent to work in the artisanal gold mines, following in the footsteps of their parents.

Initiative contre la Faim des Enfants (IFE)-Mali is trying to change the lives of girls in this West African country and provide them with an education and dreams for a brighter future. It is spreading the message that an educated girl is more likely to be literate, healthy and survive into adulthood, as are her children.

In 2017, Celgene supported the work of IFE-Mali by donating laptop computers to IFE-Mali volunteers in the capital city of Bamako and in the local village of Karan.



Donating laptop computers in Mali

In Bamako, the volunteers plan to use the computers to promote IFE-Mali activities on social media, recruit volunteers, prepare reports, conduct surveys, create presentations for Malian donors, and write grants. IFE-Mali's partner school in Karan plans to use donated laptops to improve teaching and to establish databases about students and courses, as well as to teach students about technology.

Promoting STEM Education

Celgene supports the Sol J. Barer Scholarship in Life Sciences, named after Celgene's former Chairman and Chief Executive Officer. The award helps students recognized as superior academic performers who are preparing for careers in the life sciences industries. Five scholarships are available through the Independent College Fund of New Jersey.

Celgene is also a four-year member of Change the Equation, a collaboration between education and business that aims to ensure that all students are literate in science, technology, engineering and math (STEM). Change the Equation's members actively advocate STEM policies and practices across the U.S. In addition, Celgene supports and actively participates in the STEM program at the Governor's School of New Jersey. This initiative provides funding for workshops, seminars, and opportunities within the STEM fields for more than 50 students a year.

Celgene has continued to support the Entrepreneurs in Clinical Academia (ECA) initiative, part of the Federation of Clinical Immunology Societies. ECA offers medical academics in Europe the ability to learn more about the drug development process and to understand the value of innovative research from the laboratory to the marketplace. This course is delivered by the European Institute of Business Administration (INSEAD), a globally renowned business school, and is supported by an educational grant from Celgene.

Students 2 Science Program

Since 2013, Celgene's Product Development organization has supported Students 2 Science (S2S), a model New Jersey program whose mission is to inspire, motivate and educate elementary, middle and high school students to pursue careers in STEM subjects. Our support has come primarily from the Celgene employee volunteers who staff the S2S Technology Center and guide students through experiments in a real laboratory setting. Celgene also makes an annual financial donation to the program.

The S2S program is held during the school year, with Celgene employees staffing the program's experimental lab for six sessions each year. About 10 Celgene employees volunteer for a full day to staff each of those sessions. The volunteers act as mentors and lab assistants to motivate and guide the students through experiments assigned by S2S.



The Students 2 Science Program

Corporate Giving

We focus our charitable and philanthropic support on health and social service programs, science education, and local community support. Celgene engages in strategic corporate giving and contributions, which may be made in response to a funding request or proactively at our discretion. We support roughly 100 organizations, a sampling of which is listed here in alphabetical order. You'll find more information about our charitable and philanthropic contributions and the process for funding requests on www.celgene.com/ responsibility/funding.

- American Cancer Society
- American Heart Association–NJ
- American Lung Association in California
- Arthritis Foundation
- Beautiful Self Inc.
- Community Hope
- Cornerstone Family Programs
- Covenant House New Jersey
- Emily Whitehead Foundation
- Equal Justice Works
- Family Promise
- Foundation for Morristown Medical Center Inc.
- Georgetown Lombardi Comprehensive Cancer Center
- Gilda's Club New York City
- Good Grief
- Indiana University Center for Global Health and AMPATH
- Kids Konnected
- Liberty Science Center

- Mercer Science and Engineering Club
- Michigan Dermatological Society
- Multiple Myeloma Charity Classic
- New Alternatives for Children, Inc.
- New Jersey Institute of Technology
- Partnership for Public Service
- Reuben H. Fleet Science Center
- Ruesch Center for the Cure of GI Cancers
- Rutgers University Foundation
- SAGE Eldercare
- Salk Institute for Biological Studies
- Sisters Network of Central NJ
- Students 2 Science
- The Connection for Women & Families
- The Leukemia and Lymphoma Society
- The Rockefeller University
- The Valerie Fund
- The William Isacoff MD Research Foundation for Gastrointestinal Cancers
- Union County College Foundation

Environment

Celgene is committed to the health of our planet through our environmental stewardship and resource conservation. Our actions and business operations have the potential to affect people, communities and the environment, not just today but well into the future. At Celgene, we strive to be a positive force to help shape a sustainable future for the generations to come.

More than 50 percent of our electricity use for the 20 facilities tracked within our portfolio comes from renewable sources

Tracking Progress on Our 2020 Environmental Goals

Given our respect for the environment, we recognize that it's critical to grow responsibly and with the goal of long-term sustainability. We employ sound decision-making that reflects our values, and work to mitigate our impact on the environment.

To advance Celgene's commitment to longterm sustainability, we seek opportunities to minimize our carbon footprint, reduce waste, implement water and energy conservation practices, and meet or exceed performance requirements for environmental regulatory compliance in all facilities.

In 2016, Celgene's Sustainability Committee identified four actionable and measurable environmental goals that are of significance to Celgene and for which new 2020 targets were set: GHG emissions, electricity sourcing, water withdrawal and waste generation.

CELGENE'S 2020 ENVIRONMENTAL TARGETS*

Reduce direct and indirect greenhouse gas emissions from our facilities and emissions from purchased electricity by 20%

Increase purchasing of electricity derived from certified renewable energy sources by 15%

Decrease water withdrawal by 10%

Decrease solid waste (non-hazardous trash) generation by 10%

*Goals are based on normalized measurements per square foot of facility area.

Using 2015 as a baseline, the targets for 2020 are shown on the table.

Working toward our goals, we've faced some challenges. One was that Celgene acquired the Summit West campus in 2015, increasing our real estate square footage. While this contributed to an increase in GHG and water withdrawal for Celgene overall, it can also be viewed as a positive business impact. It challenged our operations teams to find more ways to reduce environmental impacts and increase efficiencies not previously attempted. Enhancements included water softening systems to reduce water consumption, new building management software to measure impacts, and building renovations and upgrades.

Throughout this section, we provide updates on our progress for each of these goals.

Environmental Sustainability

Celgene's environmental management approach incorporates best practices and programs related to energy, water, waste and transportation within our company. Our approach includes:

- Researching and implementing projects to reduce environmental impacts that generate measurable and meaningful results
- Addressing risks and opportunities related to climate change
- Educating and motivating our employees to participate in environmental stewardship plans
- Reporting and disclosing the company's environmental performance and progress

In addition, we encourage employees to participate in sustainable practices, such as recycling, aimed at reducing the company's environmental footprint while enhancing their own education and awareness.

We have outlined accounting and measurement strategies in Celgene's Carbon Management Inventory Management Plan and include references from the World Resources Institute Greenhouse Gas Protocol, the Climate Registry, the U.S. Environmental Protection Agency (EPA), Climate Leaders Greenhouse Gas Inventory Protocols, and the World Business Council for Sustainable Development's Global Water Tool.

Celgene's New Environmental Health and Safety Management Information System (EMIS)

Celgene recently approved a capital project to implement a comprehensive Global Environmental Health and Safety

Reducing our energy and carbon footprint

Highlights of Celgene's efforts to reduce its energy consumption and carbon footprint:

- Cisco TelePresence technology was launched to enable collaboration across the globe while reducing the need for air travel
- More fluorescent lights were replaced with LED lighting fixtures at our San Diego facility
- Additional hybrid and electric vehicle charging stations were installed
- Various upgrades to heat exchangers, air handling units and reheat hot water system were performed during building renovations at our headquarters campus in Summit, NJ
- A significant upgrade to our Phoenix, Arizona, facility's chiller system included newer technology and SMARDT magnetic bearing chillers, which replaced several 30-year-old and one near-antiquated chillers. This new system has resulted in significant reductions in water and electricity usage

Management Information System (EMIS). EMIS will consist of several key modules aimed at centralizing environmental sustainability data, by reporting and recording all of our sustainability metrics in a single repository and providing robust tools for tracking sustainability data related to environmental performance, energy consumption and waste production. EMIS will provide flexibility in allowing for both manual and automatic collection of environmental sustainability data.

EMIS will also enhance our ability to mitigate regulatory risks by maintaining a historical archive of all our environmental sustainability metrics. The sustainability module will allow us to identify areas of opportunity by providing real-time tracking of goals against metrics. EMIS will also include a global incident management system whereby incident-related data can be quickly disseminated within the organization in order to provide quicker responses to the issues being reported. Other future modules include waste management and environmental permitting.

2020 Goal: Reduce Emissions from Our Facilities and from Purchased Electricity by 20%



¹ Scope 1 and Scope 2.

² "Current operations" include all of Celgene's owned and operated operations plus additional vital facilities as of 2017.

³ "Legacy operations" include the operations owned and operated in 2015 at the time the 2020 goal was set.

CELGENE NAMED AN EPA GREEN POWER PARTNER

As of 2018, Celgene is a member of the U.S. Environmental Protection Agency's (EPA) Green Power Partnership, which recognizes companies that are committed to using renewable sources of energy. In total, our U.S. facilities get 73 percent of their electricity from wind, a clean and renewable source



of energy. EPA Green Power Partners are using more than 36 billion kilowatt hours of green power every year. That's equivalent to the power produced by more than 32,000 football fields covered with solar panels, according to the EPA.

Carbon Footprint

Celgene's carbon footprint assessment includes Scope 1 activities from directly controlled or owned sources (stationary combustion, mobile combustion, refrigeration, fire suppression, and laboratory chemical use); Scope 2 activities from purchased electricity and steam; and selected Scope 3 activities from business travel, waste disposal and employee commuting. Methods for determining the resultant carbon footprint conform to the Climate Registry's General Reporting Protocol and the World Resources Institute's Greenhouse Gas Protocol.

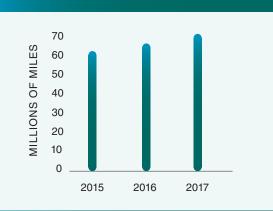
Employee Commuting and Travel

Employee commuting is a large source of emissions related to transportation. To reduce commuting emissions and decrease fossil fuel consumption, we provide electric and hybrid vehicle charging stations for use by employees. By the end of 2017, there were 22 stations at Celgene facilities that were utilized 5,213 times, a rate of 434 sessions per month on average. The charging stations program has now logged a total of 14,461 sessions since the program's inception in 2011.

Celgene's carpooling program has continued at its New Jersey facilities, with participation varying between 15 and 20 active groups in 2017 due to changes in departmental locations throughout the year. Like the charging station program, this initiative is aimed at reducing travel emissions while providing carpool groups with a monthly monetary incentive and overall decrease in commuting expenses.

Celgene has consolidated its facilities in New Jersey to be in close proximity to the local mass transportation hub in Summit, and provides free shuttle transportation for employees between its facilities and the hub.

EMPLOYEE AIR TRAVEL



EMPLOYEE COMMUTING

GRI

TELEPRESENCE SYSTEM OUTCOMES

3,482,320 miles in avoided travel

1,698 tons of CO₂e emissions avoided

virtual conferences that avoided travel

Employees have the option of using companyprovided shuttle services that run daily at varying intervals. It is the aim of the shuttle service to increase mass transportation use for employees who may have longer commutes, thereby further decreasing emissions attributed to employee commuting.

