



# 2022 Environmental, Social and Governance Progress Report

*ESG is everyone's  
business at Teva*

*Family of Smadar Tabenkin-Ezer  
Teva employee, Israel*



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# A Letter from Our Chairman and Our President and CEO



Teva's focus on environmental, social and governance (ESG) is part of our DNA. It strengthens our business, serving as a fundamental platform that helps drive long-term sustainability and guides all that we do to reach patients with our quality medicines.

Our ESG strategy is underpinned by priority topics. In 2022, we launched a new materiality assessment to confirm our non-financial priority areas are aligned with our business strategy and reflect stakeholder priorities and emerging issues. We have a robust governance structure, with oversight from our Board of Directors and Executive Management team and involvement from everyone at Teva.

Our accountability lies in our targets, several of which address pressing global challenges—access to healthcare and climate change. Many are also tied to our executive compensation and sustainable finance instruments. Teva is now the largest pharmaceutical issuer of sustainability-linked bonds (SLBs). We share our progress transparently so our stakeholders can see how we are managing these areas—driving Teva's growth and allowing us to continue improving the lives of patients.

In this report, you'll see how this came to life in 2022.

Teva inherently helps patients get lower cost treatments, without compromising quality, and we leverage our global reach and wide range of affordable medicines to help address health challenges. Last year, our generic medicines contributed to \$44 billion in savings across 21 countries, and we continued to develop innovative treatments for unmet health needs. We have also implemented five access to medicines programs to date, four of which were launched in 2022 (of eight committed by 2025). Through these programs, we provide treatments to patients who wouldn't otherwise have access to them, including in countries where Teva doesn't have business operations.

We further support the health of people by protecting the health of our environment. In 2022, we reduced our absolute scope 1 and 2 greenhouse gas (GHG) emissions by 24% (vs. 2019), putting us ahead of schedule to meet our 2025 target (25% reduction), and reduced our absolute scope 3 GHG emissions by 12% (vs. 2020). These targets were also validated by the Science Based Targets initiative last year, providing external validation of our ambitious commitments.

Fostering an inclusive and diverse workplace brings varied perspectives and a higher capacity to innovate. We have a global methodology to identify pay differences among our employees, and we have found insignificant differences, on average, between the pay of women and men when comparing employees with the same profile and location. When the diversity of our people reflects society, we can better meet the needs of the patients we serve.

By operating with integrity, we can act in the best interest of patients and gain trust. We trained nearly 100% of employees on compliance policies in 2022, meeting our target ahead of schedule. We support the United Nations Global Compact, the world's largest corporate sustainability initiative, and integrate its Ten Principles in the areas of human rights, labor, environment and anti-corruption into our business.

We are proud of our actions, as we know they translate to a meaningful impact. Together, we will continue to ensure that making progress in these areas is strategically embedded into our company, because it's good for our business and it's the right thing to do.

With this focus, Teva will be resilient and sustainable and create value for all our stakeholders, most importantly patients—now and into the future.



**Dr. Sol J. Barer**  
Chairman of the  
Board of Directors



**Richard Francis**  
President and CEO

# 2022 ESG Highlights

## Our ESG Progress



### Environmental

Minimizing our impact on the planet

24%

reduction in absolute **scope 1 and 2** GHG emissions (vs. 2019)

12%

reduction in absolute **scope 3** GHG emissions (vs. 2020)

**Science Based Targets initiative (SBTi) validated** GHG emissions reduction **targets** (scope 1, 2 and 3)



### Social

Advancing health and equity

5

access to medicines programs launched (63% of 8 access programs/2025 target)

533.7M

units (worth \$699.6M) of medicines donated to patients in need, including:

**30.4M doses (worth \$11.5M)** for people impacted by **Ukraine War**—largest donation of any pharmaceutical company

90%

of **critical positions filled internally**, 60% of which were filled by identified successors

\$44B

in **savings from Teva's generic medicines** across **21 countries**

210

**clinical trials conducted** for generic and innovative medicines

21

**new regulatory submissions in low- and middle-income countries** (LMICs) (28% of 75 submissions/2025 target)

72.6

**score on Bloomberg Gender-Equality Index** (vs. 52.7 in 2021)

Improved employee safety performance:

50%

reduction in process **safety event rate** (vs. 2021)

80%

reduction in **total recordable incident rate** over the last 10 years

According to organizational health survey:

71%

of employees feel **engaged and connected** to Teva

82%

employee **satisfaction** with Teva's **inclusion and diversity practices**



### Governance

Dedicating ourselves to quality, ethics and transparency

100%

of employees trained on **compliance policies**

50%

of critical **suppliers assessed on ESG performance** (56% of 2025 goal)

140+

strategic **suppliers** attended **first ESG webinar**

12%

of **procurement spend** in the **US** allocated to **small and diverse businesses**

# 2022 ESG Highlights

## Our ESG Ratings

	Performance			Industry Ranking		
	2020	2021	2022	2020	2021	2022
 <b>S&amp;P Global</b>	36	41	<b>54</b>	Top 30%	Top 17%	<b>Top 7%</b>
 <b>SUSTAINALYTICS</b>	33.3 (High risk)	31.1 (High risk)	<b>29.8 (Medium risk)</b>	Top 10%	Top 12%	<b>Top 18%</b>
 <b>MSCI</b>	3.3 (B)	3.4 (B)	<b>3.7 (BB)</b>	NA	NA	<b>NA</b>
 <b>MOODY'S</b>	37	NA	<b>42</b>	NA	NA	<b>NA</b>
 <b>ISS ESG</b>	C	C+	<b>C+</b>	Top 40%	Top 10%	<b>Top 10%</b>
 <b>ecovadis</b>	56	63	<b>67</b>	Top 23%	Top 12%	<b>Top 9%</b>
 <b>CDP</b>	<b>CLIMATE</b>	A-	<b>A-</b>	NA	NA	<b>NA</b>
	<b>WATER</b>	C	<b>B</b>	NA	NA	<b>NA</b>

Note: For Sustainalytics, a better result is indicated by a lower performance score.

# About Teva

**Our mission** is to be a global leader in generics and biopharmaceuticals, improving the lives of patients.

 **We provide quality medicines** to approximately **200 million people** each day.

 **Our global workforce**, as of December 31, 2022, consisted of **36,826 employees** (including contractors). Our company is led by our President and CEO, Richard Francis.

 **Our Board of Directors**, chaired by **Dr. Sol J. Barer**, comprises **12 members** (all independent, aside from President and CEO).

 **We are headquartered** in Israel, where we were founded in **1901**.

 **We have 53 manufacturing facilities** and **25 research and development (R&D) sites** across **27 countries**.

 **We work** with more than **48,000 suppliers**.

 **Teva is publicly traded** on the **New York Stock Exchange (NYSE:TEVA)** and the **Tel Aviv Stock Exchange (TASE:TEVA)**.



## Our Portfolio

### We believe everyone, everywhere should have access to quality medicines.

Teva's portfolio enables us to impact the health of people around the world. We develop and supply generic, biosimilar, innovative and over-the-counter healthcare products as well as finished doses and active pharmaceutical ingredients (APIs). We have more than **2,300 products** in our portfolio, use more than **100 different manufacturing technologies** and are a leading supplier of quality medications on the World Health Organization's (WHO) Essential Medicines List (EML)—manufacturing **49% of medicines<sup>1</sup>** on this list of treatments for priority health needs.



### Generic Medicines

Develop, manufacture and supply **generic medicines** in a variety of dosage forms, including tablets, capsules, injectables, inhalants, liquids, transdermal patches, ointments and creams

1,153

new generic medicine marketing authorizations in 2022, including 229 in LMICs

76B

tablets and capsules sold in 2022

600M

sterile units sold in 2022

350

APIs manufactured

417

generic medicine launches, 19% (79) of which were in LMICs

2,088

medicines in generic medicines portfolio

352

generic medicines in pipeline, including 21 antibiotics and antifungals



### Biosimilar Medicines

Develop, independently or with others, **biosimilar medicines**—large, complex treatments produced by, or made from, living cells or organisms

2

biosimilar medicine launches

12

biosimilar medicines in development (in pipeline as of January 2023)



### Innovative Medicines

Develop, manufacture and supply **innovative medicines, devices and services** to deliver solutions in core therapeutic areas (TAs), including central nervous system (focus on multiple sclerosis, neurodegenerative disorders, neuropsychiatric disorders, movement disorders and migraine), respiratory (focus on asthma and chronic obstructive pulmonary disease) and oncology

11

innovative medicine launches, including 2 in LMICs

18

new innovative medicine marketing authorizations in 2022

231

medicines in innovative medicines portfolio

16

innovative medicines in development (in pipeline as of January 2023)

Oncology						
Central Nervous System						
Respiratory						

<sup>1</sup>Number is based on INN 2022 total IQVIA data.

# ESG at Teva

## Our Approach

Teva provides quality medicines, improving the lives of patients around the world.

To ensure our company continues to be sustainable, make a meaningful impact and create long-term value, we manage topics that are important to our business and to our stakeholders. This includes advancing access to quality medicines, promoting inclusion and diversity, protecting the planet and prioritizing quality, patient safety, ethics and transparency.

Teva's ESG strategy is underpinned by our 2020 materiality assessment. Bolded topics in the corresponding graphic represent our priority areas—those in which we believe Teva can have the greatest impact, and which have the greatest impact on our business. Addressing these topics supports us in effectively managing risks, realizing opportunities and promoting our long-term sustainability and ability to positively impact patients. For most of these, we have a designated task force, working group or committee to guide our actions, including goal setting and measurement. Our approach is outlined in our report each year.

We conducted a new materiality assessment in 2022 to ensure our focus areas remain relevant and reflect stakeholder priorities and emerging issues. The results were finalized in early 2023, and our strategy and reporting will be updated accordingly.

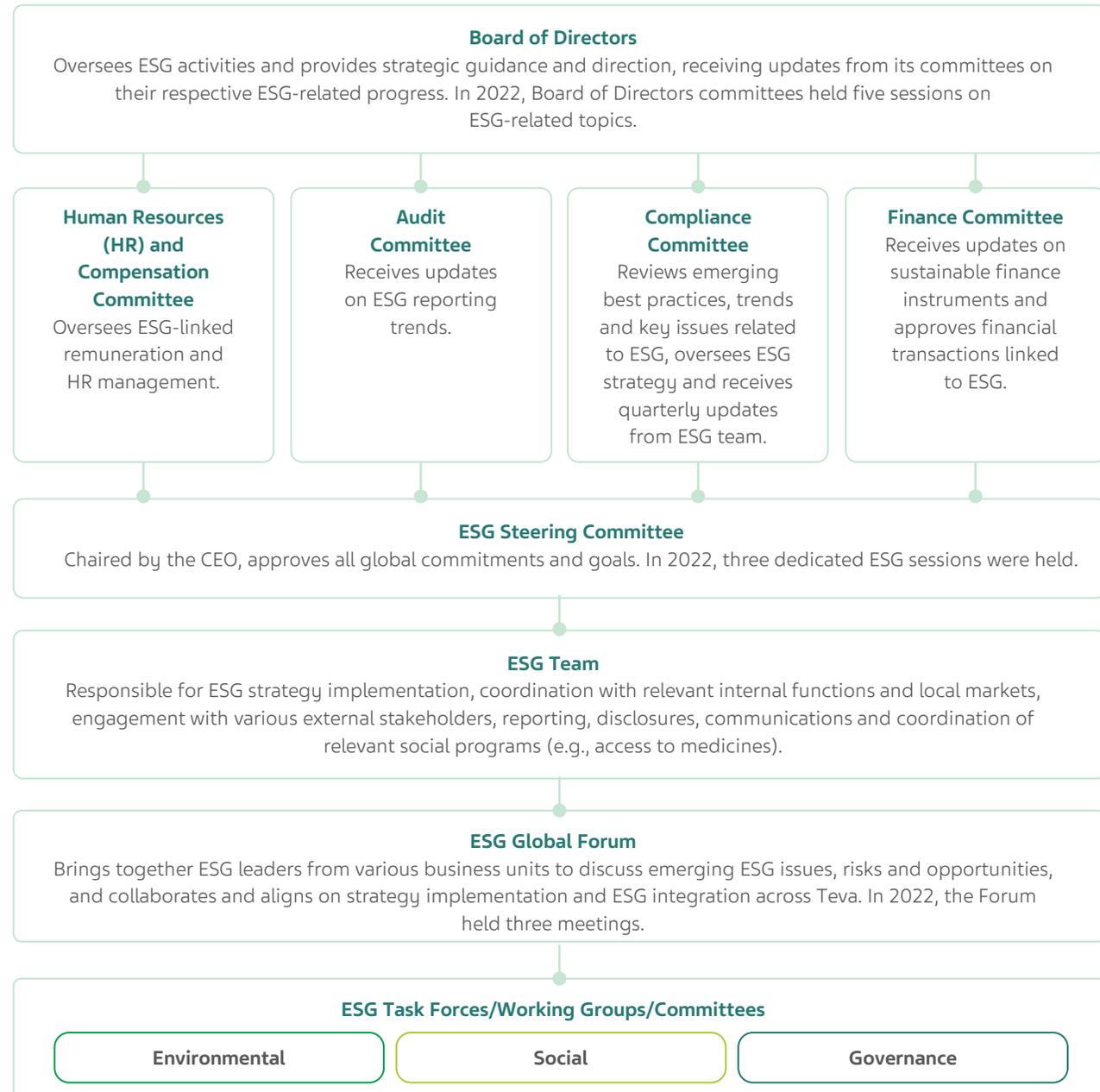


## ESG Governance

Several groups play an integral role in overseeing Teva's ESG strategy and activities. This governance structure was developed at the end of 2021 and implemented in 2022. In 2022, dedicated Board of Director sessions, ESG Steering Committee meetings and ESG Global Forum meetings focused on topics such as targets, access to medicines, the ESG regulatory landscape, sustainable finance, ESG governance, ESG ratings and reporting were held. All of Teva's Executive Management members have ESG goals across various topics (e.g., GHG emissions, access to medicines) tied to their annual bonuses.



Teva employees, Ulm, Germany



# Our Long-term ESG Targets

We set ambitious, specific targets in key areas aligned to our ESG strategy to guide our actions and hold us accountable to making progress.

Topic	Subtopic	Long-term Quantitative Targets	Progress	Status
Climate Action and Resilience	Greenhouse Gas (GHG) Emissions	Reduce absolute scope 1 and 2 GHG emissions by 25% by 2025 and by 46% by 2030 (vs. 2019) <sup>2</sup>	Reduced by 24%	
		Reduce absolute scope 3 GHG emissions by 25% by 2030 (vs. 2020)	Reduced by 12%	
	Energy	Increase energy efficiency by revenue (kWh/USD revenue) by 10% by 2030 (vs. 2020)	Achieved at 10%	
		Increase total proportion of electricity purchased or generated from renewable sources to 50% by 2030	Increased by 8% (vs. 2021) to 41%	
Responsible Use of Natural Resources	Water	Reduce total water withdrawal by 10% in areas projected to be in water stress by 2030 (vs. 2020)	Achieved at 17% reduction	
	Packaging Materials	Increase the proportion of recycled and responsibly sourced materials by 10% by 2030 (vs. 2025)	Baseline to be defined	
Effluents and Waste	Antimicrobial Resistance	Meet AMR (antimicrobial resistance) Industry Alliance commitment to minimize antimicrobial discharges by assessing 100% of Teva sites that are handling drug products by 2030	Achieved, assessed 33 sites	
		Meet AMR Industry Alliance commitment to minimize antimicrobial discharges by assessing 50% of antimicrobial drug product and drug substance supply by 2030	Implementation of strategy to start in 2023	
Access to Health and Medicines	Access Strategy	Continue to be a leader and trusted partner for healthcare organizations in emergencies, disasters and pandemics	Ukraine emergency donation and new agreement for Strategic Emergency Stockpile	
		Quantify savings of quality generics to health systems	\$44B in savings across 21 countries	
	Access Programs	Launch eight access programs by 2025 that address vulnerable populations and those in the last mile in low- and middle-income countries (LMICs)	5 programs launched (62% of the target)	
	Submissions/ Approvals	Increase the cumulative number of new regulatory submissions in LMICs on the World Health Organization's (WHO) Essential Medicine List (EML) across six key therapeutic areas (TAs) by 150% from 2022 to 2025 (vs. 2017-2020) <sup>2</sup>	21 submissions (28% of the target)	

<sup>2</sup> Target is tied to SLB.

Topic	Subtopic	Long-term Quantitative Targets	Progress	Status
Access to Health and Medicines	Access Program Product Volume	Increase access to medicine program product volume by 150% in 2025 (vs. 2020) through four access to medicine programs, including donations and social business in LMICs on the WHO EML across six key TAs <sup>2</sup>	361,711 single unit doses	
		Ensure consideration of access to medicines strategy for new product launches (by 2023 and beyond)	Benchmarking initiated	
Business Ethics, Anti-bribery and Anti-corruption <sup>4</sup>	Training	Train or retrain 100% <sup>3</sup> of active employees on applicable Teva compliance policies by 2023	99.57% of target audience trained	
		Train or retrain 100% <sup>3</sup> of active sales employees on compliance policies related to marketing practices by 2023	99.57% of target audience trained	
	Evaluation Processes	Maintain annual 100% evaluation of submitted high-risk third-party business partners through Teva's Third-Party Due Diligence tool	100% evaluation	
	Culture of Compliance	Train new employees and retrain 100% <sup>3</sup> of active employees on how to report concerns through the Teva Integrity Hotline by 2023	99.57% of target audience trained	
		Strengthen Teva's culture of compliance, keeping our Gartner global index score at parity or greater than external benchmark by 2022	Results at parity with benchmarks	
Data Privacy and Security	Training	Train 100% <sup>3</sup> of employees who process personal data on Teva's privacy policies by 2022	99.41% of active employees trained	
Responsible Supply Chain	Assessment	Assess 100% of critical suppliers on ESG performance by 2025	56% of suppliers assessed	
		Achieve bronze or higher score for more than 75% of critical suppliers in EcoVadis by 2025	46% have bronze or higher score	
		Achieve silver or higher score for more than 50% of critical suppliers in EcoVadis by 2025	31% have silver or higher score	

<sup>2</sup> Target is tied to SLB.