Celgene's Boudry facility also has a shuttle service for its personnel who use mass transit at the Neuchatel and Yverdon-les-Bains train stations. Personnel at the Boudry facility also have the option of participating in a carpooling/ride-share program.

In 2017, Celgene implemented Cisco TelePresence technology at 10 global offices. TelePresence is comparable to a very advanced version of Skype. The picture and sound are so clear that you feel the person you're meeting with is there in the room with you—not thousands of miles away. The objective of this technology is to enable employees to be more productive by making it easier to connect and collaborate with colleagues and to reduce air travel, saving employees time and reducing the company's greenhouse gas emissions. Since it was launched, TelePresence has enabled us to avoid 3,482,320 travel miles and saved 1,698 metric tons of total CO2e emissions.*

2020 Goal: Increase Purchasing of Electricity Derived from Certified Renewable Energy Sources by 15%



¹ "Current operations" include all of Celgene's owned and operated operations as of 2017.

² "Legacy operations" include the operations owned and operated in 2015 at the time the 2020 goal was set.

2017 CONTINUED OUR TREND OF PURCHASING

More than **50%**

of our electricity use from certified renewable sources

*From the launch of the program in August 2017 to May 2018.

Energy

Celgene invests in technologies that are at the forefront of modern advancements in efficient energy consumption for our various operations around the world. Our approach includes purchasing efficient lighting and making infrastructure upgrades and replacements that minimize our direct energy consumption. Indirectly, Celgene facilities continue to purchase electricity that is derived from certified renewable energy sources.

Water

Water is used for a variety of purposes within Celgene operations, especially in R&D experimentation, laboratory processes, and the manufacturing of therapies, as well as personal consumption, facility cooling operations, and cleaning and maintenance operations. Celgene has consistently sought opportunities to reduce water use in these processes and, with further availability of efficient and cost-effective technology, to reuse and recycle non-potable water in other consumptive facility processes, where feasible and practical.

Celgene continues to use the World Business Council for Sustainable Development's Global Water Tool to identify sites in

2020 Goal: Decrease Water Withdrawal by 10%



¹ Some withdrawal quantities are based on estimates from US EPA and AQUASTAT data for average water withdrawal rate per person per day.

² "Current operations" include all of Celgene's owned and operated operations as of 2017.

³ "Legacy operations" include the operations owned and operated in 2015 at the time the 2020 goal was set.

water-stressed regions to consider waterrelated risks and opportunities, and determine where conservation and management efforts could have the greatest positive impact. This tool has shown that some of Celgene's operations are in waterstressed regions where there is potential risk for tightening of regulations related to limited water sources. However, the majority of Celgene's operations require minimal volumes of water.

Waste and Recycling

Celgene's research, manufacturing, office, and other activities generate waste in the form of hazardous, non-hazardous, and by-products. Our processes for reducing these physical types of waste aim to improve our environmental and economic bottom line through cost and emissions savings by using alternative forms of waste collection—such as recycling, incineration, and beneficial reuse and disposal.

WATER EFFICIENCY PROJECTS MAKING A DIFFERENCE IN ARIZONA

Water scarcity is one of the greatest environmental challenges we face. Therefore, Celgene is committed to doing our part to use this vital resource as efficiently as possible. To this end, we have implemented a number of equipment updates in our Phoenix manufacturing facility.

Chiller Replacement Project

In July 2017, Celgene Phoenix completed a project to upgrade the plant's chilled water system (a refrigeration system used to cool fluids for certain processes). In one year, this project reduced the site's water usage by 4,163,368 gallons, a 14.8 percent reduction and the equivalent volume of 6.3 Olympic swimming pools. In addition to water savings, this new equipment has contributed to a 21 percent reduction in electricity use, about the same amount of electricity used by 227 average homes in Arizona in one year.

Small Parts Washer

We are in the process of replacing our small parts washer with an aqueousbased cleaning system. When complete, we estimate that this new system will reduce hazardous waste generation by about 25 percent. The aqueous-based system is replacing one that uses ethanol, which creates a large volume of hazardous waste—approximately 80 percent of the site's hazardous waste currently comes from this process.

Water Conservation Project

In 2018, the Phoenix site completed a project to capture and reuse relatively clean "waste" water streams from the site's industrial processes, such as water softening, deionized water generation, boiler blowdown, and manufacturing operations that previously were sent to drain. This water is now processed and sent to the site's cooling towers to compensate for loss by evaporation and leakage. It is expected that this project will reduce the site's freshwater demand by four to seven million gallons—a 16–25 percent reduction compared to the site's water usage in 2015.

Waterless Urinals

The site has installed one waterless urinal to evaluate the feasibility of installing them in all men's restrooms. Waterless urinals on average save approximately 1.5 liters (0.4 gallons) per use.



Celgene's Phoenix facility

Recycling streams, which are now available at most Celgene facilities, focus on common waste types, including plastics, paper and metals. Additional waste diversion has occurred through donation of old or obsolete items from our information technology department, such as computers, printers and scanners.

In 2017, we achieved a waste diversion rate of 45 percent, our highest to date. Additionally, our trash generation decreased by 15 percent compared to 2016, and by 19 percent compared to 2015. With these results, we have achieved—ahead of schedule—our 2020 goal for trash reduction.

Regulated Waste

Celgene is committed to reducing its hazardous waste footprint. Celgene R&D laboratories that handle biological waste follow the Centers for Disease Control's Biosafety Level 2 protocol. Solid biological waste is collected as regulated medical waste (RMW) and incinerated through our RMW waste vendor. However, a growing percentage, especially on the West Coast, is treated using microwave technology to be rendered as non-pathogenic and then

2020 Goal: Decrease Solid Waste (Non-Hazardous Trash) Generation by 10%



¹ The 2020 goal reflects the aim to reduce trash generation that is either landfilled or incinerated.

² "Current operations" include all of Celgene's owned and operated operations as of 2017.

³ "Legacy operations" include the operations owned and operated in 2015 at the time the 2020 goal was set.

sent to municipal waste-to-energy facilities for beneficial reuse. Waste vendors are preapproved through the Environmental Health and Safety (EHS) contractor safety program and are subject to Celgene EHS waste vendor audits. All biological waste is disposed of following federal, state and local regulations based on the site's location. It is important to note that while we have increased our R&D and manufacturing activities, proportionally our hazardous waste has decreased from year to year. Our goal is to continue this trend with initiatives such as our enhanced chemical inventory management system (see sidebar).

Building Sustainably

In 2018, we achieved LEED® Silver Certification for Building J in Summit, New Jersey. This recognition comes as a result of renovations that included the building's complete interior demolition down to its shell, a reconstruction with a multiroom conferencing center, and renovated offices and workstations. This certification increases Celgene's portfolio of LEED certified buildings to four.¹ The strategies and building attributes that have been incorporated into the redesign and renovation of Building J include:

- Roofing system with white membrane (cover) to reduce the heat island effect
- Minimal landscaping in areas adjacent to the building: The trees and plants selected include species and varieties that are drought tolerant and bred for ease of care
- Creating and abiding by a written commitment to preserve open space in the areas where there has been no development for as long as the building is used
- No irrigation or permanent watering system installed to account for the minimal demand of the landscaping system



² Combined Regulated Waste is the sum of all hazardous waste, chemical, universal, radioactive, and biological waste streams.

Increase in U.S. Regulated Waste is in part due to Celgene's activities related to Biologic programs. For 2017, Celgene is reporting Regulated Waste metrics for its major sites outside the U.S. for the first time.

CHEMICAL INVENTORY MANAGEMENT INITIATIVE

Celgene has completed the worldwide implementation of its new Chemical Inventory Management System (CIMS). CIMS provides our researchers the ability to look across labs for opportunities to leverage existing inventories, and in many cases, to avoid repurchasing chemicals we may already have. The system was designed to yield more efficient and sustainable chemical management practices by reducing purchased chemical volumes and minimizing hazardous waste generation.

¹ Two owned buildings and two leased buildings.

- Bicycle racks for employees with alternative commuting preferences, with the racks located near the new exercise and fitness facility for shower and changing purposes
- Installation of low-flow faucets, water closets, urinals and showerheads
- Energy recovery mechanisms within the high-performance HVAC systems that also include variable air volume (VAV) for automatic changes/requirements, fan walls and water purifiers
- Continued purchasing 100 percent of electricity for the campus from certified renewable energy sources, and purchasing using Renewable Energy Credits (RECs)



LEED[®] Certified Building J in Summit, New Jersey

- Adherence to the Green Cleaning Policy, which includes LEED sustainability criteria for cleaning products and equipment, establishes standard operating and auditing procedures, addresses safe handling and storage of cleaning materials and sets guidelines for staff training
- Sustainable materials harvested to construct reclaimed wood walls: these beautiful walls are clad with 6,000 square feet of wood from salvaged rafters, beams and joists from a 19th-century barn in Hamburg, Pennsylvania, and clear-coated with a bio-based, solvent free sealer. Celgene has brought new life and beauty to these pieces in this space and, with the installation of these resurrected pieces, the historic barn structures will live on for posterity



Minergie: New Couvet Facility Includes Sustainable Features

In Switzerland, Celgene's new facility in Couvet incorporates a number of sustainable features. The Couvet facility, which will manufacture current and future products for blood cancers and inflammatory diseases for worldwide distribution, will use 267 building piles as heat exchangers with the ground for geocooling, and as a heat source via a heat pump. It is the first installation of its kind for an industrial building in Switzerland. The building will also incorporate solar photovoltaic panels that will produce 175 MWh of electricity. These and other features have enabled the Couvet facility to earn a provisional Minergie label for low energy consumption. Minergie is a registered quality label for new and refurbished low-energy-consumption buildings.



A rendering of Celgene's new facility in Couvet, Switzerland

Our Approach to Pharmaceuticals in the Environment

Celgene is aware of the growing concern regarding pharmaceuticals in the environment and their potential impact on the quality of our drinking water. Our robust Environmental Risk Assessment program is geared to ecotoxity testing and identifying the potential impact our products may have on the environment. Where appropriate, we publish guidance aimed at educating the public on potential hazards. And, because pharmaceuticals may enter the environment through improper or inefficient cleaning methods, we have put in place cleaning validation methods, along with an internal group of subject matter experts who address any changes or proposals regarding the washing and cleaning of equipment that may have been in contact with our products.

In addition, Celgene actively participates in the Pharmaceutical Product Stewardship Work Group (PPSWG), a U.S. association of major manufacturers of prescription and over-the-counter medicines. The PPSWG's goal is to educate the public on best practices and household regulations regarding the disposal of unused medications. The organization provides collection centers throughout the country for this purpose. Celgene also supports the joint Association of the European Self-Medication Industry, the European Federation of Pharmaceutical Industries and Associations, and Medicines for Europe's position paper on pharmaceuticals in the environment (PiE), which recognizes and understands the concerns raised by stakeholders regarding the presence of PiE.

Biodiversity

As Celgene continues to expand operations worldwide, we hold ourselves responsible for protecting and preserving biodiversity and respecting nature on and around our facilities, in dialogue with local communities. As part of this effort, we evaluate operations to comply with international, national and local regulations concerning the preservation of natural places, promoting open spaces where possible, and assessing land use compliance.