<sup>3</sup> Teva's compliance training goals are 100% year-end completion (within -1% for employees on leave).

<sup>4</sup> New targets are included in the [Compliance and Ethics section](#) on page 51.

# Sustainable Finance

ESG is a business priority for Teva, and we have linked our ESG targets to our financial strategy to demonstrate our commitment and accelerate our progress. As of the end of 2022, we had two financial instruments tied to our targets, specifically those to address our environmental impact and improve access to medicines. Teva received the [2022 Adam Smith Award for Best Sustainable Treasury Solution](#) and was named the [Largest Sustainability-Linked Bond of the Year \(2021\)](#) by Climate Bonds Awards.

## Sustainability-Linked Bond (SLB)

In November 2021, we issued a \$5 billion SLB—the largest of its kind when it was issued and the first from a generic medicines company.

Targets focused on:

- Access to medicines—bringing more medicines to LMICs to treat noncommunicable diseases (NCDs) by increasing regulatory submissions and product volume on the WHO EML across six key TAs
- Environment—reducing scope 1 and 2 GHG emissions to support efforts to limit global temperature increase

ISS ESG, the world's leading provider of ESG solutions for shareholders, and the Access to Medicine Foundation, an independent nonprofit organization, provided a [second party opinion](#) (SPO) validating the SLB. The SLB [framework](#) was updated in 2022 to further reflect our learnings.

## Revolving Credit Facility (RCF)

In April 2022, we entered into a \$1.8 billion syndicated sustainability-linked RCF, which was amended in February 2023, maturing in 2026.

Targets focused on:

- Access to medicines—increasing regulatory submissions in LMICs across six key TAs
- ESG performance—improving our performance score from S&P Global

“Our sustainable finance instruments clearly demonstrate how ESG is inseparable from our business. By addressing global challenges, we make a positive impact and fuel Teva’s growth—allowing us to reach even more patients.”

**Eli Kalif**

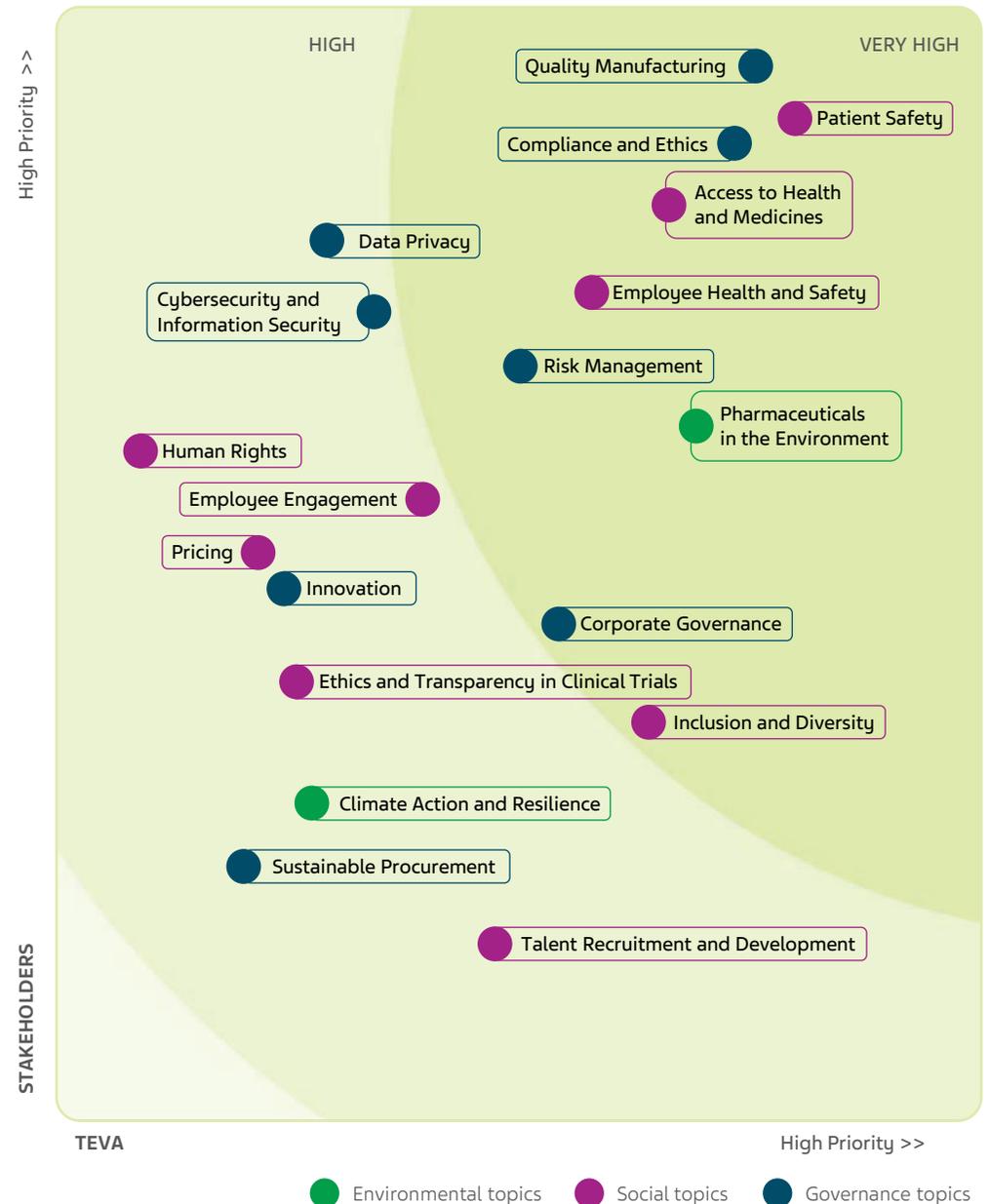
Executive Vice President and  
Chief Financial Officer

# Materiality

Materiality assessments help us identify ESG topics of greatest importance to our stakeholders and our business. We conducted our first materiality assessment in 2013 and performed another in 2020, which guided the development of our current ESG strategy. Priority topics that were identified in 2020 are outlined in the 2020 matrix on page 19 of our [ESG Disclosures](#).

We initiated a new materiality assessment in 2022 to ensure our focus areas remain relevant and reflect stakeholder priorities and emerging issues. We partnered with Datamaran, which leverages an artificial intelligence (AI) powered software to automate processes for identifying and monitoring non-financial risks. Based on Datamaran’s dataset and in coordination with our subject matter experts, Teva identified a list of ESG topics with the potential of being material to our business and stakeholders. We prioritized these topics according to an AI assessment for regulation, voluntary initiatives, media and peer reports, and blended these with survey results from a representative sample of direct stakeholders, including investors, employees, suppliers, customers, nongovernmental organizations and representatives of governments and associations. Internally, we interviewed all members of Teva’s Executive Management and a selection of our Board of Directors and ran a focus group with our internal ESG Forum. This analysis was synthesized to map topics according to their relative importance to stakeholders and to Teva, as outlined in the corresponding matrix, applying differing weighted factors for each stakeholder group.

In this report, we started identifying newly relevant topics raised through this process, such as innovation and human rights. Further, the results will inform updates to our ESG strategy and new disclosures in our 2023 ESG Progress Report and beyond.



TEVA

High Priority >>

● Environmental topics ● Social topics ● Governance topics

Note: This matrix does not include Medium priority topics. The full materiality matrix can be found in our [2022 ESG Disclosures](#).

# Stakeholder Engagement

A diverse range of individuals and groups contribute to our business. Our relationships with these stakeholders help us understand expectations, validate our focus areas and inform our programs and activities. We engage with our stakeholders in a variety of ways, such as through annual surveys, community partnerships and participation in industry associations. Below are a few examples:



## Patients

### Overview

We engage with patients, patient advocacy organizations and clinical trial participants to gain understanding, get medicines to the people who need them and improve their lives.

### Example

Teva participated in a CMDh (Coordination Group for Mutual Recognition and Decentralised Procedures – Human) meeting to provide industry feedback to improve labeling harmonization for mature products.



## Regulators and Policymakers

### Overview

We collaborate and consult on public policy with regulators and policymakers, and work with industry associations to advocate for shared objectives and key priorities related to healthcare access, drug pricing, drug approvals and patent reform.

### Example

Israel's Ministry of Environmental Protection invited Teva to COP27 to present and showcase our climate ambitions. Teva USA is a member of the Duke Real-World Evidence Collaborative of the Duke-Margolis Center for Health Policy, advancing thought leadership in the emerging field of real-world evidence in regulatory decision-making.



## Customers

### Overview

We build relationships with our customers and utilize questionnaires, surveys and audits to better understand our customers' needs, supporting us in working together to improve patient outcomes.

### Example

Our Teva API team addressed 35 ESG requests and 44 environmental health and safety (EHS) audit requests in 2022.



## Suppliers

### Overview

We partner with our suppliers to promote ethical practices and make progress toward our sustainability goals, and we collect their feedback through questionnaires, surveys and audits.

### Example

We held an [ESG capability webinar](#) with critical suppliers on how we can advance our ESG goals together, including by reducing energy use in our operations and transport, and designing packaging materials that lead to less waste. In 2022, Teva joined Schneider Electric's Energize program as a sponsor to offer our suppliers the opportunity to learn more about renewable energy.



## Employees

### Overview

We conduct performance reviews, invest in employees' professional development and well-being and foster an engaging, safe, inclusive and diverse workplace.

### Example

Teva's Well-being Month in September helped nurture our employees' physical, mental, financial and social needs through local and global initiatives, including physical and social activities and creating awareness of our well-being benefit offerings.



## Healthcare Industry

### Overview

We are a member of industry associations and coordinate with payers and healthcare systems to improve how we develop—and improve access to—our medicines.

### Example

We co-chaired the International Federation of Pharmaceutical Manufacturers and Associations ESG Biopharmaceutical CEO Roundtable working group and participated in shaping relevant ESG metrics for the sector.



## Nonprofit Organizations

### Overview

We collaborate with nonprofit organizations on social and environmental initiatives and global health tenders, and we participate in global health congresses and meetings together.

### Example

Since 2006, Teva has partnered with organizations to get treatments to patients around the world who need them most. In the US, we joined forces with [Direct Relief](#) and the [National Association of Free & Charitable Clinics](#) to donate medicines and provide \$2 million in grant funding over two years to free and charitable clinics in the US for community-specific mental health programs.



## Investors

### Overview

We engage with our investors on ESG matters through direct outreach, participation in ESG ratings and periodic meetings with investor groups to communicate our ESG strategy and understand their expectations in terms of ESG.

### Example

Our meetings and roadshows throughout the year offer an opportunity to further align on what matters most to us all. In 2022, we engaged in ESG matters with approximately 80 investment firms.

# Environmental

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"While it's not just asthmatics who are affected by pollution, the risks are definitely higher for those who generally struggle to breathe. I find that when pollution levels are high, my chest feels tight, I wheeze more and my nose and throat are scratchy. It doesn't stop me from taking part in the things I love, but I try to tailor my routine to minimize the effect."

**Beki Tovey**

Extract from a Life Effects article  
Patient Contributor



# Environmental

We mitigate our impact on the environment to improve the health of the planet, which is inherently linked to the health of those who inhabit it. All our operations, research and development (R&D) and logistics sites have an Environment, Health and Safety Management System (EHSMS), which drives environmental sustainability and enables compliance with applicable local, national and regional regulatory requirements. Our EHSMS includes a series of corporate standards and frameworks, and systems are subject to our internal audit program. The EHSMS is structured to enable Teva locations to achieve certification to external standards, such as ISO 14001, if they choose. We have a multi-year program to ensure our sites implement the EHSMS, and as of 2022, we have verified installation of our environmental standards at 93% of our operating sites.

## Guiding Documents

[Teva's Position on Environmental Sustainability](#)

[Teva's Position on Antimicrobial Resistance \(AMR\)](#)

## Governance

Environmental compliance and sustainability is an operational responsibility of each business unit's line management, who are supported by knowledgeable Environmental Health, Safety and Sustainability (EHS&S) professionals from Teva's Global Quality and EHS&S function, reporting to the Executive Vice President of Teva Global Operations. Our Corporate EHS&S Committee, comprised of senior executives from each business unit, ensures appropriate engagement and oversight of material environmental sustainability issues. At our global facilities, management is locally responsible for EHS&S compliance and performance and is supported by EHS&S professionals who drive implementation of EHS&S programs and initiatives. In 2021, we established a global multidisciplinary Sustainability Taskforce to drive progress against our 2030 targets, including those tied to our sustainability-linked bond (SLB). Matters relating to Teva's environmental commitments, risks and opportunities are also channeled through [Teva's ESG Governance structure](#).

Goals		Progress	Status
Climate Action and Resilience	Reduce absolute scope 1 and 2 greenhouse gas (GHG) emissions by 25% by 2025 and by 46% by 2030 (vs. 2019) <sup>2</sup>	Reduced by 24%	
	Reduce absolute scope 3 GHG emissions by 25% by 2030 (vs. 2020)	Reduced by 12%	
	Increase energy efficiency (kWh/USD revenue) by 10% by 2030 (vs. 2020)	Achieved at 10%	
	Increase total proportion of electricity purchased or generated from renewable sources to 50% by 2030	Increased by 8% (vs. 2021) to 41%	
Responsible Use of Natural Resources	Reduce total water withdrawal by 10% in areas projected to be in water stress by 2030 (vs. 2020)	Achieved at 17% reduction	
	Increase the proportion of recycled and responsibly sourced materials by 10% by 2030 (vs. 2025)	Baseline to be defined	
	Reduce the overall mass of secondary and tertiary packaging materials per unit dose by 2030	Strategy in development	
	Assess the environmental life cycle impact of key products by 2030	2 LCAs performed to date	
Effluents and Waste	Meet AMR Industry Alliance commitment to minimize antimicrobial discharges by assessing 100% of Teva sites that are handling drug products by 2030	Achieved, assessed 33 sites	
	Meet AMR Industry Alliance commitment to minimize antimicrobial discharges by assessing 50% of antimicrobial drug product and drug substance supply by 2030	Implementation of strategy to start in 2023	
	Assess and mitigate the environmental impact of pharmaceutical ingredients used in operations	6 sites handling priority APIs assessed in 2022	
	Continue to minimize waste generated from operations and the environmental impact of its disposal by 2030	32% reduction in total waste generated (vs. 2020) and 3% increase in proportion of waste recovered (vs. 2020)	

<sup>2</sup> Target is tied to SLB.

## Climate Action and Resilience

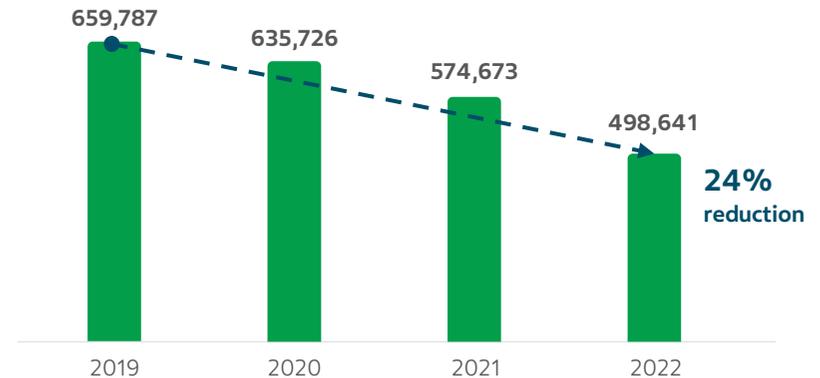
The [Science Based Targets initiative \(SBTi\)](#) validated our GHG emissions reduction targets in 2022 as being in alignment with the goals of the Paris climate agreement. This includes our targets to reduce scope 1 and 2 GHG emissions by 46% by 2030 (vs. 2019), aligning to a 1.5°C limit on global temperature increase, and to reduce absolute scope 3 GHG emissions by 25% by 2030 (vs. 2020), aligning to a well-below 2°C limit. To achieve our targets, we established a decarbonization plan, which is overseen by our Sustainability Taskforce and includes efforts related to energy and process efficiencies, renewable electricity generation and sourcing and network optimization. In 2023, Teva Global Operations sites plan to develop actionable roadmaps for implementation, with a detailed cost and feasibility analysis. For our scope 3 target, we are engaging our suppliers to reduce their GHG emissions through various initiatives, including supporting them in procuring renewable electricity (see more in the [Sustainable Procurement section](#)).

As a result of these efforts, we reduced scope 1 and 2 GHG emissions by 24.1% in 2022 (vs. 2019), a reduction of over 10% since last year. We also reduced our scope 3 GHG emissions by 12% (vs. 2020). The CDP, a global nonprofit disclosure system for environmental issues, has recognized our efforts and transparency on climate change, improving our B climate change score in 2021 to an A- rating in 2022.