When designing new buildings and renovating existing facilities, Celgene has developed plans at each of its operational sites, based on applicability, to consider facility impacts on biodiversity and land. These plans include:

- The Stormwater Pollution Prevention Plan, which establishes and communicates awareness of appropriate practices associated with pollution prevention techniques and materials to divert or prevent stormwater contamination
- Spill response procedures that are used in the event of a hazardous chemical spill
- A waste disposal program that outlines procedures for disposal of hazardous waste in compliance with the federal Resource Conservation and Recovery Act

Celgene plans to pursue detailed assessments of operational impacts on local and regional biodiversity, as well as the impact within supply chains.



Business with Integrity

Celgene's culture is built on integrity, ethics, sound decision-making, and behaviors that reflect our values and focus on patients. We work to ensure that corporate policies support best practices in governance, transparency and accountability.

Business with Integrity

Governance

Throughout Celgene, we focus on ensuring that the qualities that make our company unique are supported and fostered by best practices in governance.

Company Leadership

The Board of Directors is our highest governing body, and is responsible for oversight of the business and affairs of Celgene and its long-term strategy, objectives and risk management. The Board is responsible for reviewing, evaluating and approving major corporate actions, overseeing management's efforts to establish and maintain appropriate standards of legal and ethical conduct, and providing oversight for senior management.

Celgene's Corporate Governance Principles provide the framework for the governance of the company and assist the Board and management in exercising their responsibilities. These principles reflect the Board's commitment to monitor the effectiveness of policy and decision-making at both the Board and management levels, with a goal to maximize shareholder and stakeholder value over the long term.

Corporate Responsibility and Sustainability Governance

A senior-level, cross-functional Sustainability Committee oversees Celgene's integrated corporate responsibility strategy. This committee is responsible for decisionmaking on corporate responsibility–related topics and reviewing the progress of environmental initiatives, stakeholder engagement, reporting, and other relevant activities. The Chair of the Sustainability Committee reports directly to the Chairman and CEO. Committee members include senior representatives from key departments across Celgene. The Sustainability Committee develops and drives Celgene's sustainability initiatives and approves the company's annual Corporate Responsibility Report. It also serves as the liaison to corporate responsibility–focused organizations and programs, such as the CDP and GRI, and approves any updates to the Corporate Responsibility and Sustainability Policy. Specific information related to this policy can be found at <u>www.celgene.com/</u> responsibility.

The Committee also provides direct oversight of various topics related to corporate responsibility initiatives at Celgene. This includes proactive outreach to stakeholders, environmental target management, and coordination with executive-level management.

The committee's approved policies, actions, and strategies are executed by the respective departments within Celgene. Employees are informed through internal communications and are also included in training on the Corporate Responsibility and Sustainability Policy. Stakeholders and employees are encouraged to direct all communications to the committee via email at <u>responsibility@</u> <u>celgene.com</u>.

Risk management is a central part of Celgene's corporate policy, and risk management efforts have been expanded to include sustainability risks to enhance environmental compliance and performance. The Sustainability Committee reviews these potential risks and necessary actions for Celgene to consider. The committee reviews environmental risk annually, during the formation of our disclosure to CDP. Social and material risk items and topics are reviewed on a quarterly basis or as needed.

At least annually, a report on corporate responsibility and sustainability is provided to the Nominating, Governance and Compliance Committee of the Board of Directors, and at least twice a year to Celgene's Executive Committee.

Sustainability Committee

Richard Bagger, Chair Executive Vice President Corporate Affairs and Market Access

Zeba M. Khan, RPh, Ph.D. Vice President Corporate Responsibility

Janos Angeli Senior Director Engineering, Construction & Carbon Management

Juli Blanche Vice President Talent Acquisition & Employee Experience

Kimberly Lounds Foster Corporate Vice President Global Supply

Bernard Gianola Associate Director Environmental Health & Safety-Europe Ralph Glover II Senior Corporate Counsel Corporate Legal

Nina Goworek Executive Director Investor Relations

Mairead Kehoe Corporate Vice President Clinical QA & Data Sharing/Disclosure

Vikram Khetani, Ph.D. Executive Director Drug Development, Celgene Global Health

John Vogler Director Environmental Health & Safety

Stakeholder Engagement Approach

INVESTORS	PAYERS	EMPLOYEES
Our business goals include responsibly achieving exceptional financial results year over year.	We strive to ensure broad access to medicines based on their value to patients, healthcare providers and society.	Integrity is a part of our culture and we foster a positive work environment.
PATIENTS & FAMILIES	HEALTHCARE PROFESSIONALS	BUSINESS PARTNERS
We strive to create innovative therapies and services that meet the health needs of patients and their families throughout the world.	Research and clinical trials help us gain new insight into the medical needs of global patient populations.	We select business partners who share our commitment to making a difference for patients.
SUPPLIERS	GOVERNMENTS	LOCAL COMMUNITIES
We expect our suppliers to operate according to responsible business standards and practices.	We abide by and endorse the regulatory frameworks in which we operate.	We develop strong and lasting relationships with the communities where we conduct our operations.

Ethics and Business Conduct

At Celgene, we assume the best in each other, and we treat each other with dignity and respect as we work together to advance our common mission. We value each individual for the integrity they bring to their work and their relationships.

Code of Business Conduct and Ethics

Celgene was founded, and continues to grow, based on the core principles of honesty, integrity and accountability. We hold one another to the highest standards in what we do and how we do it. These principles are the foundation for Celgene's Values and form the basis of our Code of Business Conduct & Ethics. This code applies to all employees and anyone acting on Celgene's behalf. Celgene's Board of Directors has oversight responsibility for our Global Compliance Program, and the Chief Compliance Officer provides the Board with regular compliance updates.

Employee Ethics Training

All Celgene employees receive training on the Code of Business Conduct & Ethics when they join Celgene. We expect our employees to read, understand and abide by the requirements in the code to ensure ethical business practices and compliance throughout our organization.

Celgene has a robust program of compliance training on a wide variety of topics. All employees receive training on anti-bribery and anti-corruption, conflicts of interest, anti-harassment, data protection and privacy, and other policies and procedures that outline how they are expected to conduct their day-to-day responsibilities. Employees involved in sales and marketing receive regular compliance training on the laws, regulations and codes that govern interactions with physicians and other customers, and the promotion of our products.



Chairman & CEO Mark Alles at a Town Hall meeting with employees

Global Compliance Program

Celgene's Global Compliance Program supports legal and ethical conduct throughout the company. Employees have an obligation to report any conduct that they in good faith believe violates laws, corporate policies and/or the Code of Business Conduct and Ethics. There are various avenues available both to seek advice on ethical behavior and to report concerns related to violations of such behavior.

Discrimination and Harassment

It is the policy of Celgene Corporation to provide equal employment opportunities in all terms and conditions of employment. Our Equal Opportunity Policy, which applies to all employees in the U.S., provides that we will not discriminate against any qualified employee or job applicant with respect to any terms, privileges or conditions of employment regardless of race, color, religion, sex (including gender identity), sexual orientation, marital status, pregnancy, national origin, ancestry, citizenship, age, veteran status, physical or mental disability, or medical condition (including cancer or genetic information), or other legally protected classifications.

Anti-Bribery and Anti-Corruption

At Celgene, bribery is never permitted. This principle does not change based on local culture or if we are working with a government official, healthcare professional or commercial customer. All employees must follow all applicable anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar laws wherever we do business.

Celgene's Anti-Bribery and Anti-Corruption Policy and the Code of Business Conduct & Ethics provide standards of conduct and practices for all employees of Celgene, its affiliates and subsidiaries, to ensure compliance with applicable laws. Training on this policy is required by all employees



worldwide on an annual basis, and target groups receive enhanced in-person training led by Legal and Compliance personnel. The policy identifies potential actions and areas of bribery and corruption that could generate risk for Celgene operations.

Corporate Compliance and Ethics Hotline

The Celgene Compliance and Ethics Hotline is available to report any conduct or action which is or may appear inconsistent with applicable law, Celgene policies, the Code of Business Conduct & Ethics or Celgene's Values.

The Hotline provides a means of filing a report anonymously (where permitted by applicable law) 24-hours a day, seven days a week, to a third-party service provider that will ensure a caller's confidentiality. Celgene will not retaliate against any employee who reports a complaint or concern in good faith.

Employees, contractors and third parties can dial the Hotline directly at 1-866-480-6139 or file a report online at <u>www.celgene.alertline.com</u>.*

^{*} For reports in the EU, the web address is www.celgeneEU.alertline.com.

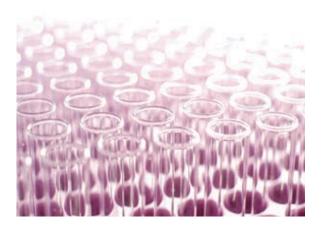
Conflicts of Interest

It is Celgene policy that employees and others acting on behalf of the company must be free from conflicts of interest that could adversely influence their judgment, objectivity or loyalty to the company in conducting Celgene business activities and assignments.

Employees, officers and directors are required to disclose any activity or personal interest that could potentially present a conflict of interest as described in the Conflicts of Interest Policy. This policy outlines procedures that identify and manage conflicts of interest that may exist for employees and proper avenues of internal disclosure and management.

Anti-Counterfeiting Activities

Counterfeiting medicines is a serious criminal offense and a growing public health risk. Counterfeit medicines may be too strong or too weak, miss key ingredients, or even be made with dangerous contaminants that can lead to serious health issues. When patients consume fake medicine, trust in the quality of medicines in general is destroyed and hope for successful treatment of their disease is undermined. Celgene believes



there is no higher priority than ensuring that patients receive genuine, safe and effective medicines. It is because of this strong commitment to patient safety that we take deliberate, sustained and proactive steps to strictly enforce the quality and safety of our medicines.

Celgene continuously implements strategies and explores new technological developments to deter counterfeiting. We also address product integrity issues by establishing business practices to ensure that our therapies are securely distributed within our authorized markets. We work closely with regulatory bodies, law enforcement agencies, industry peers and consumer protection authorities worldwide to strengthen, enact and enforce anti-counterfeiting laws and to raise awareness of counterfeiting. We also support law enforcement and industry initiatives to actively combat counterfeiting.

On a global basis, Celgene works with international law enforcement and customer agencies to act against the manufacturers and distributors of counterfeit medicines. We are also deeply engaged through the Pharmaceutical Security Institute and similar organizations to prevent all types of pharmaceutical crime, including counterfeiting, theft and illegal diversion.

Antitrust and Competition

Celgene employees are directed to follow all antitrust and competition laws in all places where the company conducts business. Such laws are designed to preserve fairness for all businesses by prohibiting any agreements and practices that improperly restrain business competition within marketplaces.

Public Policy

It is important that private sector companies work with public policymakers to help ensure that the policy environment is supportive of patient access to life-changing medications while also enhancing the promise of medical innovation. Government policies directly impact healthcare access and innovation while also affecting many aspects of Celgene's business modelincluding our ability to meet patient needs and provide value to all our stakeholders. For these reasons, we actively participate in public policy discussions and activities to share our perspectives and experience.