### Decarbonization and Energy Cost Savings

One way we realize our sustainable commitments is through increasing energy efficiency and lowering operational costs. Our Sustainability Taskforce drives energy efficiency and decarbonization projects across our global network of facilities, resulting in GHG emissions and operating cost reductions. In 2022, our Sustainability Taskforce launched the Energy Champions community, which nominates employees to manage energy consumption and lead decarbonization efforts at their sites. A training roadmap and knowledge-sharing portal help champions oversee sustainability efforts. As a result of the Sustainability Taskforce, approximately 100 projects were executed in 2022, resulting in \$3.6 million in savings through energy consumption reductions, exceeding the Taskforce's target. Other Taskforce activities included mapping 23 renewable energy initiatives, establishing and exploring partnerships with energy service companies (ESCOs) to reduce consumption and GHG emissions (in some cases by more than 10%) at sites in Czech Republic, Hungary, India, Israel, Italy and the US and joining Schneider Electric's Energize program as a sponsor (see more in the [Sustainable Procurement section](#)).

Scope 1 and 2 GHG Emissions (tCO<sub>2</sub>e)



### Respiratory Care Educational Series

Outside our operations, we understand that worsening global conditions, such as poor air quality and climate change, can exacerbate disease and deteriorate health. In 2022, we launched an educational series about global issues impacting respiratory care and invited guest speakers to discuss how the management of respiratory diseases is related to the environment. Topics included inhalers' potential impact on global warming, methods of recycling inhalers, optimizing respiratory disease control and the effect of pollution and adverse weather events on patients.



## Climate Action Across the Globe



**Teva UK and Ireland** saw increased market demand for dry powder inhaler (DPI) products in 2022 following findings from a carbon footprint assessment performed in partnership with the Carbon Trust for various Teva inhaler products. The assessment found a significant difference in carbon footprint between metered dose inhaler (MDI) products (11.05 gCO<sub>2</sub>e) and comparative DPI products (0.63 gCO<sub>2</sub>e). Results also highlighted that some of Teva's MDI products have less than half the carbon footprint of comparable competitor products across their life cycle. The original carbon footprint assessment was performed in 2020, and we initiated a re-certification with the Carbon Trust in 2022.



**Teva Croatia** partnered with a large supplier of energy and renewable electricity to construct a solar power plant for our production facilities with 17,820 solar panels. The plant covers 60,000 square meters and generates 9.61 MW of power, which will cover 28% of the site's total electricity needs.



**Teva Germany's** logistics fleet reduced CO<sub>2</sub> emissions by using liquefied natural gas-fueled trucks, which emit 35% less CO<sub>2</sub> than the diesel trucks they replaced. Eco-driver training for the remaining diesel truck fleet drivers resulted in 27% less fuel relative to market averages.



**Teva USA** introduced an Energy Treasure Hunt program in line with the US Environmental Protection Agency's Energy Star program. Cross-functional teams searched our facilities for quick methods for saving energy. As a result, our manufacturing site in Florida replaced more than 3,000 light bulbs in laboratories, offices, production areas and warehouses, resulting in approximately 880 tons of CO<sub>2</sub> emissions reductions for the year.



**Teva India** dedicated a solar micro-grid project (50 kW) to the local community of Daranagar, Uttar Pradesh in partnership with the [Transform Rural India Foundation](#). The solar micro-grid will provide renewable and sustainable electricity to 210 households and over 1,000 beneficiaries.\*

\*This program is part of the mandatory Corporate Social Responsibility commitment.



**Teva Ireland** started its [My Green Lab](#) journey in 2022, increasing laboratory sustainability through completing baseline assessments in its quality control and R&D labs. The assessment surveyed positive practices related to energy, water, waste, chemistry, materials and engagement, and the site formed employee-led green teams to implement changes in 2023.



**Teva Netherlands** implemented an energy savings program, installing an efficient hot water tank and dry-cooling water chiller. As a result, operations consumed 1.5% less electricity and 30% less gas in 2022, relative to 2021, and the site's carbon footprint was reduced by 1,160 kg CO<sub>2</sub> a year.



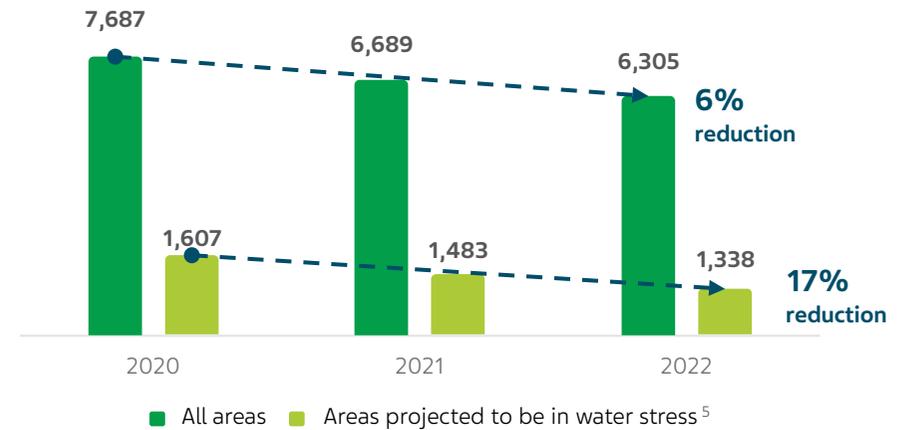
**Teva Czech Republic** introduced site goals for energy reduction, including reducing compressed air loss during distribution, using residual, low-potential heat and optimizing electricity consumption by regulating the inflow of water. Projects saved around 600,000 kWh of electricity, resulting in 1% savings for the site's total consumption.

## Responsible Use of Natural Resources

Being effective stewards of the environment is foundational to achieving a sustainable organization. Systematic risk mitigation and resource conservation are our responsibility, including use of water supplies in our business and the communities where we operate. Our EHSMS requires that sites evaluate water conservation opportunities, and sites projected to be in water-stressed areas are required to have a formalized water conservation program.

We are committed to reducing water withdrawal by 10% in areas projected to be in water stress by 2030 (vs. 2020), which includes some of our sites in Israel, India, Chile and the US. In 2022, we reduced total water withdrawal by 6% and reduced water withdrawal at our sites in areas projected to be in water stress<sup>5</sup> by 17%, exceeding our target ahead of schedule. As part of our commitment to being a responsible steward of water, we received a B score in 2022 from CDP for water security, maintaining our 2021 rating.

Water Withdrawal (ML)



**Teva Spain** increased the height of cardboard boxes used for shipping to fit an additional layer of cartons and eliminate free space. This reduced pallet use by 10% and saved 210 tons of carton and 140 tons of wood—equivalent to about 2,800 trees.



**Teva USA** transitioned from a chemically intensive method of cooling tower maintenance to a natural *Sphagnum* moss-based system in West Chester, Pennsylvania, resulting in a significant reduction in treatment chemicals, backwash cycles and water usage, with savings of 3.5 million gallons of water a year. The site also encouraged biodiversity by removing non-native plant species and planting native species in 20% of established planting beds.



Teva employees, Zagreb, Croatia

<sup>5</sup> Considered for Teva's target.

## Employee Awareness

As part of our continued efforts to support an ESG culture and raise awareness of our environmental actions, commitments and progress among employees across the world, we celebrated Teva's EHS&S Week again in 2022, with a theme of "Building a Safe and Sustainable Future Together." Sites around the world mobilized to join the campaign, including:

- **Opava, Czech Republic:** Hosted lectures on alternative sources of heating and heat pumps.
- **Vienna, Austria:** Partnered with a pharmacist publishing company to donate 20 cents per package of pain gel sold to fund the reforestation of 15,000 mangroves in the Philippines.
- **Goa, India:** Constructed an elliptical and arm wheel for exercise using scrap metal and wood logs from operations.
- **Debrecen, Hungary:** Hosted litter pick-up and nature clean-up days.
- **Davie, United States:** Partnered with vendors for an on-site recycling demonstration and invited employees to submit photos of why safety and sustainability matter personally to them.
- **Salt Lake City, United States:** Hosted webinars and communications on environmental conservation for at-home employees and challenged employees to find opportunities for energy savings in their homes.



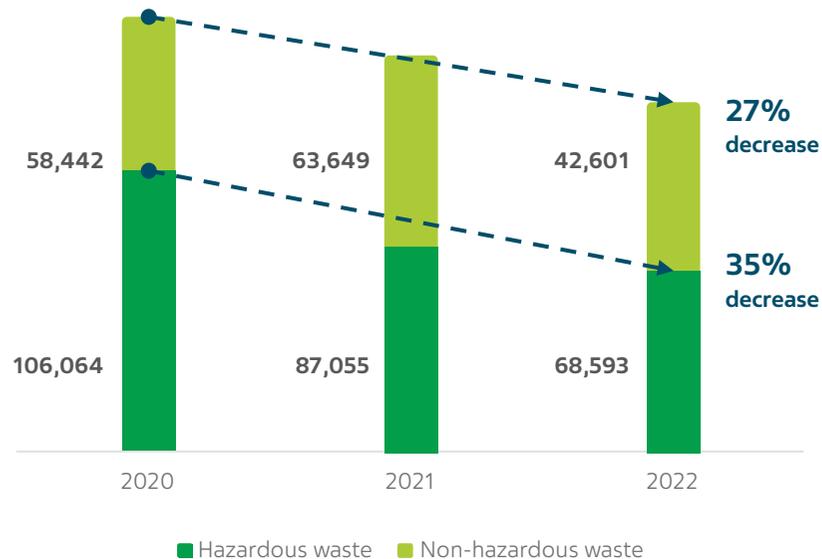
*Teva employees during EHS&S Week in Ulm, Germany, Goa, India and Netanya, Israel*

## Effluents and Waste

We proactively prevent and address waste at various stages of our operations. We aim to reduce, reuse and recycle, and we properly manage anything we are unable to recover. Our EHSMS requires that sites establish and implement initiatives for minimizing hazardous and non-hazardous waste, evaluate the use of packaging materials and implements reduce, reuse and recycling programs, including solvent recovery.

In 2022, Teva decreased overall waste generation by 26% (vs. 2021), including a 21% decrease in hazardous waste and a 33% decrease in non-hazardous waste. Waste intensity (defined as total waste by revenue) decreased by 21.5% (vs. 2021), and the proportion of waste routed to waste recovery options (e.g., preparation for reuse and recycle) increased to 44%—a 5% improvement from 2021.

Hazardous and Non-hazardous Waste (metric tons)



**Teva Mexico** implemented a waste management program, helping employees dispose of expired medicines from their own homes in a special container to eliminate the risk of water, soil pollution and antimicrobial resistance.



**Teva USA** replaced industrial wastewater piping at our Davie manufacturing site with above-ground piping to avoid potential contamination of ground water. In West Chester, we also changed the method for handling regulated biological waste containers from single-use plastic drums to reusable containers that are steam cleaned and returned to the site for reuse.



**Teva Spain** has a zero-waste strategy for its production plant and recycles 100% of paper, cardboard, wood, plastics and non-hazardous waste metal materials. The site, in coordination with its waste vendors, reuses pallets, compacts cardboard for recycling, converts wood into new pallets or biomass and melts metal materials to reuse for new products.



**Teva Hungary** launched solvent recovery systems, which extract solvents and raw materials from waste streams. It achieved 85% of solvent recovery in 2022, with 35,000 tons of solvent saved for reuse.

# Pharmaceuticals in the Environment

We are committed to assessing and mitigating the environmental impact of pharmaceutical ingredients manufactured and used in our operations. Our EHSMS requires that sites comply with all emission and effluent-related regulatory and permit requirements, conditions and limits. Additionally, we have established a risk-based approach for understanding and controlling the discharge of APIs in wastewater from Teva facilities.

In 2022, we assessed six Teva sites that manufacture APIs or final products that use priority APIs, as defined by Teva, including endocrine disruptors and cytotoxic agents. The assessments at three of these sites revealed that actions may be needed to reduce wastewater discharges to below the Predicted No-Effect Concentrations (PNEC). We also developed a calculator tool that allows sites to assess their entire API and final product portfolio and reevaluate when a new product is introduced. In line with our EHSMS, our wastewater assessment program will be reviewed periodically to assess effectiveness and evaluate possible improvements.

In 2023, we will continue to assess priority APIs and provide support as we work toward ensuring all Teva sites that manufacture or handle antimicrobials, priority APIs and other APIs discharge wastewater below PNEC levels. These activities reflect our efforts to mitigate the impact of products on the environment, including biodiversity.



Teva employee, Ulm, Germany

## Antimicrobial Resistance

We are committed to the responsible production of antimicrobial compounds and minimizing their discharge, which can result in antimicrobial resistance (AMR), from our manufacturing facilities and extended supply chain.

In 2021, we successfully achieved our target of assessing 100% of the 33 Teva sites that handle antimicrobial drug substances and products and found that antibiotics assessed at 20 sites discharge below the PNEC limits. For sites with at least one antibiotic above PNEC limits, we provide technical support aimed at reducing discharges. This includes implementing corrective and preventive actions to address findings and ensure proper governance and oversight.

Additionally, we serve on the board of the AMR Industry Alliance, which brings together more than 100 biotech, diagnostics, generics and research-based pharmaceutical companies to drive progress. We helped develop its PNEC for environmental risk assessments of antibiotics and its Antibiotic Manufacturing Standard, published in 2022. We are also working with the alliance to develop a third-party certification program for independent experts to confirm when an antibiotic product meets standards. In 2023, we will participate in a pilot of the certification program at one of our manufacturing sites.

### AMR Action Fund

Due to the threat of AMR, strains of bacteria that are resistant to antibiotics are developing faster than new antibiotics are being produced. In 2022, Teva contributed \$400,000 to the [AMR Action Fund](#), the world's largest public-private partnership that invests in biotech companies developing new antimicrobial therapies and establishes partnerships so governments can develop a sustainable antibiotic pipeline. Teva is a founding member of this partnership.

### World Antimicrobial Awareness Week

As part of World Antimicrobial Awareness Week in November, we used our social media channels and intranet site to raise awareness of AMR as a public health challenge. We shared tips on proper antibiotic use and good hygiene practices, which can prevent bacterial infections.

# Social

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“One morning, I woke up and found my joints were in pain. I told my dad, and he took me to a clinic. They confirmed that I have leukemia and started giving me medications. I wouldn’t be where I am today without treatment.”

**Ester Sande**

Patient receiving donated  
Teva medicine



*Ester Sande, Access to medicines program in Malawi*

# Access to Health and Medicines

The [World Health Organization](#) (WHO) estimates nearly two billion people do not have access to essential medicines, especially vulnerable populations or people living in under-resourced communities, who can't afford or obtain the treatments they need.

Teva helps address this challenge. Increasing access to medicines is fundamental to our mission to improve the lives of patients and is the basis of our business. We provide generic medicines, which are more affordable, as well as innovative medicines, which address unmet health needs. In 2022, we had 2,088 generic medicines and 231 innovative medicines in our portfolio, as well as 417 generic medicine launches, 19% of which were in low- and middle-income countries (LMICs). By increasing access to medicines, we reach more people with our products, including by expanding our geographic footprint. Beyond our business, we collaborate with partners to get medicines to vulnerable populations who wouldn't otherwise have them, delivering on our ESG commitments. We also strive to improve the overall patient and caregiver experience and conduct research to advance care.



Access to medicines program in Malawi

## Guiding Documents

[Teva's Position on Access to Medicines](#)

[Teva's Policy on Compassionate Use Programs](#)

## Governance

Our access to medicines initiatives are approved by Executive Management and reviewed by the Compliance Committee of the Board of Directors. A global access steering committee—made up of representatives from across Teva—advises on and oversees our access to medicines initiatives and our Access Hub plans, selects and implements programs.

Goals	Progress	Status
Continue to be a leader and trusted partner for healthcare organizations in emergencies, disasters and pandemics	Ukraine emergency donation and new agreement for Strategic Emergency Stockpile	
Quantify savings of quality generics to health systems	\$44B in savings across 21 countries	
Launch eight access programs by 2025 that address vulnerable populations and those in the last mile in LMICs	5 programs launched (62% of the target)	
Increase the cumulative number of new regulatory submissions in LMICs on the WHO's EML across six key TAs by 150% from 2022 to 2025 (vs. 2017-2020) <sup>2</sup>	21 submissions (28% of the target)	
Increase access to medicine program product volume by 150% in 2025 (vs. 2020) through four access to medicine programs, including donations and social business in LMICs on the WHO's Essential Medicines List (EML) across six key therapeutic areas (TAs) <sup>2</sup>	361,711 single unit doses	
Ensure consideration of access to medicines strategy for new product launches (by 2023 and beyond)	Benchmarking initiated	

<sup>2</sup> Target is tied to SLB.



Complete



In progress

## Unique Portfolio of Medicines

We have a broad portfolio of generic medicines, which are significantly more affordable and, therefore, more accessible to people who need them. We also develop innovative treatments that address unmet needs across nearly all TAs.

Our wide portfolio covers nearly half of the treatments on the WHO EML, which includes important drugs that address key healthcare needs across the globe. These include:<sup>1</sup>

- 57% of cardiovascular treatments
- 36% of respiratory treatments
- 58% of pain treatments
- 44% of anti-infective treatments
- 63% of cancer treatments
- 22% of diabetes treatments
- 68% of mental health treatments



### WeMake Campaign

In 2022, we launched our [WeMake](#) campaign to inspire and connect employees with Teva's mission and values. The campaign, which coincided with Manufacturing Month and World Quality Day, reinforced the importance of the quality medicines and products we make and the patients for whom we make them. Patients around the world shared stories about how Teva's medicines are improving their lives, and our employees got to see the impact of their work firsthand.