U.S. Public Policy

Celgene Ambassadors

As an example of public policy engagements, Celgene employee ambassadors participated in more than 100 congressional meetings in both the U.S. House of Representatives and the U.S. Senate at the annual Celgene Washington Legislative Summit in May 2018. Representatives Leonard Lance (R–NJ) and Brian Higgins (D–NY) participated in plenary sessions to share insights on public policy developments concerning healthcare issues. To date, Celgene has hosted six annual Legislative Summits in Washington, DC, with past guest speakers including Senator Bill Cassidy (R–LA), Senator Ben Sasse (R–NE), Representative Katherine Clark (D–MA),



Celgene employees at the sixth annual Legislative Summit

Representative Tom MacArthur (R–NJ), Representative Donald Norcross (D–NJ), Representative Scott Peters (D–CA) and Representative Phil Roe (R–TN). Celgene also hosts visits by federal and state policymakers at Celgene facilities around the country to foster greater awareness of biomedical innovation.

Patient Access Coalitions

Celgene actively partners with patient and provider organizations at both the state and federal level to advance legislation that ensures patient access to medicines. Celgene is proud to participate in the Coalition to Improve Access to Cancer Care (CIACC) and the State Access to Innovative Medicines (SAIM) Coalition to champion legislation to ensure fair cost-sharing, preserve patients' access to the therapy their doctor prescribes, and to place appropriate limits on out-ofpocket costs for specialty medicines. Other



CELGENE SCORES HIGH IN TRANSPARENCY AND ACCOUNTABILITY

Based on research compiled by the Center for Political Accountability for the 2018 CPA-Zicklin Index of Corporate Political Accountability and Disclosure, Celgene received a total score of 91.4 percent, and was designated a "Trendsetter." The index, which covers the S&P 500, uses 24 indicators to measure the strength of each company's political spending disclosure policies and compliance/ oversight practices.

Received a total score of 91.4%

and was designated a "Trendsetter" by the Center for Political Accountability

members of these coalitions include the Leukemia & Lymphoma Society, the National Psoriasis Foundation, the American Academy of Dermatology, Susan G. Komen for the Cure, the National Brain Tumor Society, the American Society of Clinical Oncology and the National Organization for Rare Disorders.

Celgene Political Action Committee (PAC)

The Celgene PAC supports candidates from both political parties at the state and federal levels who share Celgene's commitment to innovation and patient access in healthcare. The Celgene PAC is an opportunity for eligible employees to ensure that their collective voice is a part of the political process.

The Celgene PAC seeks to positively impact the policy environment on behalf of the patients we serve through the following three core principles:

• Expanding patient access to medicines through a competitive marketplace and a regulatory environment where research and innovation can flourish

- Protecting the patient-physician relationship and ensuring patient access to innovative treatments
- Recognizing the important role of biopharmaceutical companies and their employees in healthcare

To promote transparency, information about all political contributions by the Celgene PAC and Celgene Corporation is provided in a semiannual report posted on the company website, categorized by state, candidate and amount.

During 2017, the Celgene PAC and Celgene Corporation made contributions totaling \$115,000 and \$39,800, respectively. These contributions went to 125 candidates across the country from both political parties at the federal and state levels, as well as eight political committees.

Celgene's Position on U.S. Healthcare Policy Issues

Access to Transformative Therapies

New therapies, including chimeric antigen receptor T cell (CAR T) therapy, are changing how we think about cancer care. It is critical that all patients who need these therapies, including those covered by public programs like Medicare and Medicaid, can benefit from advanced treatment options. Celgene supports appropriate reimbursement for providers who deliver transformative therapies across settings of care. Celgene is engaging with provider groups, patient advocates and other stakeholders—including federal policymakers—to shape the reimbursement landscape for these therapies and promote access to care for appropriate patients.

Medicare Part D

Medicare Part D continues to provide comprehensive prescription drug coverage to Medicare beneficiaries. Surveys of Part D enrollees find that they are highly satisfied with the program. Through competition and choice, Medicare Part D continues to save money for both the government and Part D enrollees, while providing critical access to medicines.

At the same time, beneficiary cost sharing in Part D continues to increase, placing medication adherence and beneficiary outcomes in jeopardy. Celgene supports maintaining the current, market-based structure of the program, including the important access protections that exist for patients with life-threatening diseases like cancer. In addition, Celgene supports targeted modification to modernize the Part D benefit and bring it in alignment with other types of insurance, specifically by creating an annual out-of-pocket cap to protect the highestneed beneficiaries against burdensome cost sharing.

Oral Oncology Parity

There have been significant advancements in cancer care in recent years, including the number of new oral medications that have been approved to fight a wide range of cancers.

Yet, as new treatments are developed, many insurance plans have yet to update their benefits structures and reimbursement policies, sometimes hindering cancer patient access due to higher out-of-pocket costs for oral medications.

Celgene strongly supports oral oncology parity laws as they provide patients more affordable access to treatments, regardless of how the treatment is administered.

Celgene believes that patients and physicians should choose treatments based on effectiveness for patients' medical needs, not cost concerns caused by outdated health plan benefit designs. Since 2009, Celgene has worked closely with patient and provider advocates to advocate on behalf of oral oncology parity legislation. While nearly all states have passed oral oncology parity legislation, Celgene is also committed to ensuring that these laws are working for patients. Through data collection and analysis, discussions with state insurance officials, and the creation and dissemination of appropriate educational materials, the oral oncology parity coalitions remain committed to implementing real-world solutions for cancer patients.

At the federal level, Celgene continues to work with the Coalition to Improve Access to Cancer Care to enact a nationwide law that would ensure that patients will pay no more out of pocket for an oral anticancer medication than for traditional IV treatments. Together with our patient partners, we have made strong progress in highlighting the need for federal action to achieve parity in out-of-pocket costs for all patients. Legislation to achieve oral oncology parity, the Cancer Drug Parity Act of 2017 (HR 1409), has been introduced in the 115th Congress, with 175 co-sponsors from both political parties.

Step Therapy

Health insurance companies are increasingly requiring step therapy (a.k.a. "fail first" policies) that limit the use of prescription medicines by forcing patients to fail on certain therapies approved for a condition prior to other approved treatments.

We recognize that step therapy can function as an effective way to guide drug utilization when these protocols are appropriately designed and combined with appropriate patient protections. In some cases, however, step therapy can prevent patients from accessing the treatments recommended by their healthcare providers.

Celgene supports public policies that ensure that health plan utilization management policies are clinically appropriate and transparent, and allow for physician and patient choice based on the medical needs of the individual patient. Specifically, we support step therapy reform that (1) requires health plans to base step therapy protocols on





Congressional visit to Celgene facilities

sound clinical evidence, (2) specifies when a patient should be exempt from a step therapy protocol based on unique clinical or other circumstances, and (3) ensures that patients and providers receive timely responses to any step therapy exception requests.

In 2018, Celgene continued to work within the State Access to Innovative Medicines Coalition to support legislation to place appropriate guardrails around the use of step therapy. Additionally, Celgene joined a broad group of stakeholders to support H.R. 2077, the Restoring the Patient's Voice Act of 2017. This bipartisan legislation, introduced in the United States House of Representatives in April 2017 by two physician members of Congress, would establish various patient protections within step therapy/fail first protocols in certain federally regulated health plans. As of November 2018, the legislation has 88 bi-partisan co-sponsors.

Protecting the Integrity of REMS and Patient Safety Programs

Celgene is committed to patients, their families, providers, and public health. A number of Celgene's groundbreaking products—THALOMID[®], REVLIMID[®], and POMALYST[®]—carry the risk of significant side effects, including severe birth defects. Even a single dose of thalidomide, the active ingredient in THALOMID, can cause irreversible, debilitating birth defects if not properly handled and dispensed. REVLIMID and POMALYST are believed to have similar risks. Therefore, these therapies are subjected to rigorous safety controls that have been developed by the company and approved by the FDA. Since we introduced these products, those rigorous safety measures have ensured the safe use of these medicines without an incident of a severe birth defect of the type associated with thalidomide.

Celgene supports federal legislative and regulatory action that provides for innovators to sell samples to prospective generic applicants on commercially reasonable terms while ensuring appropriate safety and liability protections. Such policies must include a robust process for FDA review and authorization of the safety protections that will be implemented by generic manufacturers and any of their subcontractors or vendors.

Public Policy in Europe

Pricing and Value

In Europe, Celgene has continued to actively engage with a variety of stakeholders to address their concerns about transparency on biopharmaceutical pricing. To do so, Celgene has developed various resources, including our pricing principles, a business model narrative, and a pricing simulation exercise that demonstrates the trade-offs that companies need to balance when pricing innovative medicines and making investment decisions. This simulation has created opportunities for meaningful discussions among relevant healthcare stakeholders at the European Health Forum Gastein in early October 2017. Celgene's novel approach to this debate was broadly welcomed, and the simulation resulted in consensus on the need to continue fostering a better understanding of different stakeholder perspectives, the need for greater alignment on the definition of value, and the need for a collaborative dialogue on concrete solutions to the challenges health systems are facing.

In 2017, Celgene also stepped up its engagement in the debate on the EU collaboration on health technology assessment (HTA) post-2020, for which the European Commission had set forth several policy options. Celgene has advocated for stronger cooperation on the clinical elements of HTA (relative efficacy assessments), highlighting the importance of mandatory use of the joint report within the national pricing and reimbursement processes in EU Member States, to reduce duplication of work and accelerate patient access to innovations. Celgene also committed to submitting a pilot for relative efficacy assessments within the current cooperation initiative, the EUnetHTA Joint Action 3. In June 2017, Tuomo Pätsi, President, Worldwide Markets, Hematology & Oncology, conveyed our views on the future of HTA cooperation in a roundtable between biopharmaceutical industry executives and CEOs of national HTA agencies. Since the publication of the European Commission's draft Regulation on HTA in January 2018, Celgene has been very actively involved in discussions with members of the European Parliament and representatives of EU Member States, sharing views on what is required for the new system of joint clinical assessments to live up to its ambition of supporting timely patient access to medical innovations and

increasing the efficiency of HTA processes. Celgene continued the constructive dialogue with policymakers and all other relevant stakeholders throughout 2018.

Patient Access

Celgene is committed to engaging in dialogue and working collaboratively with policymakers and other stakeholders on solutions to ensure sustainable patient access to innovative therapies. As part of this commitment, in May 2017, Tuomo Pätsi attended the 3rd roundtable between 10 EU Health Ministers and biopharmaceutical industry executives. The roundtable provided an opportunity for Celgene to discuss with policymakers and other stakeholders the main drivers of the healthcare sustainability challenges, as well as potential areas for cooperation between industry and authorities to ensure an adequate balance between patient access to innovative medicines, the sustainability of health systems, and strong incentives for industry to develop new therapies. The roundtable resulted in the creation of a High-Level Group that will explore topics like alternative payment models for breakthrough medicines, uptake of generics/biosimilars, supply shortages, equal access to centrally authorized

*France, Germany, Italy, Spain and the United Kingdom.

therapies, and effective competition in the pharmaceutical market.