## Increasing access to medicines in 2022

### through our business:

- Portfolio covers **49%** of WHO EML medicines<sup>1</sup>
- **1,150+** new generic medicine marketing authorizations
- **229** new marketing authorizations in LMICs
- **21** regulatory submissions in LMICs on the WHO EML across key TAs
- **\$838M** invested in research and development (R&D)
- **18** new innovative medicine marketing authorizations
- **417** generic medicine launches, including **19% (79)** in LMICs
- **11** innovative medicine launches, including **2** in LMICs

### and beyond our business:

- **5** access to medicines programs launched
- **533.7M** units (worth **\$699.6M**) of medicines donated to patients in need, including:
  - **30.4M** doses (worth **\$11.5M**) of medicines for people impacted by Ukraine War, the largest donation of any pharmaceutical company
  - **1.6M** units (worth **\$174M**) of medicines provided to patient assistance programs, including through the Teva Cares Foundation
- **1.56M** units of medicines provided to address drug shortages across the globe
- **65.2M** units of medicines provided to aid agencies through global health tenders

<sup>1</sup>Numbers are based on INN 2022 total IQVIA data.

## Reaching Vulnerable Populations

With our vast global reach and wide range of affordable medicines, we can help address health challenges around the world. We partner with trusted organizations to get medicines to patients who wouldn't otherwise have them and ensure we can do so sustainably. These organizations know the patients, understand their treatment plans and work directly with the healthcare professionals who care for them. In 2020, we committed to launch eight access to medicines programs by 2025. As of 2022, we launched five of these programs, providing treatments to vulnerable populations across the globe through customized, localized models.

Our Access Team collaborates with business units across Teva to ensure successful delivery of our medicines to these patients. Teva's Access Steering Committee systematically works to initiate, develop and implement our programs.



## Access to Medicines Programs



**United States:** In partnership with Direct Relief and the National Association of Free & Charitable Clinics, we launched a program to advance access to mental health care for uninsured and underserved patients suffering from depression and anxiety in California, Florida and New Jersey. We donated generic medicines and \$2 million in grant funding over two years for innovative programs that advance health equity at qualified free and charitable clinics, which know the needs of these patients best. In 2022, we announced the first round of 11 grant recipients and donated 3.18 million doses of medicine (worth \$1.7 million).



**France:** We created a social business program—which involves selling products at very low cost to nonprofit organizations to make a sustainable, positive impact while also supporting our business—to help treat cardiovascular diseases, infectious diseases, pain and mental health conditions. The program is in partnership with Pharmacie Humanitaire Internationale (PHI), an organization that facilitates medicine delivery to charitable care centers where patients can receive free medicines, consultations and social services. The program has reached approximately 100,000 people to date, and in 2022, we provided 1.65 million doses of medicine (worth \$71,000).



**Israel:** The status-less population—which consists largely of asylum seekers from countries such as Eritrea, Sudan and Ukraine who have not received refugee status, and others who are also excluded from the national health insurance—is left without access to basic healthcare. For these individuals, a few health clinics are often the only safe healthcare option available. We partnered with Terem Clinic and Ruth Clinic, as well as Naavat David, a supporting nongovernmental organization (NGO), to donate 60,037 doses of medicine (worth \$17,000) to more than 500 patients in 2022.



**Malawi, Uganda, Botswana and Tanzania:** In 2020, we launched a partnership with [Global HOPE](#) (Hematology-Oncology Pediatric Excellence), a program of Texas Children's Hospital, and [Direct Relief](#), with the goal of providing medicines to fulfill the treatment plans of children with cancer and blood disorders in sub-Saharan Africa. The partnership has the potential to help with medicine management, including local capacity building, such as training for pharmacists and pharmacy staff to ensure the drug donations are handled, stored and used properly. After piloting the program in Malawi, Uganda and Botswana, we expanded to Tanzania in 2022. The program has increased the number of patients treated, survival rates and healthcare workers trained. In 2022, we supplied more than 290,000 doses of medicine (worth \$5 million) through this program.



**Ghana:** In partnership with Breast Cancer International and Direct Relief, we expanded our efforts to treat oncology to Ghana. In 2022, we donated 165,054 doses of medicine (worth \$1 million) to help provide personalized treatment for approximately 400 patients with breast cancer at two hospitals.

## Emergencies, Disasters and Pandemics

When emergencies and crises occur, we leverage our network of suppliers and partners to meet the needs of communities and patients impacted. Our credible partners ensure our medicines are delivered to the patients who need them. We are driven by our commitment to continue to be a leader and trusted partner for healthcare organizations in emergencies, disasters and pandemics.

Teva has an ongoing product donation program in the US with five nongovernmental partners. Donated medicines help support underserved patients through medical outreach and clinic programs in communities around the world. In the event of major disasters and emergencies, several of our partners also ship the donated Teva medicines to support relief efforts following assessment of local needs.

Teva continues to support our employees, their families and patients impacted by the war in Ukraine. In 2022, we donated approximately 30.4 million doses of essential medicines for people impacted by the Ukraine war, valued at more than \$11.5 million—the largest donation of any pharmaceutical company at the time. Our partners, including Direct Relief and the Ukraine Ministry of Health, made sure they reached patients safely.

Teva has partnered with Direct Relief since 2006. We work together to strategically provide medicines so when emergency situations arise, they can be transported to patients who need them most. We are now collaborating to contribute to the Strategic Emergency Stockpile, an initiative managed by Direct Relief, which collects antibiotics, vaccines and other medicines that can be distributed immediately in the case of international humanitarian emergencies. We plan to begin shipping our products to the stockpile in 2023.



**Teva Poland** employees supported colleagues in Ukraine, including picking them up from the border and helping with accommodations. Teva Poland also created electronic leaflets for more than 2 million Ukrainian people in Poland with required information on their medical products in their native language. Joining the European Federation of Pharmaceutical Industries and Associations (EFPIA) initiative, the leaflets are available for 18 prescription products and 25 products that do not require prescriptions.



*Ukrainian people at the border of Poland*



*Teva employees, Shoham, Israel*

## Pricing

We recognize the connection between affordable medicines and optimal health and regularly review prices in the context of market conditions, availability and production costs.

Generic and innovative branded medicines are both part of a cycle of innovation, affordability and accessibility. Innovative branded medicines deliver important and advanced therapeutic options for patients to address unmet medical needs. They receive a period of patent protection, helping to recoup investments (e.g., for R&D). Generic medicines are introduced later and make branded treatments more accessible through additional production, competition and lower costs for patients and healthcare systems.

Teva's leadership in generics and biosimilars is the most fundamental way we increase access to medicines. We deliver savings to healthcare systems and patients as one of the leading generic medicine providers in the world, with more than 2,000 generic medicines in our portfolio. While 91% of US prescriptions are filled with generic drugs, those account for only 18.2% of the country's spending on prescription drugs. In 2022, Teva's generic medicines contributed to \$44 billion in savings across 21 countries, including \$37.9 billion in the US and Canada, \$5.9 billion in 14 European countries and \$180 million in five countries in Teva's International Markets region (see more in the [Economic Impact section](#)).

Teva's local subsidiaries set and reassess the prices of their generic medicines based on regional dynamics, including health authority, reimbursement and other applicable rules and regulations.

	2019	2020	2021	2022
Change (%) in average list price across US innovative medicine portfolio compared to previous year	3.78	2.12	3.24	3.74
Change (%) in average net price across US innovative medicine portfolio compared to previous year	NA	NA	-0.32	1.07

### Guiding Documents

[Teva's Position on Pricing](#)

### Governance

Teva USA operates two cross-functional committees—the US Commercial Brand Pricing Committee, established in 2014, and the Generic Drug Pricing Committee, established in 2016. These committees discuss and deliberate Teva's pricing decisions, often going beyond legal or compliance requirements, and ensure potential price increases consider all relevant factors.



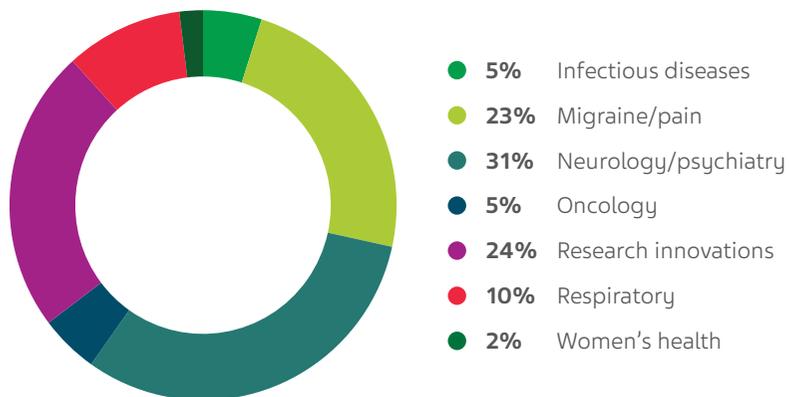
## Beyond Medicines: Public Health Research and Patient Programs

Addressing access to medicines and healthcare involves a continued effort to develop evidence-based solutions that address unmet health needs. As part of our global R&D work, we form academic collaborations and conduct research to measure the impact of certain patient and provider-focused interventions and tools. Our research focuses on key TAs, including mental health conditions, central nervous system, respiratory and oncology. Through local initiatives, programs and partnerships, we also seek to better understand and improve the overall well-being of patients and their caregivers.

### Public Health Research

We use public health and epidemiological data to estimate unmet economic, clinical and social needs for patients across key TAs. Our research focuses on understanding the burden of illness and examining new clinical educational tools and ways to ensure patients get necessary treatment. This enables decision-makers to give appropriate attention to disease areas and patient subgroups based on real patient burden, increasing access to critical medicines and care for patients in need.

### Teva R&D Academic Papers Published on PubMed in 2022 (85 total)



### Mental Health and Central Nervous System Disorders Research

In 2022, Teva presented at 186 conferences and published 85 articles in scientific journals. Key TAs studied included:

- Tardive dyskinesia (TD):** Teva published patient and caregiver survey data on the burden of patients' physical functioning and social and psychological impact, including on eating, speaking, sleeping and other daily activities. We developed the IMPACT-TD screening tool with an expert panel to help clinicians assess impact in their routine clinical decision-making process. This tool improves patients' lives, as even minimal abnormal movements can severely impact quality of life.
- Schizophrenia:** Teva published a targeted literature review to raise awareness about the influence of cultural differences and genetic polymorphisms on schizophrenia management. We developed the Schizophrenia Clinical Outcome Scenarios and Patient-Provider Engagement (S.C.O.P.E.™) interactive digital platform, an educational tool to help healthcare professionals address clinical dilemmas to improve patient outcomes.
- Migraine:** We conducted research to understand the burden of migraine related to quality of life, healthcare utilization, stigma, activity impairment and work productivity loss.
- Respiratory:** We reviewed retrospective claims databases, which revealed suboptimal patient adherence to maintenance medication before biological treatment and a need to incorporate medication monitoring into existing guidelines.

## Fostering Innovation

In the last three years, we have focused on bringing external innovations and cutting-edge research to Teva. We have re-established and extended our strategic R&D partnerships with the Israeli ecosystem to develop new targets, therapeutics and technologies, establishing approximately 30 projects with Israeli researchers. Teva's collaborations with leading academic institutions around the world are part of Teva's historic success, including two blockbuster medicines.

Scientific collaborations on drug discovery and development from an early stage can shorten the overall discovery and development stages and reduce the high percentage of failures observed in late stages. Teva believes in investing in academic partnerships as a source of innovation and complementary efforts to shorten timelines for drug discovery and development. Building the projects together with leading academic partners around the world and combining the scientific strength of academia with the development capabilities of the industry will accelerate the time to bring products to market.

Additionally, Teva invests in the education of young researchers and provides training in the drug discovery and development field, including by providing skills and tools to develop projects from the lab into products. Teva established a dedicated forum for PhD and post-doc students (the BioInnovators Forum), which includes a rich annual program of mentorship and training for translational research by Teva experts. As part of the BioInnovators Forum, Teva hosts an annual innovation competition for solutions that students develop for unmet medical needs. In 2022, the winner of this competition was Circulate—a novel tool that allows early diagnosis of cancer using a combination of the clustered regularly interspaced short palindromic repeats (CRISPR) technology and detection of circulating free DNA.

In the last year, Teva entered into a strategic collaboration around development of start-ups based on artificial intelligence (AI) technologies to accelerate drug discovery and development. The new accelerator, AION Labs, is based on an alliance between Teva and three other companies (AstraZeneca, Pfizer and Merck), Amazon and Israeli Biotech Fund. Four new start-ups in the field will be built every year based on worldwide crowdsourcing calls for applications around grant challenges companies defined. We are currently a partner to the first start-up built through this collaboration, DenovAI, focused on AI antibody discovery.

## Health Equity

In the US, we conducted a survey with the Morehouse School of Medicine to understand how COVID-19 affected populations and health inequities across the country and found already vulnerable groups were disproportionately impacted by access to health barriers.

While telehealth provides a safe form of healthcare in the comfort of patients' homes, this survey found underserved communities often face challenges accessing digital healthcare due to lack of necessary technologies and broadband connectivity.

In 2022, Teva cofounded the Digital Health for Equitable Health (DHEH) Alliance, which brought together multi-sector stakeholders, leaders and advocates to promote a more digitally inclusive and accessible society that will transform health delivery for underserved populations and advance equitable access to digital healthcare for people in underserved urban and rural areas in the US.

"As a proud member of DHEH and its President, I will continue to foster and encourage a more equitable and digitally inclusive society. While the devastating COVID-19 pandemic has further highlighted the challenges and disparities that exist in our healthcare system, it has also shown us how we can come together to overcome health disparities and advocate for digital inclusion, especially for communities that will benefit from access to digital health."

**Tanisha Hill Sr.**

US Medical Director, Respiratory and Digital Health Medical Lead



Teva employees, Bengaluru, India

## Life Effects

In collaboration with patients, Teva developed [Life Effects](#), a program that gives patients and caregivers access to medically reviewed peer-to-peer content. Life Effects shares firsthand, personal accounts that offer information, insights and inspiration to people suffering from one or more chronic conditions, including migraine, asthma, chronic obstructive pulmonary disease, cystic fibrosis, multiple sclerosis, depression, anxiety, fibromyalgia, Huntington's disease, attention deficit hyperactivity disorder, cancer and cardiovascular disease.

A dedicated section of the site, by caregivers for caregivers, addresses unique challenges family caregivers face caring for their loved ones. Life Effects is completely non-promotional and focuses on the impact chronic illness has on a patient's day-to-day life.

The program—accessible across 18 Teva markets—has been running for five years, and the content accrued more than 600,000 page views in 2022.

"It's hard to ask for help. When you live with a chronic condition like migraine it can be especially tricky. You often feel like you're a burden to those around you, so you don't want to add to the load by asking your friends and loved ones for support. Learning how to ask was a big lesson for me, and I'm grateful to have the support of my family and community when migraine puts me out of commission."

**Sarah Rathsack**

Extract from a Life Effects article  
Patient Contributor

The screenshot displays the 'life effects' website. At the top, there is a navigation bar with the 'life effects' logo on the left and utility icons (Register, US, Search, teva) on the right. Below the navigation bar is a horizontal menu with categories: ADHD, Mental Health, Huntington's Disease, Respiratory, Migraine, Cancer, CVD, and Caregivers. A 'Contributors' dropdown menu is also visible. The main content area features three article cards:

- Top Left Card:** A woman in a kitchen with a child. Text: "5 mins | Article | Meegan Potts | How I Learned to Stop Apologizing for My ADHD".
- Top Right Card:** A woman on a phone. Text: "6 mins | Article | Ciara O'Rourke | How 'Same Thing, Different Day' Helps My Migraines".
- Bottom Card:** A woman in a meeting. Text: "6 mins | Article | Ciara O'Rourke | How I Stopped Migraine from Getting in the Way of My Career".

### Caregiver Support

We provide support to caregivers in a variety of ways, because we recognize the role they play in the health and well-being of patients. Our caregiving support initiatives are managed by our markets, including Canada, Israel, France, Portugal and Croatia. The programs include awareness building, caregiver campaigns and partnerships to support caregivers in the community. In Canada, we implemented a “caregiver-friendly pharmacy” program, which is designed to enable pharmacies to help address patients’ and caregivers’ unmet needs. The program includes training for pharmacists.

### Humanizing Health

Teva’s Humanizing Health Awards celebrate local healthcare initiatives that enhance patient experiences by adding a human touch. Teva employees vote for initiatives they feel best demonstrate humanity, and winners receive a monetary prize to help expand their activities. In 2022, winners spanned **Spain, Chile, Argentina, Croatia, Bulgaria, Greece, Italy, Portugal, Brazil, Kazakhstan, Mexico and Hungary**, including:

- **Brazilian Association of Lymphoma and Leukemia:** Distributed kits with characters, dolls, comic books, cards describing emotions and activity books for children with lymphoma and leukemia in Brazil to encourage play, address psychological needs and describe stages of treatment.
- **Dr. Zoltan Orban:** Explored the power of music and physical touch before anesthetizing and performing surgical procedures to reduce pre-operation anxiety in Hungary.
- **AFENDAE:** Used animal-assisted therapy to strengthen the physical and psychological capacities, including reducing anxiety, depression and anti-social behavior, of patients with Alzheimer’s disease and their caregivers in Spain.
- **Theodora Onlus Foundation:** Invited trained entertainers dressed as comedic doctors to collaborate with physicians and entertain children in pediatric units with games and jokes as they waited for treatment in Italy.
- **Portuguese Association of Amyotrophic Lateral Sclerosis (ALS):** Developed software for mobile phones, tablets and computers to transform text into synthesized speech, allowing ALS patients to communicate throughout all stages of the disease and raise community awareness in Portugal.