Sustainability of Pharmaceutical Expenditure

As policymakers and payers in the EU are increasingly concerned about the sustainability of healthcare systems and see innovative medicines as a key driver of growth in healthcare expenditure, Celgene partnered with a company called IQVIA to develop an analysis forecasting the evolution of the pharmaceutical expenditure in EU-5 countries* taking into account net prices. The analysis concluded that pharmaceutical expenditure is set to grow by 1.5 percent between 2016 and 2021. The analysis was discussed in November 2017 at ISPOR (a professional society for health economics and outcomes research) during an issue panel, alongside well-recognized health economists from the University of Bocconi and the London School of Economics. The Celgene/IQVIA analysis was welcomed and stakeholders clearly recognized that the growth in pharmaceutical expenditure is relatively modest.

Incentives for Innovation

Throughout 2017, Celgene has actively engaged with EU policymakers to advocate in favor of a strong incentives system for biopharmaceutical innovation in the context of an analysis by



the European Commission on the impact of incentives provided by the EU legislation on innovation, and the availability and accessibility of innovative medicines. Celgene's effort focused particularly on explaining the role of incentives like intellectual property protection or orphan market exclusivity, within the biopharmaceutical business model. As part of the engagement activities, Celgene Chairman and CEO Mark Alles had an opportunity to participate in an exchange with the Vice-President of the European Commission in charge of Jobs Growth, Investment and Competitiveness, Mr. Jyrki Katainen, and the Commissioner for Health & Food Safety, Mr. Vytenis Andriukaitis, stressing the critical importance of the mix of incentives provided by the EU legislative framework for innovation and for the EU's competitiveness in the world. Celgene also represented the innovator voice at the EURORDIS Round

Table of Companies Workshop in February 2018, focusing on the appropriateness of the orphan incentive framework.

Celgene's Positions on EU Healthcare Policy Issues

European Cooperation on Health Technology Assessment (HTA)

Celgene supports the European Commission's proposal for a regulation on health technology assessment as a working basis for a permanent system of HTA cooperation in the EU. Celgene encourages a pragmatic approach taking due account of the competence of EU Member States for the organization and funding of their healthcare systems. Joint clinical assessments and joint scientific consultations should be the key areas of focus, as they can speed up patient access by reducing duplication, increasing the predictability of evidence generation requirements, and ensuring greater consistency in decisionmaking. Celgene has been advocating for a joint clinical assessments methodology that is science-based, consistent and incorporates a sufficient level of flexibility to enable an adequate valuation of innovative and potentially disruptive technologies that present unavoidable evidentiary uncertainties at launch. Member State participation in the new system and the use of joint clinical assessment

reports should be mandatory, so that the expected benefits materialize. Nevertheless, Celgene favors flexibility for Member States to carry out complementary clinical analyses at the national level if necessary for the pricing and reimbursement decision and without any duplication. Joint clinical assessments should run in parallel with the EMA regulatory approval processes and be consistent with existing regulations, (e.g., the Orphan Regulation). Due to the considerable variations in healthcare systems across Europe, patients are better served if pricing and reimbursement decisions are taken by each country individually. This ensures a sufficient level of flexibility, allowing for pragmatic access solutions that are adapted to the needs of each country.

International Reference Pricing

Celgene supports public policies that improve patient access inequalities, in particular through differentiated approaches to pricing and reimbursement. To achieve this, Celgene believes that any use of international reference pricing within the EU should be based on economically comparable EU countries. The indiscriminate effects of international reference pricing have undermined the capacity of innovative biopharmaceutical companies to address inequalities in patient access across the EU.

Incentives for Innovation

At Celgene, we firmly believe that a strong system of incentives for innovation is indispensable in keeping the momentum for medical innovation, tackling patients' unmet medical needs, and maintaining a favorable innovation ecosystem that allows biopharmaceutical companies to thrive and support economic growth. Overall the EU incentives framework has been very successful in delivering innovations and is working as intended. Intellectual property protections, including patents and supplementary protection certificates, have been very effective in stimulating long-term investment in early drug development by giving innovators more certainty that their innovations will not be copied and brought to market by someone else. The incentives provided by the European Regulation on Orphan Medicinal Products have been a catalyst for companies to invest in developing new treatments for patients with rare diseases. There has been a significant increase in the number of approved orphan medicines, from eight before the regulation to over 100 today. Incentives provided by the EU framework play different yet complementary roles, and their reason for being is as strong today as it was when they were initially set up. At the same time, the different incentives have encouraged both innovator and generic competition, which ultimately drives

pharmaceutical prices down, creating cost savings and supporting the sustainability of our health systems.

As a firm believer in the value of intellectual property, Celgene has advocated strongly against the introduction of a Supplementary Protection Certificate (SPC) manufacturing waiver allowing generic manufacturers to produce generics in the EU during the SPC term for export to third countries where intellectual property (IP) protection doesn't exist or has expired. Celgene considers that the introduction of an SPC manufacturing waiver would send a signal of a weakening IP system in Europe, negatively impacting the EU's attractiveness as an investment location, while also encouraging other countries around the world to adopt similar measures to stimulate local manufacturing.

Advanced Therapy Medicinal Products (ATMPs): Hospital Exemption

Celgene supports keeping the current regulatory framework for advanced therapy medicinal products, including cell and gene therapies, unchanged. Nevertheless, Celgene calls for a best practice guide from the European Commission to support a more harmonized approach to the eligibility and corresponding requirements for the use of the so-called hospital exemption, which allows hospitals to produce an advanced therapy on a non-routine basis for an individual patient, without seeking a marketing authorization. Celgene advocates for a limitation of this exemption to situations of high unmet medical need when no centrally authorized product or no clinical trial is available to patients. Extreme caution is necessary for complex products with complex manufacturing processes. This is required to ensure equitable and safe patient access to such therapies. Celgene also encourages a regular monitoring of the implementation of the hospital exemption at national level and the establishment of publicly available product registries to increase transparency on the use and safety/efficacy profile of ATMPs provided to patients through the hospital exemption.

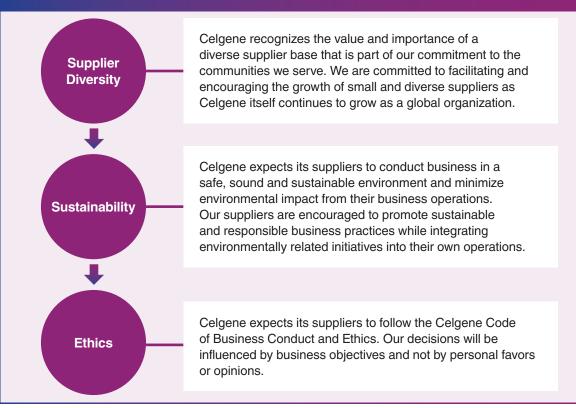


Supply Chain

Celgene's commitment to corporate responsibility extends to our supply chain, and we expect our suppliers to deliver sustainable solutions while operating with high ethical standards and adhering to fair business practices. These suppliers are part of regional, national and international supply chains that are involved in the manufacturing process for Celgene therapies.

Celgene procurement follows a strategic sourcing process to identify the best suppliers, and works with internal teams to ensure that we obtain the best value from our suppliers in terms of quality, cost, service and delivery. We understand the value these businesses bring to Celgene and strongly encourage them to participate in our competitive sourcing processes.

CELGENE STRATEGIC SOURCING PROCESS



Pharmaceutical Supply Chain Initiative (PSCI)

The Pharmaceutical Supply Chain Initiative (PSCI) is a group of major biopharmaceutical and healthcare companies who share a vision to establish and promote responsible practices that will continuously improve social, health, safety and environmental sustainable outcomes for their supply chains. This includes fair and safe work conditions and practices, responsible business practices, and environmentally sustainable and efficient use of resources. Celgene joined the PSCI in 2017 because we believe that collectively, PSCI members can share knowledge and expertise across the industry to drive complex, global change more effectively than any one organization alone.

The PSCI has developed a set of Principles (<u>https://pscinitiative.org/principles</u>) that set the guidelines for a more sustainable supply chain. We have adopted these Principles as our own Supplier Code of Conduct and encourage our suppliers to follow them.

Building responsible supply chains

Supplier Diversity

Celgene recognizes the value and importance of a diverse supplier base and makes it part of our commitment to the communities we serve.

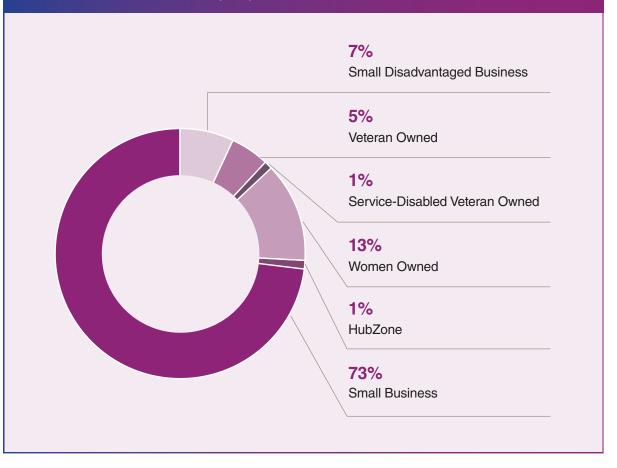
Celgene had business transactions with Small Business Administration (SBA) suppliers in 2017 that represented about 8.7 percent of Celgene's total spend through U.S. general sourcing. Many of these suppliers represent more than one type of SBA category, furthering our goal of developing our business collaboration with diverse suppliers. We seek to leverage our outreach efforts to introduce ourselves to new sources of business and a chance of aligning our needs with another company's resources to further enhance our database of suppliers. In 2017, these outreach efforts allowed us to gather contact and company information from over 550 diverse suppliers, which were added to an internal database repository. Celgene has implemented changes to increase visibility and to better align with nontraditional small businesses. We are continuing to develop our supplier diversity program by adding outreach efforts, including financial resources and additional manpower, and by attending multiple events to pinpoint/include each type



of diverse classification. As a result of this investment, we became a National Corporate Member of the Women's Business Enterprise National Council (WBENC) to further enhance our engagement with womenowned businesses specifically, and expand our company reach and network of industry experts. These collective efforts resulted in 22 women-owned businesses being added to our portfolio, 10 of which are certified small, helping us to exceed our 2017 goal with the SBA in this category.

Celgene continues to readily participate in several additional alliances to learn best practices and develop our pool of resources for information. Celgene is a member of the Supplier Diversity Pharmaceutical Forum, a subcommittee of the Pharmaceutical Forum of the Institute for Supply Management. The Forum is a collaborative group of supply chain professionals with the goals of expanding supply base diversity in the pharmaceutical industry, developing best and next practices in supplier diversity, and professional development. In addition, we renewed our membership in the Women Presidents' Educational Organization (WPEO).

CELGENE SUPPLIERS IN THE SMALL BUSINESS ADMINISTRATION PROGRAM (U.S.)



Celgene 2018 Corporate Responsibility Report

Global Reporting Initiative Index

Celgene references the Global Reporting Initiative (GRI) standard for corporate responsibility reporting to account for indicators and aspects that constitute a familiar and globally accepted standard.

In some cases, we have adjusted our reporting approach to reflect a more accurate depiction of Celgene's business model and operations, but in all cases, we respond to the spirit of the indicator(s).

Throughout the Index, "Our report" refers to our 2018 Corporate Responsibility Report.

Celgene and the Sustainable Development Goals

Launched in 2015, the <u>Sustainable Development</u> <u>Goals (SDGs)</u> are a set of 17 global goals created by the United Nations through a process involving its 193 Member States along with nongovernmental organizations and the private sector. The goals contain a broad range of sustainable development issues, including poverty and hunger, improving health and education, making cities more sustainable, combating climate change, and protecting oceans and forests.

At Celgene, we recognize the importance of contributions from the private sector in reaching

the SDGs and are strongly committed to supporting them. Celgene's people, expertise, collaborations and financial resources help advance the SDGs.

On this index, we are indicating on how our activities contribute to the goals. The "UN SDG" column specifies the relevant goal, which we identified using the <u>SDG Compass Annex</u> for guidance, and indicates the connections between the SDGs and the pertinent GRI indicators.



GLOBAL REPORTING INITIATIVE CONTENT INDEX

FOUNDATION

GRI Standard	Description	Answer or report location	UN SDG
GRI 101: REPORT	FING PRINCIPLES		
GRI 101	Defining report content and quality	About This Report.	

GENERAL DISCLOSURES

GRI 102: ORGAN	GRI 102: ORGANIZATIONAL PROFILE			
102-1	Name of the organization	Celgene Corporation.		
102-2	Primary brands, products and/or services	Celgene Corporation, together with its subsidiaries, is an integrated global biopharmaceutical company engaged primarily in the discovery, development and commercialization of innovative therapies for the treatment of cancer and inflammatory diseases through next-generation solutions in protein homeostasis, immuno-oncology, epigenetics, immunology and neuro-inflammation. For detail on our main services and therapies, visit the <u>Therapies</u> section of our website.	3	
102-3	Location of the company's headquarters	86 Morris Avenue Summit, NJ 07901		
102-4 and 102-6	Countries where the organization operates and markets served	Celgene's Global Presence: page 10 of our Report.		
102-7	Scale of the organization	About Our Company: page 8 of our Report. Financial Performance: page 10 of our Report. About Our People: page 55 of our Report.		
102-8	Information on employees and other workers	Workforce Statistics: page 57 of our Report. In certain cases, Celgene supplements its workforce with third-party workers. In the U.S. and the U.K. Celgene employs a managed service provider (MSP) program to <i>(continued)</i>	8	

GRI Standard	Description	Answer or report location	UN SDG
		<i>(continued)</i> manage third-party staffing firms, but the program is only in place in the U.S. and the U.K. at this time. Additional contractors were used by other countries. In addition, other types of contingent workers (e.g., consultants and outsourced/managed services workers) were used in 2017.	
102-8	Information on employees and other workers	The workers managed by the MSP program typically handle the same work as Celgene employees but were brought in to supplement the existing staff during peak periods and/or coverage for employees on leaves of absence. The work performed by consultants is typically the production of specific deliverables (e.g., IT applications, strategic plans). The work performed by outsourced/managed services workers is the management of processes for Celgene based on clearly defined service level agreements. See also Employees on page 16 of our <u>Annual Report</u> .	8
102-9	The company's supply chain	Supply Chain: page 103 of our Report.	
102-10 and 102-49	Significant changes during the reporting period regarding size, structure, ownership, or supply chain	See our <u>Annual Report</u> , page 77, for details on acquisitions carried out during 2017.	
102-11	Whether and how the precautionary principle is addressed	The precautionary principle is not addressed.	
102-12	Externally developed economic, environmental and social charters, prin- ciples, or other initiatives to which the organization subscribes, or which it endorses.	Celgene is a member of the <u>Pharmaceutical Supply Chain Initiative</u> . Celgene is part of <u>Access Accelerated</u> . See page 45 of our Report for more details. Celgene is a member of the <u>EPA's Green Power Partnership</u> . See page 79 of our Report for more details.	
102-13	Memberships of associations	See the Association Memberships section of our website.	

GRI Standard	Description	Answer or report location	UN SDG
GRI 102: STRATE	EGY		
102-14	Statement from the most senior decision-maker of the organization about the rele- vance of sustainability to the organization and its strategy	Message from the Chairman and Chief Executive Officer: page 2 of our Report.	
102-15	Description of the orga- nization's key impacts on sustainability and effects on stakeholders and the impact of sustainability trends, risks and opportunities on the organization	 Regulatory Requirements Changes in climate-related regulations represent potential risks to the companies in various countries, and include cap-and-trade legislation, state-level greenhouse gas emission limits and carbon taxes at international operations. These can all lead to increased capital and operating costs to meet the additional regulatory compliance requirements. Some new regulatory requirements represent an opportunity to reap cost savings through facility improvements for energy, water, transportation and waste conservation or an overall decrease in environmental emissions and footprint. Production and Operations Energy reliability, availability and costs can impact manufacturing and production capability and expenses. This can also apply to the availability of water and material sources. Energy efficiency improvements and on-site renewable energy infrastructure can potentially mitigate impacts related to off-site energy production and disruption. Production capacities at manufacturing facilities could be adversely affected by natural disasters, changes in environmental regulations and disruptions to supplies of critical and/or non-critical raw materials. Investor Relations There are groups of investors worldwide that are integrating climate risk into their decision-making and requiring disclosure and transparency around climate risk management. Celgene's management and addressing of environmental issues enhances the company's reputation with current and future stakeholders. Supply Chain Climate change can affect the availability and sourcing of raw materials and natural resources that contribute to or impact operations, create commodity price volatility and disruptions to distribution networks can affect delivery schedules to patients and cause product interruptions or sales losses. 	
		(continued)	

GRI Standard	Description	Answer or report location	UN SDG
102-15	Description of the orga- nization's key impacts on sustainability and effects on stakeholders and the impact of sustainability trends, risks and opportunities on the organization	(continued) Local Community Climate change can impact local communities through natural disasters or other extreme weather, thereby impacting patient populations, workforce, suppliers and other stake- holders. Concern from local communities may exist if Celgene does not aim to effectively reduce its environmental footprint, air emissions or water consumption levels. See also Patients First: page 20 of our Report for our efforts to positively impact patient health. Patient Safety: page 29 of our Report for our approach on minimizing risks to patients. Communities: page 68 of our Report on how we address our relationship and impacts with communities. Environment: page 76 of our Report on how we manage our environmental footprint.	
GRI 102: ETHICS	AND INTEGRITY		
102-16	Describe the organization's values, principles, standards and norms of behavior	Our Culture: page 52 of our Report.	16
102-17	Internal and external mech- anisms for seeking advice or reporting on ethical and lawful behavior	Refer to our Filing an online report section on our website.	16
GRI 102: GOVER	NANCE		
102-18	Governance structure of the organization	Refer to the Our Leadership section on our website.	
102-19	Process for delegating economic, environmental and social topics from the highest governance body to executives and employees	The Board of Directors is the highest governing body and is responsible for oversight of the business and affairs of Celgene, its long-term strategy, objectives and risk management. The Board is responsible for reviewing, evaluating and approving major corporate actions; overseeing management's efforts to establish and maintain appropriate stan- dards of legal and ethical conduct; and providing oversight for senior management. The Sustainability Committee holds the highest level of direct responsibility for Corporate Responsibility–related activities, strategy and direction for Celgene. Richard Bagger, Executive Vice President of Global Corporate Affairs and Market Access, is one of the members of the Executive Committee and reports directly to the Chief Executive Officer. Richard is the chairman of the Sustainability Committee.	

GRI Standard	Description	Answer or report location	UN SDG
102-19	Process for delegating economic, environmental and social topics from the highest governance body to executives and employees	<i>(continued)</i> The Sustainability Committee reports to the Executive Committee at least annually. More detail on this is available on page 2 of our <u>Corporate Responsibility and</u> <u>Sustainability Policy</u> , available at <u>Celgene.com/responsibility</u> .	
102-20	Executive-level position with responsibility for economic, environmental and social topics	The Celgene Sustainability Committee has responsibility for these topics.	
102-21	Consulting stakeholders on economic, environmental, and social topics	We have aggregated feedback as part of our materiality analysis and used it to inform this report. See Stakeholder Engagement Approach: page 91 and Materiality: page 14.	3
102-22	Composition of the highest governance body and its committees	See our Board of Directors and Committees on Celgene.com.	16
102-23	Indication of whether the chair of the highest gover- nance body is also an executive officer	Mark J. Alles serves as Celgene Corporation's Chairman and Chief Executive Officer.	
102-24	Nomination and selection process for the highest governance body and its committees and nomination criteria	The Nominating, Governance and Compliance Committee of the Board of Directors identifies qualified individuals and candidates to become Board members. This committee considers all factors it deems appropriate for the nomination process, such as competencies, familiarity with the biopharmaceutical industry, governance experience and other commitments.	16
102-25	Process in place for the highest governance body to ensure conflicts of interest are avoided	See our Code of Business Conduct and Ethics: page 6.	16
102-26	Highest governance body's roles in development and updating of economic, environmental and social statements, strategies and goals	See indicator 102-19 on this page.	

GRI Standard	Description	Answer or report location	UN SDG
102-27	Measures taken to enhance the highest governance body's collective knowledge of economic, environmental and social topics	Measures include proactive outreach to stakeholders, environmental data collection and reporting results from discussions with executive-level management.	
102-29	Highest governance body's role in identification and management of economic, environmental and social risks and opportunities and use of stakeholder consultation	The Sustainability Committee provides direct oversight of these risks and opportunities.	16
102-30	Highest governance body's role in reviewing the effectiveness of the risk management process for economic, environmental and social topics	Our Sustainability and Environmental Compliance policy dictates appropriate steps that departments take to identify, analyze, plan and prioritize risk so that appropriate actions can be implemented. The Sustainability Committee reviews these potential risks and necessary actions to account for them in our business strategies.	
102-31	Frequency of the highest governance body's reviews of economic, environmental and social topics and their impacts, risks, and opportunities	These topics and risks are reviewed annually during the preparation of our disclosure to the CDP; social risk items and topics, such as access to medicine and corporate giving, are reviewed on an ongoing basis. At least annually, the Committee provides a report on corporate responsibility and sustainability to the Nominating and Governance Committee of the Board of Directors, and at least twice a year to Celgene's Executive Committee.	
102-32	Highest committee or position that formally reviews and approves the sustain- ability report	The Sustainability Committee reviews and approves Celgene's annual Corporate Responsibility Report.	
GRI 102: STAKE	HOLDER ENGAGEMENT		
102-40	List of stakeholder groups engaged	Materiality: page 14 of our Report. Stakeholder Engagement Approach: page 91 of our Report.	
102-42	Basis for identification and selection of stakeholders engaged	We identify the stakeholders that we actively engage with based on factors related to meeting unmet medical needs around the world.	