**Teva India** worked with HelpAge India to create a mobile health unit to help transport and deliver safe, quality healthcare to local villages, rural areas and communities that lacked access to medical services. Mobile health services include preventive treatment, diagnoses, injury management and referrals. The three-year project is expected to reach 20,000 individuals.\*

\*This program is part of the mandatory Corporate Social Responsibility donations.

# Inclusion and Diversity

We consider inclusion to be the foundation of a diverse workforce. We must have a workplace that appreciates and values all backgrounds and perspectives. By creating a welcoming culture, our employees feel heard, safe and respected, allowing them to be their full selves and do their best work. Diversity of thought and skill drives our collective creativity and success, allowing us to provide more quality medicines and reach more patients.

## Inclusive Culture

In 2022, we hired a Global Inclusion and Diversity (I&D) Lead and re-established a global I&D professional forum to enhance and deepen I&D activities across Teva. In addition, we provided mandatory training for all employees globally on fostering inclusive behavior, and we include an inclusive leadership module in all Teva global leadership development programs.

A new cross-company resource center supports learning and skills development related to I&D, with:

- Training videos on inclusive behavior and culture
- Training session on inclusive leadership for managers
- Video lectures from LinkedIn Learning
- Common biases worksheet
- Learning modules from GlobeSmart, our cross-cultural learning platform

As a result of these efforts, employee satisfaction with our I&D practices has increased. In our annual employee survey, questions related to I&D continued to receive high scores, increasing to 82% favorability (from 80% in 2021).



**Teva Belgium's** full I&D team participated in anti-bias training and applied external research findings in thinking about how to improve I&D initiatives.

### Guiding Documents

[Teva's Position on Inclusion and Diversity](#)

### Governance

Our I&D guidelines direct how we apply I&D throughout our business. Within the Talent Management Function, our dedicated Global I&D Lead is responsible for the execution of the global I&D strategy and initiatives, partnerships and alignment of activities across regions and business units.

### I&D Guidelines



#### Our People:

- Foster a culture of inclusion
- Develop inclusive leadership
- Aim for gender equality at all levels, with a specific focus on management positions
- Ensure pay equity at all levels
- Advance representation of racial, ethnic and marginalized groups



#### Across Our Business:

- Improve I&D ESG performance, going beyond compliance with regulations
- Embed I&D throughout operations (e.g., access, supply chain, clinical trials)



**Teva USA** developed mandatory trainings for all employees with four classes: "The Language of Disability," "Stories at Work: Veterans," "Gender Diversity @ Work" and "Confronting Bias: Thriving Across Our Differences."

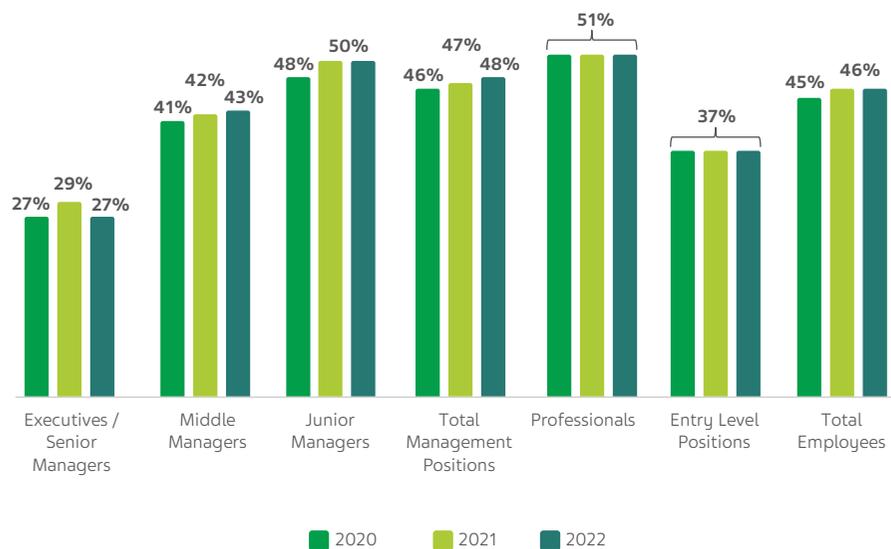
## Gender Equity in the Workforce

Across the world, women face barriers and discrimination in the workplace. Gender inequality in the workplace isn't limited to unequal wages. Women, especially lesbian, gay, bisexual, transgender and queer (LGBTQ+) women and women of color, continue to face barriers to move into leadership positions.

At Teva, we aim to provide hiring managers with a diverse pool of candidates at all levels of our organization to promote diversity in our workforce, including gender equity. We also train our recruitment team in I&D to ensure our recruiting processes are inclusive and accessible for all candidates, especially women and minorities.

To accelerate women's readiness for senior positions, we provide individual development plans, management attention and mentorship programs. A new Catalysts group for mid-level and senior business leaders, to be implemented in 2023, will learn distinct challenges women at Teva face and design solutions to reduce those barriers internally.

### Women at Teva (2020-2022)



### Recruiting a Diverse Workforce

We actively recruit candidates with different abilities. In the US, we partner with Integrate Advisors—an organization supporting the placement of neurodivergent individuals—and with its help, we have already placed individuals who support Teva's document digitization process. In Israel, we partner with several providers, including the Israeli Center for Supported Employment and the National Institute of Neuropsychological Rehabilitation, to ensure our opportunities are available to all and help identify suitable positions for people with different abilities.



**Teva Germany's** Team Eva, a female empowerment network, created a "Ladies Zone," a safe space for women to share professional experiences, learn about colleagues' careers, hear from inspiring speakers and offer ideas to support women, professionally and personally.



**Teva Europe** developed a mentoring program to support women's development and growth and create a pipeline of female talent for leadership positions. Twenty-five mentees and mentors received toolkits and participated in meetings.



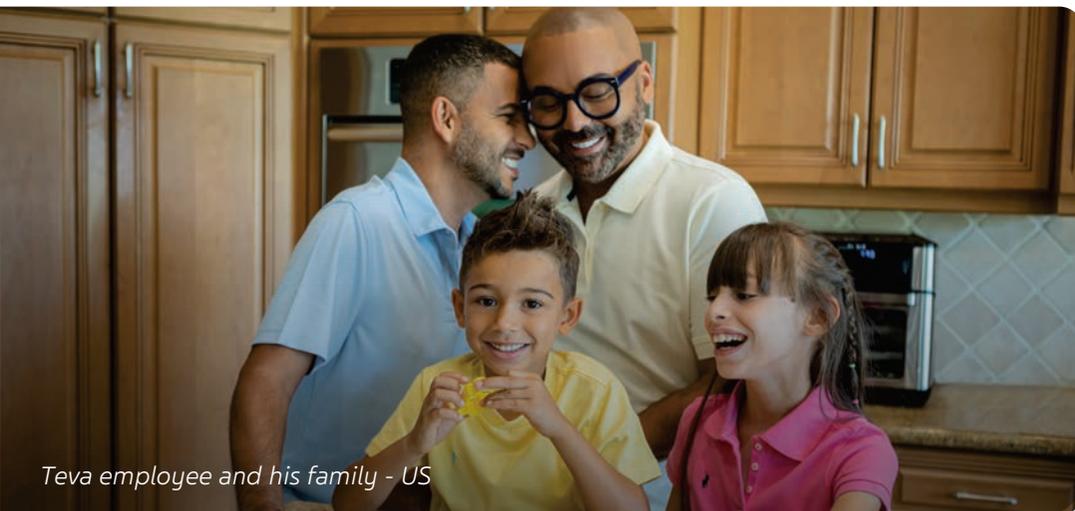
## Pay Equity

As outlined in our I&D strategy, we aim for pay equity at all levels. In 2021, we established a global methodology covering 100% of our employees to identify pay differences among Teva employees, and expanded our company-wide equal pay compensation review, which previously only included gender. We addressed any identified gaps in our annual rewards cycle and have implemented a roadmap to close all gaps in the next three years.

Our 2022 findings revealed that among those in the same level, function/profession and location, Teva pays women 0.4% more than men for base salaries. Because pay differences are often created when employees are hired or promoted, we are introducing tools to help avoid pay differences at these stages.

## Celebration of Diversity

We celebrated the diversity of our colleagues with two global awareness campaigns in 2022. For International Women's Day, we shared webcasts and stories about female teams and mentorships and highlighted accomplishments of women at Teva. Our Pride Campaign encouraged employees to celebrate our differences to co-create, ideate and make better decisions, with local speakers, materials and events showcasing our LGBTQ+ community and their families and rainbow-themed celebrations at our offices.



Teva employee and his family - US

## Performance and Recognitions

Teva received a score of 72.6 out of 100 on the Bloomberg Gender-Equality Index (vs. 52.7 in 2021).

**Teva Israel** received a 92% (AA) in Maala's inaugural Diversity and Inclusion Ratings, which ranked Israeli companies for their I&D initiatives and practices, including employment, recruitment and retention, and creating a multicultural and multi-age work environment.

### Teva US:

- Received a perfect score of 100 on the 2022 Corporate Equality Index (CEI), the premier benchmarking survey and report on corporate policies and practices related to LGBTQ+ workplace equality in the US, administered by the Human Rights Campaign (HRC) Foundation. The score gives Teva the distinction of one of the "Best Places to Work for LGBTQ+ Equality."
- Achieved the Mansfield Rule Legal Department Edition 2.0 Certification status: Recognition that our legal departments have considered women, LGBTQ+, lawyers with disabilities and racial/ethnic minority lawyers—as at least 50% of the candidate pool—for top roles and outside counsel representation.
- Earned a top score on the 2022 Disability Equality Index (DEI), which includes the distinction of one of the "Best Places to Work for Disability Inclusion" for the second year.



## Employee Resource Groups

In 2022, Teva established two new pride employee resource groups (ERGs), in Europe and in Israel. Below are examples of the main initiatives of our US ERGs.

### Black Heritage

Hosted a personal development webinar on “Black Burnout” with Shayna Rudd, psychotherapist.

To celebrate Black History Month:

- Coordinated a “Teva Talk” with Dr. Makaziwe Mandela, the daughter of Nelson Mandela, on healthcare disparities and the importance of access to quality healthcare
- Sponsored a virtual tour of historical landmarks, people and foods related to Juneteenth to educate about Black history, slavery, key historical figures on the road to emancipation, the importance of historically black colleges and universities (HBCUs) and the origins of barbecue food

### Asian Heritage

Hosted a Lunar New Year celebration, a talent show, Diwali lunch—to celebrate the religious light festival—and Rangoli Diya celebration—an Indian art form with mandalas.

### Hispanic/Latino Heritage

Organized events recognizing Hispanic Heritage Month, including three live panels on the LatinX immigrant experience and a virtual tour exploring the history and contributions of the LatinX community to the creation of the US.

### Pride

Hosted event commemorating World AIDS Day and helped launch Teva’s Global Pride Month celebration by curating materials, sharing stories on social media and hosting sessions on intersectionality and self-identification.

### Women@Teva

Sponsored events related to professional development and well-being, including “Paving Paths,” a series of videos that explore a day in the life of women at Teva, the “[Power of Networking](#),” “Communicating with Confidence,” “Wellness for Busy People,” “Meet the Scientists” and “Domestic Violence Awareness.”

### Men@Teva and Working Families

Hosted a joint conversation on allyship and the role of men in supporting I&D.

### Abilities

Hosted a series of events to support neurodivergent workers and address accessibility challenges for employees with disabilities, including three workshops on how to interview and manage neurodiverse workers. Following the events, Teva contracted neurodiverse contingent workers, who spoke about their work experiences to peers and 25 neurodiverse college students and high school seniors and graduates. Teva also conducted mock interviews with neurodiverse students.

### Vets@Teva

Sponsored a career conversation on the transition from a military to a business career and the unique skills veterans bring to the corporate world, commemorated Memorial Day with a series of “empty place settings” at cafeterias in memory of fallen soldiers and hosted a webinar on Teva’s role in protecting the military against adenoviruses.



*Teva employees, West Chester, Pennsylvania, United States*

# Talent Recruitment, Development and Retention

We are focused on recruiting, developing and retaining skilled, diverse and engaged employees—because our more than 35,000 employees are critical to the success of our business. They allow us to reliably deliver medicines to approximately 200 million people each day and fuel innovation, always prioritizing quality, compliance and ethics.

## Recruitment Approach

Our recruitment approach includes:

- **Marketing:** Promote the voice of leadership across all talent acquisition channels to showcase Teva's forward-thinking, open and inclusive culture
- **Training:** Train and provide tools to hiring managers, helping them make decisions that bring long-term value to Teva
- **Sourcing:** Adjust our sourcing efforts to identify more talented, diverse candidates
- **Measurement:** Apply a data-driven approach to focus our activities and measure impact

All recruiters meet with hiring managers before posting positions on Teva's career site to ensure inclusive language, and managers are coached on how to prevent discrimination during the candidate selection process.

In 2022, we began using a customized behavioral assessment tool to examine potential candidates for all management positions, which suggests areas to probe during interviews. Our pilot showed hiring candidates that are aligned with our values and managerial principles supports retention.

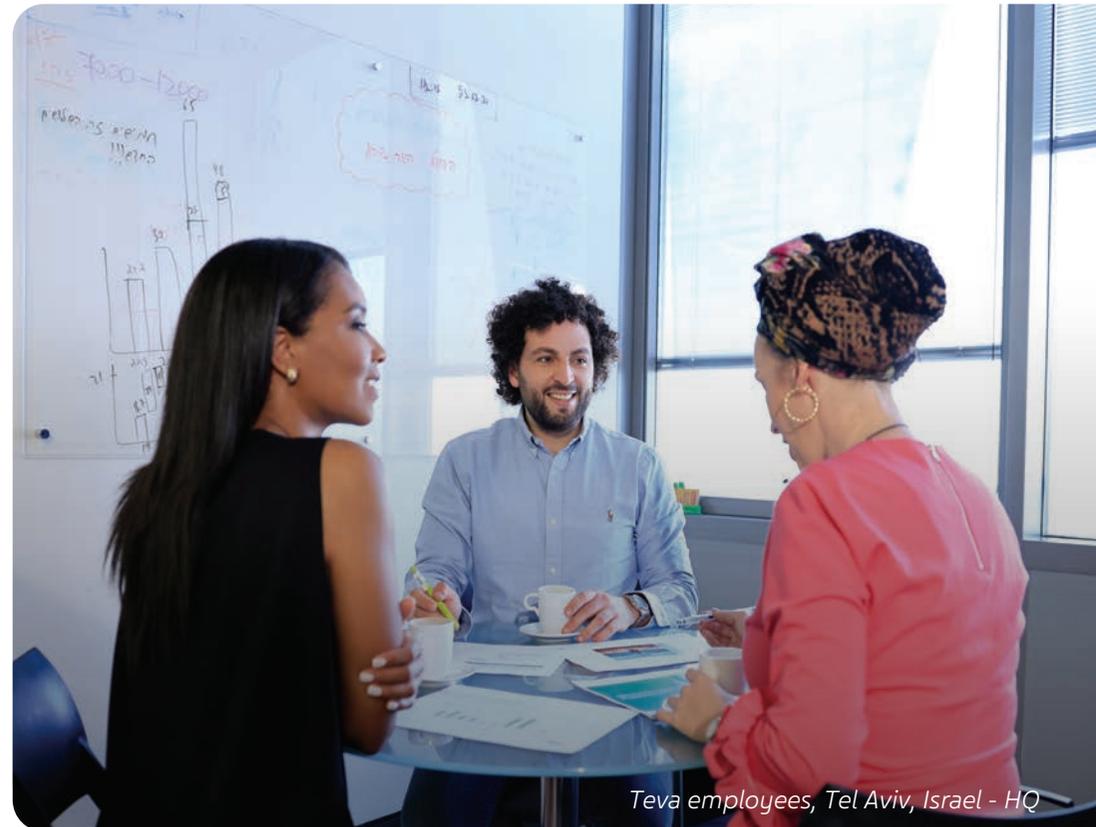
In 2022, Teva hired 4,596 new employees. To encourage career mobility and growth from within, we advertise open positions internally through a careers board. In many countries, we also alert employees within business functions to relevant opportunities. In 2022, approximately 90% of critical positions were filled internally, of which approximately 60% were filled by identified successors. In addition, more than 2,286 were internal moves to new opportunities (33% of all hires).

### Guiding Documents

[Teva's Position on Talent Recruitment and Development](#)

### Governance

Talent recruitment and development activities are the responsibility of the Vice President of Talent Management, who reports to the Executive Vice President of Human Resources.



Teva employees, Tel Aviv, Israel - HQ

## People Analytics

Teva utilizes a data-driven approach to allow our human resources team and management to identify strengths and risks, provide insights into workforce trends and develop actionable plans to inform workforce decisions. This includes analytics related to headcount management, talent acquisition, total rewards and employee performance, development, engagement and experience.