GRI Standard	Description	Answer or report location	UN SDG
102-43	Stakeholder engagement processes and frequency	Stakeholder Engagement Approach: page 91 of our Report. Materiality: page 14 of our Report.	
102-44	Key topics and concerns raised through stakeholder engagement	We have aggregated feedback provided through stakeholder engagement sessions to create a materiality matrix, which highlights the topics raised by stakeholders. See also Stakeholder Engagement Approach: page 91 of our Report. Materiality: page 14 of our Report.	
GRI 102: REPOR	TING PRACTICE		
102-45	Entities included in financial statements	Item No. 1, Business, on page 1 of our Form 10-K.	
102-47	List of material topics	Materiality: page 14 of our Report.	
102-50	Reporting period	This report captures sustainability activities during calendar year 2017 and part of 2018. Metrics are for 2017 unless otherwise stated.	
102-51	Date of most recent previous report	2017	
102-52	Reporting cycle	We report on Celgene's sustainability strategies and performance on an annual basis.	
102-53	Contact information	Celgene welcomes thoughts and comments on this report through email at <u>corporateresponsibility@celgene.com</u> . Your feedback supports our progress on accurate and transparent reporting about our environmental, social, economic and governance performance.	
102-55	GRI content index	Our Content Index is available at Celgene.com/responsibility.	
102-56	External assurance	Although we did not obtain external assurance explicitly for this report, Lloyd's Register Quality Assurance provided verification for our Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions and water inventory for Calendar Year 2017 to a limited level of assurance in support of Celgene's supplier CDP submittal. These verified indicators are included in this report. The boundaries set for this verification included 20 international facilities reported under operational control of Celgene. Celgene included all internationally recognized GHGs: CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , and NF ₃ from Scope 1 and Scope 2. At this time, Celgene is not seeking to obtain external assurance for the Corporate Responsibility Report.	

ECONOMIC

GRI Standard	dard Description Answer or report location		UN SDG	
GRI 201: ECONO	MIC PERFORMANCE			
Management Approach	Explanation of the material topic, its boundary, and how it is managed	2017 Annual Report, To Our Shareholders: page 1, and Item No. 1, Business, on page 1 of Form 10-K.		
201-1	Direct economic value generated and distributed	Financial Performance: page 10, and 2017 Annual Report.	2	
201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Refer to our 2018 CDP Climate Change disclosure, particularly section CC5.	13	
GRI 203: INDIRE	CT ECONOMIC IMPACTS		·	
Management Approach	Explanation of the material topic, its boundary, and how it is managed	Access to Treatment: page 32. Pricing Principles: page 35.		
203-2	Indirect economic impacts	Examples of Celgene's indirect economic impacts include our capacity-building programs (e.g., AMPATH, page 42 of our Report, Patient Advocacy, page 36) and our access to treatment initiatives, page 32, which contribute to healthier populations that can more fully participate in the economy.	1 3 17	
GRI 204: PROCU	JREMENT PRACTICES			
Management Approach	Explanation of the material topic, its boundary, and how it is managed	Supply Chain: page 103 of our Report and the Suppliers section of our website.		
204-1	Policy on spending on locally based suppliers at significant locations of operation	Whenever possible, Celgene seeks to do business with local suppliers. This allows us to minimize our environmental footprint, while simultaneously contributing to the development of the communities where we operate.	12	

GRI Standard	Description	Answer or report location	UN SDG
GRI 205: ANTI-CO	ORRUPTION		
Management Approach	Explanation of the material topic, its boundary, and how it is managed	We follow all applicable anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act, and similar laws wherever we do business. Refer also to our <u>Code of Business Conduct & Ethics</u> : page 23.	
205-2	Communication and training on anti-corruption policies and procedures	Training on our Anti-Bribery and Anti-Corruption policy has been distributed to 100 percent of employees worldwide, and target groups have received enhanced in-person training led by Legal and Compliance personnel.	

ENVIRONMENTAL

GRI Standard	Description	Answer or report location	UN SDG
Management Approach	Explanation of the material topic, its boundary, and how it is managed (for energy, water, emissions, and efflu- ents and waste)	Environmental Sustainability: page 78 of our Report. Carbon Footprint: page 80. Energy: page 82. Water: page 82. Waste and Recycling: page 82. Our reporting boundary for all environmental metrics includes the following facilities: • Summit East, NJ • Summit West, NJ • 300 Berkeley Heights, NJ • 400 Berkeley Heights, NJ • 400 Berkeley Heights, NJ • 7 Powderhorn, Warren, NJ • Overland Park, KS • Phoenix, AZ • San Diego, CA • San Francisco, CA • Bedford/Cambridge, MA • Mississauga, ONT, Canada • Boudry, Switzerland • London, U.K. • Paris, France • Munich, Germany • Milan, Italy • Madrid, Spain • Seville, Spain • Tokyo, Japan The following criteria were used to select these facilities: • Directly owned facilities • Celgene-owned and operated equipment • >50,000 sq. ft. • >50 Employees	

GRI Standard	Description	Answer or report location				UN SDG
GRI 302: ENERG	Ϋ́					
		Energy: page 82 of our Report				
		Fuel Consumption (GJ)	2015	2016	2017	
		Natural Gas	194,727	376,626	382,232	
		Diesel	4,762	2,379	1,086	
		Gasoline	320	253	236	
		Propane	2	19	_	7 0
302-1	Energy consumption within	Steam	542	512	521	Ϊ δ
302-1	the organization	Kerosene	385	6,513	3,279	12 12
		Wood Pellets (Biomass)	9,569	11,997	12,118	
		Total Fuel Consumption	210,307	398,300	399,472	
		Electricity Consumption (GJ)				
		From non-renewable sources	140,393	116,391	107,830	
		From renewable sources	103,401	257,848	269,856	
		Total Electricity Consumption	243,794	374,239	377,686	
		Water Withdrawal by Source (m3)	2015	2016	2017	
		Water Withdrawal by Source (m ³)	2015	2016	2017	
303-1	Water withdrawal by	Municipal Water Suppliers and Utilities ²	395,355	531,950	480,456	
303-1	Water withdrawal by source (m ³)	Municipal Water Suppliers and Utilities ² Rainwater Consumption		531,950 2,187	480,456 1,121	
303-1		Municipal Water Suppliers and Utilities ² Rainwater Consumption External Wastewater Total Water Withdrawal	395,355 1,240 — 396,595	531,950 2,187 19,590 534,130	480,456 1,121 19,591 497,409	
303-1 303-2		Municipal Water Suppliers and Utilities ² Rainwater Consumption External Wastewater	395,355 1,240 - 396,595 of for CDP V risk level o el of "Extrem s at risk leve carcity." s at risk leve	531,950 2,187 19,590 534,130 Vater 2014: f "Extreme ne Scarcity el of "Extre	480,456 1,121 19,591 497,409 Scarcity." /." me Scarcity."	6
	Source (m ³) Water sources significantly affected by withdrawal	Municipal Water Suppliers and Utilities ² Rainwater Consumption External Wastewater Total Water Withdrawal According to WBCSD Water Too California Floristic Province is at The Thames Basin is at risk level Sevilla Basin GHAABasin2117 is Seine Basin is at risk level of "So Tokyo Basin GHAASBasin947 is The Rhine basin is at risk level of	395,355 1,240 - 396,595 ol for CDP V risk level o el of "Extrem s at risk leve carcity." s at risk leve of "Stress."	531,950 2,187 19,590 534,130 Vater 2014: f "Extreme ne Scarcity el of "Extre	480,456 1,121 19,591 497,409 Scarcity." ." me Scarcity." ity."	6
	Source (m ³) Water sources significantly affected by withdrawal	Municipal Water Suppliers and Utilities ² Rainwater Consumption External Wastewater Total Water Withdrawal According to WBCSD Water Too California Floristic Province is at The Thames Basin is at risk level Sevilla Basin GHAABasin2117 is Seine Basin is at risk level of "So Tokyo Basin GHAASBasin947 is	395,355 1,240 - 396,595 ol for CDP V risk level o el of "Extren s at risk leve carcity." s at risk leve of "Stress." is at risk le	531,950 2,187 19,590 534,130 Vater 2014: f "Extreme ne Scarcity el of "Extre el of "Scarc	480,456 1,121 19,591 497,409 Scarcity." /." me Scarcity." ity."	6

GRI Standard	Description	Answer or report location						UN SDG
GRI 304: BIODIV	ERSITY							
Management Approach	Explanation of the material topic, its boundary, and how it is managed	Biodiversity: pa	Biodiversity: page 87 of our Report.					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Hidden Valley F of Summit and t ities are not with within the Califo	The 24-acre Summit campus is adjacent to several areas of biodiversity such as Hidden Valley Park and the Houdaille Quarry, both along the border between the City of Summit and the Township of Springfield. The San Diego and San Francisco facil- ities are not within or adjacent to any areas of high biodiversity value but are located within the California Floristic Province. This area is home to a few threatened endemic species, according to Conservation International.					
304-12	Significant impacts of activities, products and services on biodiversity in protected areas	Biodiversity: pa	Biodiversity: page 87 of our Report.					
GRI 305: EMISSI	ONS ¹							
		Emissions (metric	c tons CO₂e)	2015	2016	2017		
		Total Scope 1 Emis	ssions	10,390	18,745	22,222		
		Total Scope 2 Emis	ssions	14,557	13,361	10,169		
	Direct CLIC emissions	Total Scope 1 and	2 GHG Emissions	24,947	32,076	32,391		
305-1, 305-2, and 305-4	Direct GHG emissions (Scope 1), Indirect GHG emissions (Scope 2), and emissions intensity Emission Intensity Ratios (metric tons CO ₂ e		Employee Headcount (including contractors)	5.50	6.51	6.51		12 13
		(metric tons CO ₂ e	Facility Area (sq. ft.)	0.008	0.01	0.01		
			Company Revenue (x10 ⁻⁶)	2.62	2.86	2.49		

1 Methodologies Used

- The Climate Registry: General Reporting Protocol
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- U.S. EPA Climate Leaders Greenhouse Gas Inventory Protocol:
 - Direct Emissions from Stationary Combustions
 - Direct Emissions from Mobile Construction Sources
 - Indirect Emissions from Purchases/Sales of Electricity and Steam
 - Direct HFC and PFC Emissions from Use of Refrigeration and Air Conditioning Equipment

Intergovernmental Panel on Climate Change (IPCC), 2006. Guidelines for National Greenhouse Gas Inventories

Conversion Methodologies

- Direct measurements were taken for most data points.
- Assumptions were made based on previous year data only as needed and based on pre-approved analysis and calculation.
- Refer also to our 2018 CDP Climate Change Disclosure, specifically sections CC7 to CC10.

GRI Standard	Description	Answer or report location					UN SDG
		Indirect GHG emissions (metric tons CO₂e)	2015	2016	2017		
		FROM WASTE	FROM WASTE				
		Solid Waste Incineration	952	927	790		
		Solid Waste Landfill	461	517	463		
		Total	1,413	1,444	1,253		
		FROM EMPLOYEE COMMUTING	·				
		Passenger Cars	10,456	15,671	16,313		
		Light-Duty Trucks	1,953	3,515	3,579		
005 0	Other indirect	Motorcycles	44	36	44		10 10
305-3	GHG emissions (Scope 3)	Commuter Rail	690	635	766		12 13
		Bus	18	24	28		
		Total	13,162	19,882	20,729		
		FROM BUSINESS TRAVEL					
		Airline Short-Haul	23	24	27		
		Airline Medium-Haul	1,441	1,198	1,250		
		Airline Long-Haul	10,564	9,897	10,779		
		Total	12,076	11,120	12,056		
		Transmission and Distribution Losses	N/A	N/A	2,178		
		Total	26,651	32,445	36,218		
305-5	Reduction in GHG emissions	Reducing our energy consumption and carbon footprint: page 78 of our Report. See also: our 2018 CDP Climate Change Disclosure, specifically section CC3.3b.					13
305-6	Emissions of ozone- depleting substances (lbs.)	2017: 328 pounds.					13
305-7	NOx, SOx, and other significant air emissions	There were no recordable emissions of NOx, SOx, or other significant air emissions at Celgene facilities.					

GRI Standard	Description	Answer or report location					UN SDG	
GRI 306: EFFLUI	GRI 306: EFFLUENTS AND WASTE							
306-1	Total water discharge by quality and destination	Sanitary Wastewater ¹	2015 309,810	2016 428,460	2017 343,959		14	
306-2	Total weight of waste by type and disposal method	Regulated Waste (Metric tons)² Regulated Waste–U.S. Regulated Waste–Rest of the World Solid Waste and Recycling (tons)	2015 379 N/A 1,359	2016 309 N/A 1,372	2017 392 710 1,198		12	
306-3	Total number and volume of significant spills	There were no significant spills during 2017.					3 12	
306-4	Transport of hazardous waste		Medical and chemical waste produced by our processes is always handled and disposed of following local and national regulations. We do not ship any waste internationally.				3 12	

1 Some withdrawal quantities are based on estimates from U.S. EPA and AQUASTAT data for average water withdrawal rate per person per day.

2 Regulated Waste

• Combined Regulated Waste is the sum of all hazardous waste: chemical, universal, radioactive, and biological waste streams.

• Increase in U.S. Regulated Waste is in part due to Celgene's activities related to Biologic programs.

• For 2017, Celgene is reporting regulated waste metrics for its major sites outside the U.S. for the first time.

GRI Standard	Description	Answer or report location	UN SDG					
GRI 307: ENVIRO	GRI 307: ENVIRONMENTAL COMPLIANCE							
Management Approach	Explanation of the material topic, its boundary, and how it is managed	At Celgene, we're committed to complying with all environmental rules and regulations. Celgene professionals routinely complete environmental audits at our facilities, including manufacturing, R&D, and administrative offices (as applicable), to ensure compliance and that best practices are being applied. Audits include reviews of air quality programs, water treatment strategies, and hazardous waste disposal protocols. Celgene ensures that environmental permits are in place and routinely monitored, and that the appropriate processes are in place to minimize environ- mental risks. EHS Corporate Audit helps to ensure that all Celgene and affiliated sites have imple- mented Environmental Health and Safety programs in accordance with regulatory and Global EHS requirements. The goal is to ensure that controls and management systems are operating as designed to minimize the risk of injury or illness to Celgene workers and visitors and the impact on the environment from Celgene operations by independently assessing compliance with regulatory requirements and Celgene EHS Directives.						
307-1	Non-compliance with environmental laws and regulations	Celgene Corporation had no cases of non-compliance with environmental laws and regulations.						

GRI Standard	Description	Answer or report location	UN SDG					
GRI 308: SUPPLI	GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT							
308-2	Negative environmental impacts in the supply chain and actions taken	According to an analysis by the Pharmaceutical Supply Chain Initiative—a group of major pharmaceutical companies that sets expectations regarding labor, health and safety, environment, ethics and management systems—the following are the most material environmental issues for the pharmaceutical industry's supply chain, and may also be material for Celgene's supply chain. Pharmaceuticals in the environment Emissions to air and water Energy use and carbon Water use and management Access to clean water Emergency preparedness and response The identification of these issues incorporates the potential or actual negative impacts throughout the supply chain. To address these risks, our <u>Code of Business Conduct & Ethics</u> , which applies to our suppliers and contractors where allowed by local law, dictates our expectations of appropriate business conduct. Additionally, we are members of the Pharmaceutical Supply Chain Initiative, have adopted the Initiative's <u>Principles</u> and are actively working with our peers to ensure better conditions for workers as well as supporting economic development and providing a cleaner environment for local communities.						

SOCIAL

GRI Standard	Description	Answer or report location	UN SDG				
GRI 401: EMPLO	GRI 401: EMPLOYMENT						
401-1	Total number and rates of new employee hires and turnover	About our people: page 55 of our Report.	8				
	Benefits provided to full-	Employee benefits: page 61 of our Report.					
401-2	time employees that are not provided to temporary or part-time employees	Celgene's U.S. employees' access to benefits depends upon the type of employment. Full-time employees have access to a full suite of benefits, while part-time employees have access to similar benefits, but at reduced levels.	8				
401-3	Parental leave	Parental leave benefit: page 64 of our Report.	8				
GRI 403: OCCUP	ATIONAL HEALTH AND SAF	ЕТҮ					
Management Approach	Explanation of the material topic, its boundary, and how it is managed	Employee Safety: page 59.	3 8				
403-2	Rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities	Employee Safety (global safety metrics): page 59 of our Report.	3 8				
403-3	Workers with high incidence or high risk of diseases related to their occupation	We provide educational, counseling, prevention and risk training, and, if necessary, treatment programs with a focus on potential serious diseases for employees that may have a high incidence or risk of diseases, such as laboratory staff that handle a myriad of chemicals and biological material and facility personnel that perform various operations throughout the facilities that could involve harmful material and substances.	3 8				

GRI Standard	Description Answer or report location		UN SDG				
GRI 404: TRAINING AND EDUCATION							
Management Approach	Explanation of the material topic, its boundary, and how it is managed	Continuous Learning and Professional Development: page 62 of our Report.					
		We offer various tools to help employees plan for their careers at Celgene: career ladders within specific functions and experience maps for key positions that map out important on-the-job experiences and capabilities needed for moving across and within areas of the business; mentoring/coaching opportunities to build future leaders within the organization; a 360 tool that aligns to our leadership success behaviors and gives deeper insight to our talent on where their strengths lie; and focus areas for increasing leadership effectiveness. Employees also have a robust career development tool that enables them to capture their experiences and career aspirations in one place to facilitate employee and manager discussions and match our talent with the right job experiences and career opportunities.					
404-2	Programs for upgrading employee skills	Additionally, we encourage employees to partner with their managers to complete Individual Development Plans for growth and development.					
		We have a formal annual performance review process with significant focus on ongoing dialogue and feedback throughout the year.					
		We have formal feedback training and a mechanism to ask and receive feedback in a 360 service that is open to all employees. We also use technology to facilitate feedback in our Workday human capital management system. The 360 is a neces- sary prerequisite for gaining development insight prior to executive-level promotions.					
		In order to track performance, we have formal dashboards for a variety of workforce metrics including hires, promotions, moves, terminations, spans and layers, spend, gender, and race/ethnicity (in the U.S.).					
		See also Continuous Learning and Professional Development: page 62 of our Report.					

GRI Standard	Description	Answer or report location	UN SDG
GRI 405: DIVERS	SITY AND EQUAL OPPORTUN	ΝΤΥ	
Management Approach	Explanation of the material topic, its boundary, and how it is managed	Diversity and Inclusion: page 53 of our Report. Discrimination and Harassment: page 93 of our Report. See our <u>Equal Employment Policy</u> available on <u>Celgene.com</u> .	5
405-1	Diversity of governance bodies and employees	Diversity and Inclusion: page 53 of our Report. Workforce Statistics: page 57 of our Report.	5
GRI 408: CHILD AND GRI 409: FORCE	LABOR D OR COMPULSORY LABOR		
408-1 and 409-1	Operations and suppliers identified as having significant risk for incidents of child labor or forced labor	Celgene is committed to compliance with all domestic and international laws and regulations regarding human rights, including the protection against child labor, forced labor, compulsory labor, infringements of indigenous rights and other human rights abuses. Celgene operations do not have any significant risks for incidents of these types of abuses, nor does our company create any types of situations where these types of incidents occur.	8

GRI Standard	Description	Answer or report location	UN SDG
GRI 414: SUPPLI	ER SOCIAL ASSESSMENT		
414-2	Negative social impacts in the supply chain and actions taken	 According to an analysis by the Pharmaceutical Supply Chain Initiative—a group of major pharmaceutical companies that sets expectations regarding labor, health and safety, environment, ethics and management systems—the following are the most material social issues for the pharmaceutical industry's supply chain, and may also be material for Celgene's supply chain. Worker protection Business Integrity: Bribery and corruption Process safety Wages, benefits, working hours Fair treatment Product integrity/counterfeiting Modern slavery, migration, human trafficking Data privacy The identification of these issues incorporates the potential or actual negative impacts 	
		throughout the supply chain. To address these risks, our <u>Code of Business Conduct & Ethics</u> , which applies to our suppliers and contractors where allowed by local law, dictates our expectations of appropriate business conduct. Additionally, we are members of the Pharmaceutical Supply Chain Initiative, have adopted the Initiative's <u>Principles</u> and are actively working with our peers to ensure better conditions for workers as well as supporting economic development and providing a cleaner environment for local communities.	
GRI 415: PUBLIC	POLICY		
Management Approach	Explanation of the material topic, its boundary, and how it is managed	Public policy: page 95 of our Report.	
415-1	Political contributions	Celgene Political Action Committee (PAC): page 96 of our Report, and the Political Contributions section of our website.	

GRI Standard	Description	Answer or report location	UN SDG				
GRI 416: CUSTO	GRI 416: CUSTOMER HEALTH AND SAFETY						
Management Approach	Explanation of the material topic, its boundary, and how it is managed	Patient Safety: page 29 See also our <u>Code of Business Conduct & Ethics</u> : Patient Safety, Ensuring the Safety of Celgene Products: page 27.					
416-1	Assessment of the health and safety impacts of product and service categories	Patient Safety: page 29 See also our <u>Code of Business Conduct & Ethics</u> : Patient Safety, Ensuring the Safety of Celgene Products: page 27.					
GRI 417: MARKE	TING AND LABELING		·				
Management Approach	Explanation of the material topic, its boundary, and how it is managed	Our products are marketed and distributed with thorough labeling and product infor- mation. Celgene develops labeling and informational material in compliance with regulatory bodies such as the U.S. Food and Drug Administration (FDA) and the European Medicines Agency. See also Patient Safety, page 29. See also our <u>Code of Business Conduct & Ethics</u> : Patient Safety, Ensuring the Safety of Celgene Products: page 27.					
417-1	Requirements for product and service information and labeling	All therapies currently marketed by Celgene are required to include labeling approved by the applicable regulatory bodies. Celgene's Regulatory Affairs Department is charged with enforcing the policies related to the labeling of marketed products. It is Celgene's policy to maintain an internal Celgene Product Labeling Portal that provides access to current labeling worldwide as well as access to labeling for products on our external website. See also our <u>Code of Business Conduct & Ethics</u> : Patient Safety, Ensuring the Safety of Celgene Products: page 27.					
GRI 419: SOCIOE	GRI 419: SOCIOECONOMIC COMPLIANCE						
419-1	Non-compliance with laws and regulations in the social and economic area	Our <u>2017 Annual Report</u> describes commitments and contingencies on page 116 and legal proceedings on page 118.					





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CELGENE ANNUAL REPORT

Please find a link to our most recent Annual Report here: ir.celgene.com/annuals-proxies.cfm.



SUSAN FREEMAN was diagnosed with plaque psoriasis