## Employee Retention

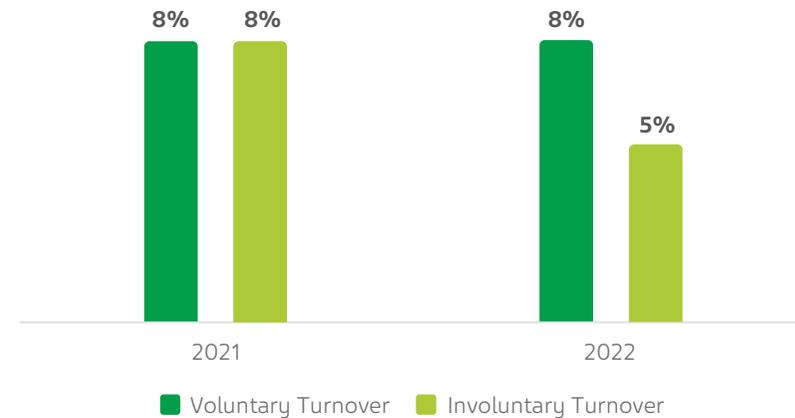
Since the COVID-19 pandemic, the workforce has witnessed dramatic changes, and human capital challenges have continued to impact many companies across different sectors. Recognizing these challenges, we've worked hard to retain our employees and help set them up for success. We implemented several measures in 2022 to reduce global voluntary turnover, which were presented to the Compensation Committee of the Board of Directors, including embedding our employee value proposition, which articulates the unique value we provide to current and prospective employees. We continued to focus on supporting employees' well-being and provided targeted salary increases to several employee groups when turnover rates were high following the COVID-19 pandemic. We also formed a US attrition task force to assess turnover and make recommendations. Due to these measures, our average voluntary turnover rate has been constant—at 8%—over the last two years despite external dynamics.

## Feedback Process

Employees' annual performance reviews, known at Teva as the Connect process, include two-way discussion sessions with managers focused on feedback, remuneration, performance development goal setting and working conditions, such as benefits and well-being. Twice a year, we formally review employee performance and aspirations with managers to identify employees' opportunities and career options. All employees (100%) receive performance feedback.

In 2022, we ran a pilot in which employees provided feedback on their managers' managerial style. This multidimensional performance appraisal covers 26% of first-line manager (FLM) and 21% of senior-line manager (SLM) programs. To help managers give empathetic and productive feedback, we also created the Good, Tricky, Different (GTD) framework, focusing on employee strengths (Good), areas of frustration and difficulty (Tricky) and areas for growth and future improvement (Different). The tool was very well-received and may be expanded globally in 2023.

## Employee Turnover Rates



Teva employee, Bengaluru, India

## Talent Development

### Employee Training

Teva Grow is our global employee enhancement program, designed to develop employees' cross-functional essential skills. In light of the hybrid work environment, we extended Teva Grow learning offerings to more channels, from virtual workshops to digital, interactive, self-paced modules accessible on computers and mobile devices. In 2022, employees engaged in several digital training activities through Teva Grow programs, including:

- **Ways of Working:** Focuses on essential skills, such as collaboration, adaptability and interpersonal skills (14,000 employees)
- **Go Global:** Teaches cultural agility, including successfully communicating and acting in a global and digitally connected setting through English proficiency and cultural sensitivity (1,700 employees)
- **My Ecosystem:** Strengthens knowledge of Teva's business environment and market orientation (889 employees)

## Employee Engagement

Engaged employees care about their work and performance, and we keep a pulse on our employees' perceptions, needs and opinions, while ensuring we are recognizing them for their achievements. We've developed platforms for employees to recognize one another and speak freely about their experiences at Teva.

### Employee Survey

Teva's annual employee survey helps us understand our colleagues' feelings, concerns and opinions. In 2022, we achieved an 83% response rate from active employees. The survey showed overall stable and solid results with paced gains in three dimensions, including "Compliance & Ethics," "Inclusion & Diversity" and "Learning & Growth," demonstrating that the efforts invested created an impact. Results showed 71% of employees feel engaged and connected to Teva, 73% feel enabled and well-positioned to do their job and 87% feel they are treated with respect. Ninety-two percent believe Teva provides high-quality products and services and 86% are confident in Teva's positive impact on society. Each business unit reviewed the survey results closely to determine areas for improvement and created action plans to address any gaps. Survey results were communicated to employees through global communications and town halls and shared with our Board of Directors.

### Manager Training

In 2022, 2,147 managers participated in 68 development programs, in line with our annual target to recruit 20% of Teva's managers to take part in these programs. We continued developing critical leaders through our global Leadership Acceleration Program (LEAP). We introduced a new program to enhance managerial capabilities of Teva Global Operations (TGO) supervisors who work at Teva sites and drive engagement, as well as a new program for finance managers, which offers digital learning modules, curated content, tools and virtual sessions and features Teva's Executive Management.



*Teva employees, Parsippany, New Jersey - US*

# Employee Health, Safety and Well-being

Since employees are Teva's focus, we also invest in promoting their health—both mental and physical.

## Employee Health and Safety

The first aspect of employee health and safety is ensuring our employees have a safe and comfortable working environment. Teva's global Environment Health and Safety Management System (EHSMS) has been installed across 98% of Teva's sites, and employee safety has improved as a result. We reduced our lost time injury rate by 6% since 2021 (to 0.16) and reduced our process safety event rate by 50% since 2021 (to 0.015). We also reduced our total recordable incident rate by 80% over the last 10 years. A new, simple office safety standard has been drafted and approved by the corporate Environmental Health, Safety and Sustainability (EHS&S) Committee and will be deployed during 2023.



**Teva Dupnitsa, Bulgaria**, designed a construction management process to support contractors with training, work permits, visual management, site inspections and emergency protocols. Innovative technologies, such as augmented reality glasses, were used to conduct virtual tours of existing and newly built facilities during the COVID-19 pandemic.



**Teva Waterford, Ireland**, received the "KeepWell Mark™" from the Irish Business and Employers Confederation (IBEC) for its Occupational Health and Wellness Program, achieving the highest rating of excellence in six of the eight pillars. The accreditation process benchmarks companies' practices against recognized standards in Ireland.

### Guiding Documents

[Teva's Position on Occupational Health and Safety](#)

### Governance

Health, safety and well-being management is an operational responsibility of each business unit's line management, who are supported by knowledgeable EHS&S professionals from Teva's Global Quality and EHS&S function, reporting to the Executive Vice President of Teva Global Operations. Our Corporate EHS&S Committee, composed of senior executives from each business unit, ensures appropriate engagement and oversight of material issues. At our global facilities, management is locally responsible for Environmental Health and Safety (EHS) compliance and performance and is supported by EHS professionals who drive local implementation of EHS programs and initiatives. Most sites have EHS councils, especially where required by local regulation.

Goals	Progress	Status
Total Recordable Incident Rate (OSHA TRIR) of 0.23 or less by 2022 <sup>6</sup>	0.24	
Process Safety Event Rate (PSER) of 0.028 or less by 2022	0.015	
<b>+ New Goals</b>		
Total Recordable Incident Rate (OSHA TRIR) of 0.25 or less by 2023		
Process Safety Event Rate (PSER) of 0.020 or less by 2023		



Complete



In progress

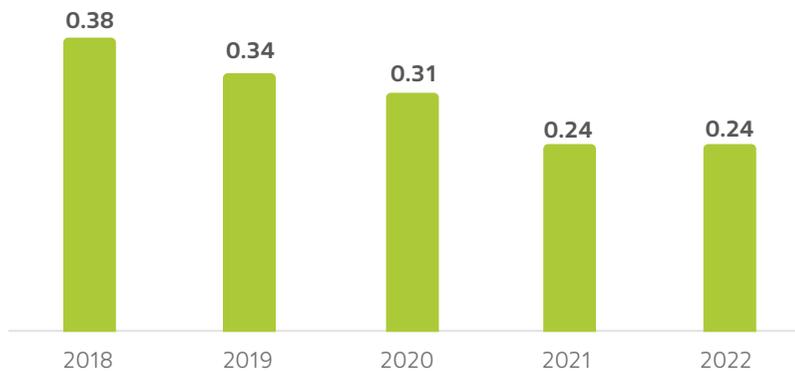
<sup>6</sup> TRIR includes Teva and contingent employees, injuries and illness; it is calculated based on 200,000 hours.

## Health and Safety Training and Reporting

To further prevent injuries and other workplace health and safety risks, we have training modules on all our EHSMS standards in our learning management system, which are mandatory for all EHS professionals across Teva. In 2022, we added voluntary modules for non-EHS employees and contractors. Each individual site has a detailed training plan, addressing all regulatory and job-specific aspects of EHS, which is managed using local training systems.

Our EHS Observation Program encourages all employees to report observations, including concerns or suggestions related to their work environment. In 2022, employees reported more than 52,000 total observations, and we addressed, researched and closed 89% of these observations—exceeding our target of 85%.

### Total Recordable Incident Rate (2018-2022)

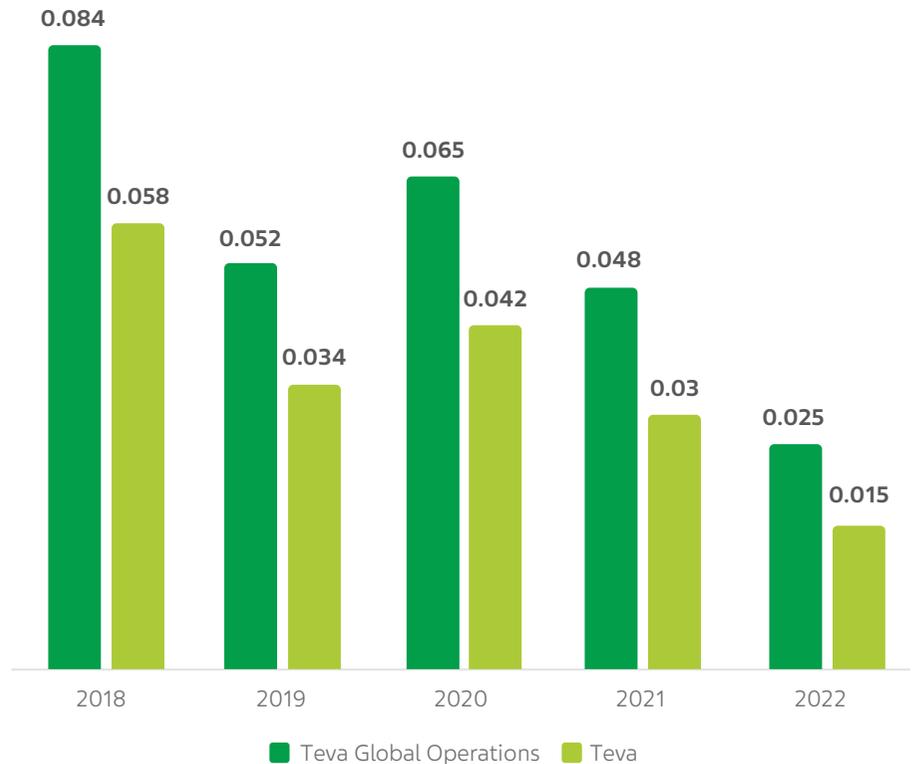


## Employee Well-being

We strive to protect and promote the mental and physical well-being of employees through local initiatives and global policies. These efforts—to promote a healthy work-life balance and reduce stress—are good for our employees and for our business.

In 2022, we introduced a hybrid work schedule allowing office-based employees to work remotely twice a week. In the US, we offer year-round flex-Fridays, offering office employees the option to work 40 hours in four-and-a-half workdays.

### Process Safety Event Rate (2018-2022)



## Well-being Month

We introduced our first Well-being Month in September to nurture physical, mental, financial and social needs in the workplace with local and global initiatives, including:

- Tools to overcome workplace stress and beat burnout
- Celebration of mobility week to encourage a healthy lifestyle and physical activity, with a leaderboard of the most physically active employees, prizes for active employees and a community page for employees to share photos



**Teva France** created a caregiver referent, which helps employees who are caregivers navigate human resources (HR) benefits, options and resources.

**The Mental Health Champions** community was piloted in the UK and Ireland in 2022 to train employees on recognizing signs and symptoms of mental health issues, providing support and understanding the resources available for professional help. We offer this training and other support for employees in countries such as **Bulgaria, Croatia, Germany, Italy, Malta, Netherlands, Poland, Romania and Serbia** and currently have more than 40 volunteers.

## Migraine at Work

A new Migraine Friendly Workplace Stamp developed by the European Migraine & Headache Alliance (EMHA) recognizes organizations supporting employees who suffer from migraine. As a leading manufacturer of migraine medications, we recognize the burden this illness can have on patients, especially in the workplace. Teva helped pioneer and financially support this initiative with the EMHA, working with an expert panel of migraine experts across Europe, including neurologists and occupational physicians. In June 2022, Teva Europe received the Migraine Friendly Workplace Stamp.



**Teva Portugal** created a wellness room for employees who suffer from migraine. Raquel Gil Gouveia, a neurologist and president of the Portuguese Headache Society, provided educational information to employees and outlined the necessary requirements, including light control, a mild acclimatization system, recliners, headboards, blankets and water.



*Teva employees, Zagreb, Croatia*



*Teva employees, New Jersey - US*

### Migraine-Friendly Workplace

A Teva study of 12,545 adults with migraine in 16 countries found 63% have hidden their migraine from their employer, and only one in eight belonged to a patient support group. Migraine-friendly workplaces are crucial because research shows these patients often suffer in silence.

# Economic Impact

As a leading global pharmaceutical company and provider of generic medicines, Teva's mission is to improve the lives of patients. We conducted an assessment to quantify Teva's economic impact in 2022, both in terms of savings from generic medicines, as well as contributions to the labor market and gross domestic product (GDP).

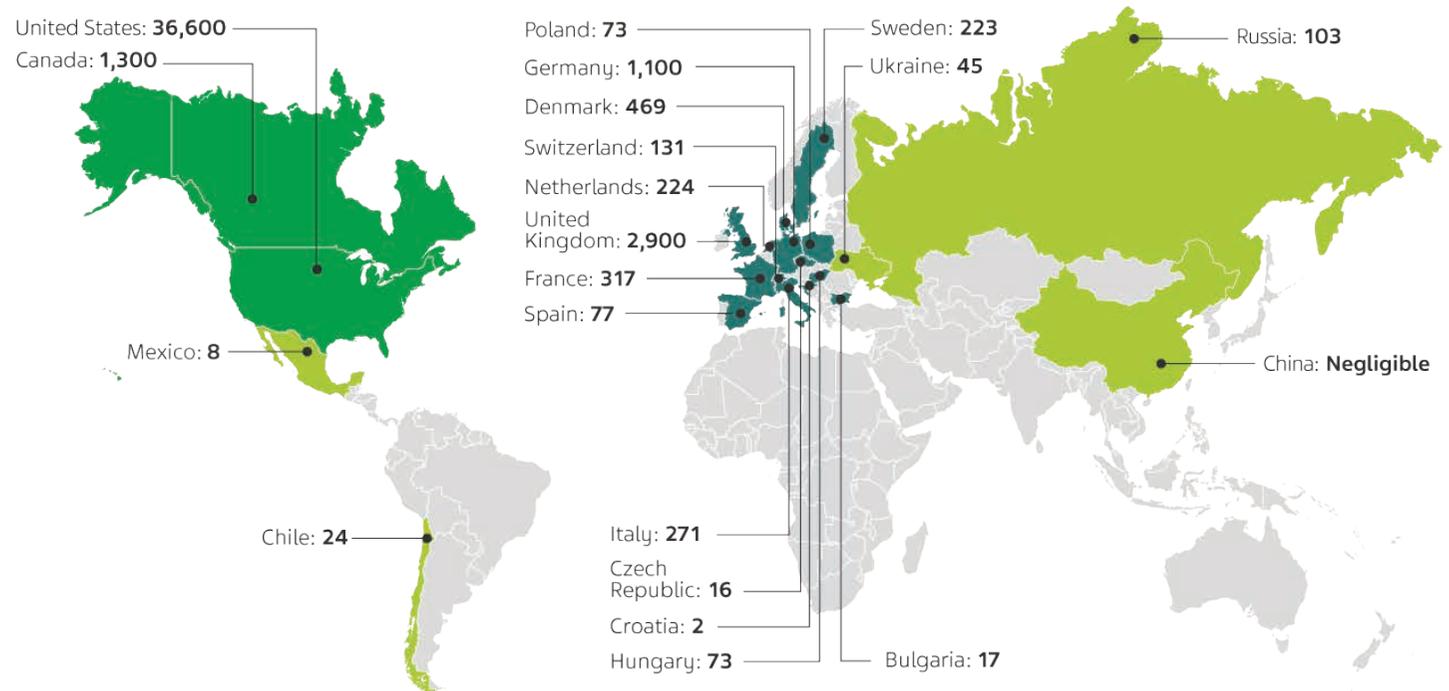
## Generic Medicines Savings

Our generic medicines generate savings for healthcare systems and help patients access treatments at lower costs, without compromising quality.

**Teva's generic medicines contributed to \$44 billion in savings across 21 countries, including:**

- **\$37.9B** in the US and Canada
- **\$5.9B** in 14 countries in Teva's Europe region
- **\$180M** in 5 countries in Teva's International Markets region

### Savings from Teva's Generic Medicines (\$ Millions)



■ North America ■ Europe ■ International Markets

*Note: While this analysis covers 24 countries (representing 87% of Teva's global workforce), external data used to calculate generic medicines savings are not available for India, Ireland and Israel. In Israel, Teva holds the number one position in the generic medicines segment with 35% of market share, and 25% of all prescriptions are filled with a Teva product. These results are not comparable to Teva's 2020 economic impact analysis due to different methodologies used.*

## Economic Impact Around the World

Teva also creates societal value as an employer and a manufacturer. Our spending and income creation initiate a production cycle that supports more jobs and further contributes to the economy.

### Teva's direct and spillover economic activity:

- Supported **237,103** jobs (in full-time equivalents or FTEs)
- Contributed **\$20B** to GDP
- Generated **\$8.2B** in labor income, a measure of aggregate worker wages



#### Bulgaria

**Jobs:** 11,311  
**GDP:** \$279M  
**Labor Income:** \$125M



#### Canada

**Jobs:** 8,759  
**GDP:** \$687M  
**Labor Income:** \$344M



#### Chile

**Jobs:** 2,643  
**GDP:** \$198M  
**Labor Income:** \$77M



#### China

**Jobs:** 407  
**GDP:** \$15M  
**Labor Income:** \$12M



#### Croatia

**Jobs:** 12,864  
**GDP:** \$509M  
**Labor Income:** \$277M



#### Czech Republic

**Jobs:** 10,427  
**GDP:** \$508M  
**Labor Income:** \$235M



#### Denmark

**Jobs:** 141  
**GDP:** \$22M  
**Labor Income:** \$9M



#### France

**Jobs:** 2,063  
**GDP:** \$220M  
**Labor Income:** \$125M



#### Germany

**Jobs:** 11,934  
**GDP:** \$1,217M  
**Labor Income:** \$495M



#### Hungary

**Jobs:** 14,649  
**GDP:** \$558M  
**Labor Income:** \$256M



#### India

**Jobs:** 29,880  
**GDP:** \$417M  
**Labor Income:** \$128M



#### Ireland

**Jobs:** 6,754  
**GDP:** \$601M  
**Labor Income:** \$244M



#### Israel

**Jobs:** 39,577  
**GDP:** \$3,214M  
**Labor Income:** \$1,754M



#### Italy

**Jobs:** 6,901  
**GDP:** \$574M  
**Labor Income:** \$229M



#### Mexico

**Jobs:** 2,392  
**GDP:** \$148M  
**Labor Income:** \$61M



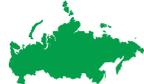
#### Netherlands

**Jobs:** 8,189  
**GDP:** \$974M  
**Labor Income:** \$332M



#### Poland

**Jobs:** 5,085  
**GDP:** \$304M  
**Labor Income:** \$109M



#### Russia

**Jobs:** 3,638  
**GDP:** \$317M  
**Labor Income:** \$82M



#### Spain

**Jobs:** 8,338  
**GDP:** \$490M  
**Labor Income:** \$213M



#### Sweden

**Jobs:** 119  
**GDP:** \$70M  
**Labor Income:** \$9M



#### Switzerland

**Jobs:** 3,609  
**GDP:** \$597M  
**Labor Income:** \$156M



#### Ukraine

**Jobs:** 980  
**GDP:** \$45M  
**Labor Income:** \$20M



#### United Kingdom

**Jobs:** 4,655  
**GDP:** \$589M  
**Labor Income:** \$229M



#### United States

**Jobs:** 41,790  
**GDP:** \$7,450M  
**Labor Income:** \$2,713M

Note: This analysis covers 24 countries with 32,791 FTEs (representing 87% of Teva's global workforce of 34,848 FTEs). These results are not comparable to Teva's 2020 economic impact analysis due to different methodologies used. See the [2022 ESG Disclosures](#) for further information.

# Human Rights

As a signatory of the United Nations Global Compact since 2010, we take all measures that are reasonably possible within our business and throughout our supply chain to respect all individuals and uphold their human rights. The International Labour Organization's [Declaration on Fundamental Principles and Rights at Work](#) guides our approach and [Position on Human Rights](#). Human rights continues to emerge as an important topic to address and manage for our industry and our business, and we are working to better evaluate the impacts across our company and supply chain.

## Human Rights Assessment

To meet current and future legislations, in 2022, Teva initiated a human rights and environmental assessment, which evaluated the risk exposure of our operations and suppliers and Teva's existing approaches to identifying and managing these risks. The assessment leverages a real-time online artificial intelligence system that covers more than 170 geographies, 350 products and services and 38 ESG topics, including labor, health and safety, environment, business ethics and management systems. Source data include thousands of audits performed each year, media screening results and public indices.

More than 3,500 of our suppliers and all of Teva's operations were screened and rated according to their risk exposure level (low, medium, high and extreme) for the various Human Rights and Environmental topics. In addition, the analysis classified suppliers and operations according to Teva's influence rating (low, medium, high and extreme). Risk and influence ratings were plotted on a matrix to help determine the suppliers and operations where further action may be warranted.

Key management implications and recommendations were outlined for each segment of the matrix, which will help Teva define a robust management system in 2023. The system may include capacity-building programs/trainings, implementation of worker engagement solutions and due diligence.



*Teva employees, Shoham, Israel*

# Ethics and Transparency in Clinical Trials

In 2022, we conducted 210 clinical trials for both generic medicines and innovative medicines. Despite challenges posed by the COVID-19 pandemic and geopolitical conflict, we made progress in key therapeutic areas, including schizophrenia, pediatric migraine, psychiatry, asthma and immunology. Teva complies with international guidelines and regulations fundamental to clinical research and drug development, including the World Medical Association's Declaration of Helsinki and the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) Guidelines on Good Clinical Practice (GCP). For our innovative medicines clinical studies, we also conduct ongoing oversight of our vendors as detailed in our Vendor Oversight Plan and Risk Assessment Management Plan, and implement risk assessment management at the outset of our studies and reassess risk status throughout.

Teva's [clinical trials website](#) provides an overview of our trials, including relevant dates, medical conditions of interest and links to results on [ClinicalTrials.gov](#) and/or the European Union (EU) Clinical Trials Register, which include inclusion and exclusion criteria and outcome measures. It also provides a map of clinical trial sites currently recruiting participants, as well as clinical study report synopses and plain language summaries that anyone can understand. We publish data from Teva-sponsored studies in a timely, objective and accurate manner, regardless of the outcome.

## I&D in Clinical Trials

Many factors can influence how a person responds to a treatment. Enrolling participants of diverse backgrounds, including age, gender, ethnicity and race, in our clinical trials helps us learn more about the safety and effectiveness of our medicines for a wider range of people. We follow applicable guidelines that outline recruitment diversity plans and seek new ways to reach more diverse populations. In certain cases, we proactively speak with patients, caregivers and advocacy groups about I&D at the study design stage.

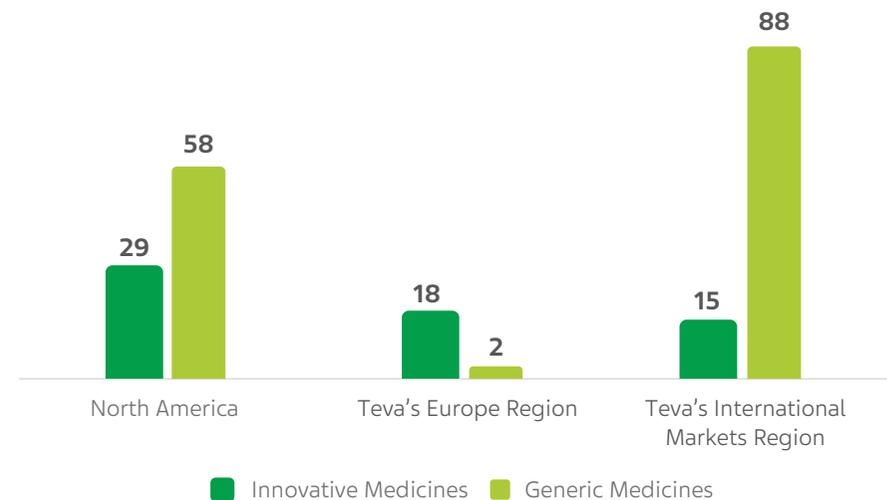
### Guiding Documents

[Teva's Policy on Clinical Trial Transparency & Disclosure](#)

### Governance

Innovative medicines, biosimilars and generic clinical studies, as well as Teva internal clinics, are managed by Teva's Senior Vice President Head of Global Clinical Operations, who reports to the head of R&D.

### Teva's Clinical Trials (2022)



# Governance

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“When taking a medicine, you always want to know it’s safe, tested and well-made. The name behind it is also huge—it shows the medicine has come from a good brand and good place. Knowing that the people behind it really have your well-being in their hearts and want to make you better is important.”

**Sarah Bailey**  
Life Effects  
Patient Contributor



Teva employees, Zagreb, Croatia

# Corporate Governance

We are guided by our Board of Directors, who oversee Teva's strategy and practices. Our [Statement of Corporate Governance Principles](#) is adopted by the Board and outlines its responsibilities to Teva, its shareholders and other stakeholders. We value transparency and continuously seek to improve our business practices, guided by our [Corporate Governance and Policy Documents](#). Please refer to our Notice of Annual Meeting of Shareholders – 2023 Proxy Statement, which was filed with the US Securities and Exchange Commission on April 19, 2023, for additional corporate governance disclosures and practices.

## Enterprise Risk Management

In line with [Teva's Position on Enterprise Risk Management](#), we have organizational structures to identify, manage and monitor through our enterprise risk management (ERM) process, which includes a series of assessments and measures that help identify risks from across the organization. Many ESG risks are related to topics that were identified in our ESG materiality assessment and are reflected in our ESG strategy. Teva's Corporate Risk Management team leads the ERM process across all Teva business units through dedicated risk champion representatives. In 2022, key highlights included:

- **Risk Management:** We developed an internal risk management webinar to educate employees on tools for analysis and presentation of risk, which we will share with Teva managers across various levels of Teva during 2023.
- **Executive Risk Management:** Our Executive Management and the Board of Directors were given a presentation on a 2023 global risk overview by a risk leader from the World Economic Forum.
- **Climate Risks:** We disclosed our climate change, physical and transitional risk assessments as part of our Task Force on Climate-Related Financial Disclosures (TCFD) statement and CDP submission.
- **Cybersecurity:** Teva's Corporate Cyber Crisis Management plan was approved and went live. The plan outlines the corporate cyber crisis management structure, roles, responsibilities and operating procedures for effective cyber crisis management.
- **COVID-19:** We continued to manage the COVID-19 Global Situation Room in early 2022, focusing on business continuity, escalation issues and early warning risk processes from local to global levels.



Teva employees, Netherlands

## Manufacturing Efficiencies

As part of Teva's Strategy Development process, we reviewed our manufacturing strategy in 2019. Based on the outcomes, Teva Global Operations (TGO) launched the Transformation Program in February 2020.

The Transformation Program is designed to improve our gross margin income, reduce costs and increase efficiency within four years (2020-2023). The program is designed around five levers that align with various areas of our ESG strategy:

1. Procurement Cost Excellence
2. Network Optimization and Restructuring
3. Operational, Quality and Environmental, Health, Safety and Sustainability (EHS&S) Excellence
4. Supply Chain Integration
5. People and Organization

The program is on track and has improved the way Teva operates internally and with external partners to support our mission to improve the lives of patients. Between 2020 and 2022, we delivered \$585 million in net savings, including \$92 million just in 2022, bringing Teva closer to our target for 28% operating profit. The Transformation Program has allowed us to deeply embed activities that generate positive social and environmental outcomes into our operations, which are highlighted throughout this report. One of the Transformation Programs' enabling Task Forces focuses on our environmental sustainability commitments, which contributed \$3.6 million in energy consumption reduction in 2022.

In addition, under the Operational, Quality and EHS&S lever, we established a Modernization Task Force, which has established a pilot to implement innovative digital solutions across our manufacturing network. As part of the pilot, we focus on five digital solutions in participating sites:



### Digital performance management:

Enable site-wide performance conversations by leveraging real-time data from machines and other sources



### Data-based yield improvement:

Improve yield of key products and processes by building and operationalizing advanced analytic (AA) models using real-time and historical data



### Digital deviation management:

Automate deviation investigation and identify recurring patterns by deploying AA models on historical deviations data



### Quality control (QC) scheduling optimization:

Improve labor and asset efficiency in production and QC lab through AA



### Electronic batch records (EBR):

Digitally document all pertinent batch data (e.g., date, ingredient, equipment, inspections and personnel)

# Compliance and Ethics

Conducting business with integrity and transparency is nonnegotiable for Teva. What we achieve is important, but how we achieve it is just as important.

In 2022, as part of our robust compliance program, we continued supporting ethical behaviors and decision-making through efforts, such as:

- Risk-based, targeted training campaigns on key topics, such as anti-corruption, sanctions, fair competition, data privacy, conflicts of interest, reporting concerns and careful communication
- Systems to screen third parties for a range of risks, including bribery, corruption, criminal activity and involvement in government activities
- Management dashboards to monitor and address key compliance risk areas by providing metrics related to several activities, including on-time training completion, compliance monitoring results and global privacy data
- Evaluation of the Global Compliance & Ethics (GC&E) program to ensure our approach, process and tools remain appropriately risk-adjusted, flexible and adaptive to the ever-changing compliance risk landscape

We aim to maintain 100% evaluation of submitted high-risk third-party business partners through our Third-Party Due Diligence tool, which screens for potential compliance risks using a vast database of publicly available information. Suppliers commit to comply with Teva's Supplier Code of Conduct, and contracts and purchase order terms and conditions outline expectations for ethical behavior. We also provide compliance guidance and targeted advice to our suppliers for use in mergers, acquisitions, joint ventures and in projects involving in- and out-licensing.

## Guiding Documents

[Teva's Code of Conduct](#)

[Maintaining an Ethical and Compliant Business](#)

[Teva's Global Prevention of Corruption Policy](#)

[Teva's Position on Marketing and Promotional Practices](#)

## Governance

Our Chief Compliance & Ethics Officer has a reporting line to Teva's CEO and direct access to Teva's Board of Directors. The latter oversees Teva's compliance and ethics program. The GC&E department has local, regional and functional compliance professionals throughout the company. Teva's Office of Business Integrity (OBI) is an internal independent function charged with objectively, confidentially and consistently addressing reports of misconduct globally. The OBI reports directly to the Chief Compliance Officer and summary information is shared with the Board.

Goals		Progress	Status
Training	Train or retrain 100% <sup>7</sup> of active employees on applicable Teva compliance policies by 2023	99.57% of target audience trained	✔
	Train or retrain 100% <sup>7</sup> of active sales employees on compliance policies related to marketing practices by 2023	99.57% of target audience trained	✔
Evaluation Processes	Maintain annual 100% evaluation of submitted high-risk third-party business partners through Teva's Third-Party Due Diligence tool	100% evaluation	✔
Culture of Compliance	Train new employees and retrain 100% <sup>7</sup> of active employees on how to report concerns through the Teva Integrity Hotline by 2023	99.57% of target audience trained	✔
	Strengthen Teva's culture of compliance, keeping our Gartner global index score at parity or greater than external benchmark by 2022	Results at parity with benchmarks	✔

## + New Goals

Training	Train 100% <sup>7</sup> of targeted active employees in annual GC&E training campaigns
	Recertify 100% <sup>7</sup> of active employees on the Code of Conduct in 2024
Culture of Compliance	Introduce new compliance and ethics questions into the 2023 Organizational Health Survey (OHS) and establish a 2023 baseline to measure Teva's future performance on the culture of compliance and ethics
Evaluation Processes	Maintain annual 100% evaluation of submitted high-risk third-party business partners through Teva's Third-Party Due Diligence tool

<sup>7</sup>Teva's compliance training goals are 95% completion after training campaigns are assigned and 100% year-end completion (within -1% for employees on leave).



Complete



In progress

## Approvals and Controls

A culture of compliance starts with a strong foundation—with tools, policies and procedures to support ethical behavior. For compliance approvals and controls, Teva has four key tools, including:

- Activity approval tool for business colleagues to submit compliance-related activities, including interactions with government officials and healthcare professionals
- Monitoring system to identify and evaluate compliance-related activities, which GC&E analyzes to determine risks, trends and process improvements, and to develop monitoring plans
- Due diligence tool to manage third-party risk using a database of publicly available information and proprietary algorithms that can help identify and remediate risk
- Data privacy platform to manage data privacy risk, which allows Teva to process and control personal data appropriately

GC&E assesses sanctions and trade control risk using industry standard sanctions screening tools, and Teva evaluates third-party representatives before formal engagement. GC&E tracks and reports transfers of value to members of the healthcare community.



**Teva in Latin America, including Brazil, Mexico, Peru, Chile, Argentina and Uruguay,** hosted a compliance week during the World Cup, encouraging employees to share how they root for ethical behavior as part of Teva's compliance team.



**Teva's Code of Conduct** guides how our employees interact with each other and our business. It covers a broad range of topics and is aligned with anti-bribery and anti-corruption provisions of the US Foreign Corrupt Practices Act, UK Bribery Act and other national laws. It is also aligned with industry associations' codes of conduct, which govern interactions with healthcare professionals, healthcare organizations, patients, patient organizations, government officials and third parties. All employees are trained on and acknowledge our Code of Conduct when they join Teva and every two years thereafter. In 2022, 99.57% of active employees completed this training.

## Speak Up Culture

Our OBI investigates allegations of misconduct, empowers employees to speak up on issues of potential concern and provides Teva with information to remediate issues, improve internal processes and make decisions on disciplinary measures. The OBI also operates the Teva Integrity Hotline, through which anyone can report a concern. Employees are reminded that Teva prohibits retaliation.

Employees are also encouraged to speak with trusted supervisors, managers or the human resources team for questions or help making decisions. Some local compliance officers have implemented compliance days, during which employees can ask questions in interactive sessions.

Our Speak Up campaign educates employees about reporting concerns and the OBI's investigation processes. In 2022, our campaign included:

- Engaging visuals, including on lock screens, screensavers, plasma screens and Teva's intranet
- OBI case studies in the global employee newsletter
- Refreshed OBI case studies in the Culture of Integrity Resource Library
- Hotline links embedded directly in policies
- Video messages

Gartner's RiskClarity survey tool measures for Compliance Culture and Compliance Climate. Teva conducted this survey again in 2022, and the results indicated that employees trust Teva's Speak Up process. Teva has a target for 2022 to keep our Gartner global index score at parity with or greater than the external benchmark. In Gartner's 2022 RiskClarity survey, Teva's results were at parity (defined as +/-2 percentage points) with the benchmark for both Compliance Culture (72% for Teva vs. 74% benchmark) and Compliance Climate (82% for Teva vs. 83% benchmark).

## Training and Evaluation

It's important that our employees understand how to identify and properly manage compliance risks. In 2022, we trained employees on relevant compliance and ethics topics through global compliance training campaigns, as well as new hire training. Additionally, our Culture of Integrity Resource Library and OBI case studies support compliance, understanding and messaging.

Our leaders set the tone for our culture of integrity at Teva. In 2022, we extended and enhanced our mastery training with a four-hour session to equip senior leaders with skills for remediating compliance issues. Based on our Culture of Integrity Survey, our leadership identified areas for improvement to help ensure ethical behavior.



*Teva employees, Netherlands*

## Response to the Opioid Crisis

The abuse, misuse and diversion of opioids, whether illicit or legally prescribed, is a public health crisis around the world. We support health authorities and others in addressing this crisis and are committed to advocating for those struggling with opioid misuse.

In November 2022, Teva finalized the terms of the proposed nationwide opioid settlement. In January 2023, Teva confirmed participation from 49 of the 50 states and decided to move forward with the participation process of the subdivisions. Given the high participation rate from the states—and Teva’s settlements with Texas, Florida, Louisiana, Rhode Island, West Virginia, San Francisco and New York—we remain optimistic that a high participation rate in this nationwide settlement will be achieved, enabling us to move forward and continue to focus on the patients we serve every day.

## Responsible Sales and Marketing

We engage in marketing and promotional activities for our products in appropriate channels for relevant audiences such as healthcare professionals. We follow all relevant laws, regulations, Teva internal policies, globally defined standards and industry codes of conduct governing marketing and promotion of pharmaceutical products. Teva trains relevant employees on responsible sales and marketing and is committed to compliant, ethical and transparent practices. Promotional materials undergo regulatory review and approval.

Additionally, Teva’s GC&E department has governance over and provides advice to employees responsible for business development activities (including those that may include sales and marketing activities), including joint ventures, licensing counterparties, divestitures, acquisitions, partnerships and other business opportunities, with a focus on due diligence.

## Responsible Lobbying

We engage in open and direct dialogue with governments, trade and industry associations, nongovernmental organizations, scientists, healthcare professionals and patient groups on issues that support public policy related to healthcare, our company and our industry.



### Guiding Documents

[Teva’s Position on Government Affairs](#)

# Sustainable Procurement

Teva works with more than 48,000 suppliers, which means our impact on people and the world extends far beyond our own company. Together with our suppliers, we accelerate ESG performance across our value chain, including progress toward our environmental targets (see more in the [Environmental section](#)). We also stay abreast of laws and regulations that may impact our suppliers through our involvement in industry initiatives.

Sustainable procurement at Teva aims to embed ESG culture into our Global Procurement team's way of working. Our framework focuses on four pillars:

- ESG integration into Global Procurement sourcing activities
- Supplier screenings, assessments and audits
- Supplier education, engagement and governance
- Industry participation

## ESG Integration into Global Procurement Sourcing Activities

Teva integrates ESG into our procurement activities to ensure the suppliers we select are aligned with our values and goals. To participate in a request for proposal (RFP), suppliers must agree to comply with Teva's Supplier Code of Conduct. Our Purchase Orders Terms & Conditions and our contract templates also include clauses referring to our Supplier Code of Conduct.

In 2022, we integrated ESG criteria, including our first ESG Toolkit for Suppliers, into our RFP and Scoring Matrix Standard Template, which provides a data-based approach to support fair vendor selection. The toolkit provides an overview of ESG at Teva, including our vision, targets and expectations.

### Guiding Documents

- [Teva's Position on Responsible Supply Chain](#)
- [Teva's Supplier Code of Conduct](#)
- [Teva's Position on Human Rights](#)
- [Teva's Conflict Minerals Policy Statement](#)

### Governance

Our sustainable procurement strategy is defined by TGO, in alignment with Corporate ESG. The TGO Sustainability Task Force monitors and coordinates initiatives that deliver on several ESG targets, including those related to our supply chain. This task force is made up of various workstreams across Teva's business units, including procurement. In addition, all sustainable procurement commitments, strategies, policies, procedures and other business, including supplier relationships, are regularly reported and communicated at ESG Steering Committee and procurement ESG Steering Committee meetings. The development is coordinated through working groups.

Goals*	Progress	Status
Assess 100% of critical suppliers on ESG performance by 2025	56% of suppliers assessed	
Achieve bronze or higher score for more than 75% of critical suppliers in EcoVadis by 2025	46% have bronze or higher score	
Achieve silver or higher score for more than 50% of critical suppliers in EcoVadis by 2025	31% have silver or higher score	



Complete



In progress

\*This accounts for all assessments starting from 2017 when we engaged EcoVadis as our sustainability assessment provider.

## Supplier Screenings, Assessments and Audits

For the sixth consecutive year, Teva is using the EcoVadis sustainability assessment to evaluate suppliers' ESG performance and track and monitor corrective and preventive action plans (CAPAs) that are created for improvement and mitigation of ESG risks. In 2022, 56% of 522 critical suppliers were assessed by EcoVadis.

We continued annual audits of suppliers in compliance with the Pharmaceutical Supply Chain Initiative (PSCI), an audit program focused on ethics, labor, health and safety and environment. We have conducted six PSCI audits in 2022.

## Supplier Education, Engagement and Governance

In 2022, Teva's Chief Procurement Officer and Head of ESG wrote a letter to all suppliers describing their ESG responsibilities. We also hosted our first annual webinar for more than 140 strategic suppliers, delivering more than four sessions in collaboration with EcoVadis and Schneider Electric. Seventy of the suppliers invited to our webinar joined the Energize program, a sector-wide initiative organized by Schneider Electric that provides education and functional support on acting on climate change and accelerating renewable energy adoption, and completed Schneider Electric's Educational Series. The webinar focused on the following activities:

- Defining ESG, specifically as it relates to the pharmaceutical sector
- Describing the importance of ESG for Teva, Global Procurement and our third-party suppliers
- Familiarizing suppliers with Teva's ESG goals, sustainability-linked bond, commitments, policies and positions
- Learning about EcoVadis and its role in supporting Teva
- Introducing Schneider Electric's Energize program

For the first time, we also created a Global Procurement ESG Handbook for procurement employees to help boost their knowledge on ESG, targets and programs, and to help them better communicate our ESG expectations to suppliers.



*Teva employees, Ulm, Germany*

## Industry Participation

As a member of the PSCI and Responsible Health Initiative (RHI), Teva uses these initiatives to identify best practices, discuss issues and encourage coordination and education among other pharmaceutical companies and our supply chain. In 2022, Teva sponsored the Energize program to educate our suppliers on renewable energy. Leading by example, Teva is one of only two sponsor companies to join the first supplier cohort for a Power Purchase Agreement for renewable electricity, which will result in a potential aggregate of two terawatt-hours (TWh) of electricity demand in Europe and North America.

RHI is an organization powered by EcoVadis that supports health technology and pharmaceutical companies in accelerating supply chain sustainability. In 2022, we strengthened our partnership, helping to drive RHI's supplier network education about the importance of collecting, identifying and sharing greenhouse gas (GHG) emissions metrics with RHI member companies.

The RHI supplier network grew 28% from 2021, with a total of 2,906 companies willing to share their ESG performance with EcoVadis. Suppliers' average EcoVadis Sustainability Assessment performance increased by 2.6 points (to 45.6) across all themes, with the largest increase in environment and ethics (+2.7 points), making the average RHI supplier score better than the average of EcoVadis suppliers. A key 2022 goal was for 10% of RHI suppliers to disclose scope 1 and 2 emissions data. By the end of 2022, 8.6% of RHI suppliers disclosed at least one GHG emission metric.

## Supplier Diversity

Teva offers business opportunities for small and diverse organizations that have the capability and capacity to provide required goods and services and demonstrate geographic reach and scalability. Our US Supplier Diversity program carefully identifies areas of opportunity across a breadth of internal spend categories. We actively seek out potential suppliers for business opportunities and facilitate introductions with Teva's procurement category leaders.

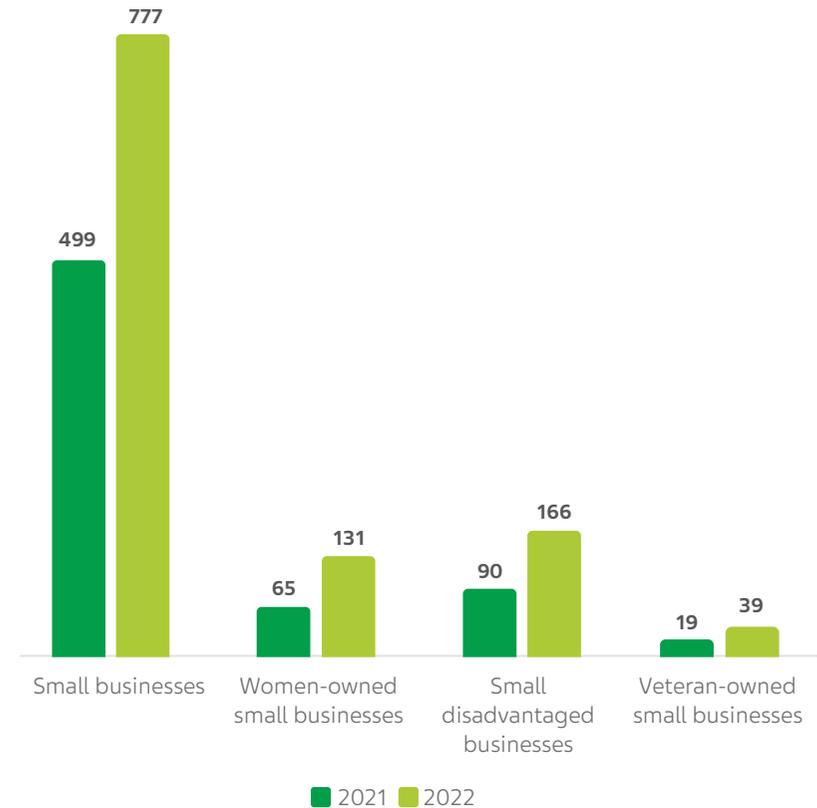
In 2022, we implemented a new supplier diversity management tool for current and prospective vendors to share their capabilities, allowing us to capture more small and diverse vendors. We also developed an online supplier diversity training module to educate key decision-makers—including sourcing teams in the US, officers with suppliers in the US and our Risk and Governance teams—about the importance of small business subcontracting and our annual goals. Approximately 87% of employees assigned to the training successfully completed it.

In the US, Teva's procurement spend with small and diverse businesses was more than 11.5% in 2022. We also increased representation of small and diverse businesses in our overall supplier base.

### Teva was a member of the following organizations in 2022:

- New York & New Jersey Minority Supplier Development Council (NYNJMSSDC)
- Women's Business Enterprise Council Metro New York (WBEC Metro NY)
- National LGBT Chamber of Commerce (NGLCC)
- Diversity Alliance for Science (DA4S)

### Supplier Diversity in the US



# Quality Manufacturing and Patient Safety

About 200 million patients rely on our more than 2,300 products every day, entrusting their health and well-being to us. It is our responsibility to provide them with safe, high-quality medicines.

## Quality Control

Quality is a primary focus at all 53 of our manufacturing facilities and entire business. We have a robust quality management system (QMS) and conduct quality testing with a broad set of analytical tools, equipment and methodologies across the full product life cycle—from development to the pharmacy shelf. We identify and investigate potential quality issues, always prioritizing patient safety.

Through our TrackWise QMS, we use our root cause analysis tools to conduct investigations in the QMS. We work together with local health authorities on potential recalls, sharing the root cause investigation, discussing the risk to the patient and determining with the local authority the appropriate market action.

Teva assesses global manufacturing providers to determine adherence to Good Manufacturing Practice (GMP) requirements and our own quality standards. We have qualification, monitoring and quality oversight programs for our suppliers, who must meet regulatory standards for quality and compliance.

Teva's certification program is also used to qualify vendors of GxP (Good Practices) goods and services. Vendors can include contract manufacturers, packagers, finished raw material suppliers, finished active pharmaceutical ingredient (API) suppliers, finished printed materials and components, warehousing and distribution centers. These suppliers and service providers are evaluated by multiple factors, such as a completed vendor questionnaire, acceptable standing with local regulator(s), material performance and analytical test results, as well as Teva GxP audit outcomes that also include the evaluation of our supplier's vendor qualification program—our Teva Global Quality Audit team performs approximately 800 audits a year.

### Guiding Documents

[Teva's Position on Quality Manufacturing](#)

[Teva's Position on Patient Safety](#)

### Governance

Quality compliance is the responsibility of the Senior Vice President of Global Quality and the Chief Quality Officer, who ensures the design, implementation and continuous improvement of Teva's QMS.

Teva's Global Quality Leadership Team is responsible for facilitating the development and implementation of the Global Quality Strategy across Teva.



*Teva employees, Ulm, Germany*

## Management of Counterfeit Medicines

Counterfeit medicines can be harmful, as they may contain no APIs, an incorrect amount of APIs and/or other contaminants, which means a patient may be exposed to harmful or toxic ingredients and may not receive the needed treatment.

We keep our supply chain secure, educate about warning signs and potential impacts of counterfeits and implement technologies and systems to help identify and mitigate suspected counterfeits globally. Our Counterfeit Event Response team coordinates and documents all counterfeit medicine activities. The Quality Assurance (QA) unit quarantines any suspect or illegitimate product within Teva's possession or control until products are cleared or removed from the supply chain, and we assist trading partners with removing products not controlled by Teva.

Teva's Global Corporate Security (GCS) unit carefully manages the security of our supply chain through strict policies and procedures designed to keep the legitimate drug distribution system safe and secure. Our GCS unit also monitors illicit online sales and counters the illegal internet sales of counterfeit, substandard and/or unsafe medicines to protect the public. The GCS unit established a dedicated Product Security team, which adopts a holistic loss prevention and anti-counterfeiting approach to protect patients and preserve trust in our medicines.

**Teva's anti-counterfeiting internal policy** mandates the establishment of a Global Anti-Counterfeiting Oversight Committee, which will meet quarterly to review anti-counterfeit controls, counterfeit-related risks and mitigation plans. The Oversight Committee includes representatives from GCS, GQA, Local Security Unit(s), Legal, Government Affairs, Commercial, Supply Chain, Teva Global Operations, Risk Management and other functions, as appropriate.

Teva's Global Quality Operations team coordinates with the Oversight Committee on preparing for and managing counterfeiting threats.

## Partnerships to Address Counterfeit Medicines

Addressing the root cause of substandard and falsified medicines requires cooperation from the whole industry.

Teva is one of 39 members of the Pharmaceutical Security Institute (PSI), a not-for-profit membership organization dedicated to protecting public health, increasing awareness of counterfeit medicines and initiating enforcement actions through authorities. Teva's GCS unit participated in PSI's Disruption 2022 (D-22), a special project to prevent the illicit online sale of counterfeit, substandard and/or unsafe medicines. D-22 resulted in the identification and removal of more than 1,206 websites, 2,800 social media posts and 3,200 marketplace listings—and included five Teva brands. BrandShield, an online threat detection company, conducted another special project in 2022, which resulted in the removal of an additional 11 websites, 43 social media posts and 6,500 marketplace listings—and included four more Teva brands.

Various methods and technologies help us maintain traceability of our products throughout the supply chain and prevent counterfeiting. In the European Union (EU), Russia and the US, products are validated against the National Medicines Verification System using a unique identifier that allows for tracing throughout the supply chain.

**Teva is a member of React**—a not-for-profit organization with more than 30 years of experience and more than 315 business members across industries. React provides support with customs protection, market monitoring and online enforcement to fight the trade of counterfeits.

## Patient Safety

Our Global Patient Safety and Pharmacovigilance (PV) unit continuously assesses the benefit and risk profiles of all our products, implementing measures to minimize risk, as needed.

In 2022, our Global Patient Safety and PV unit reviewed around 42,000 drug-event combinations and more than 160,000 literature abstracts to determine new potential risks. Results were included in 1,600 aggregate safety reports and shared with health authorities per local requirements. We initiated safety label updates for more than 300 products and implemented 270 additional measures (e.g., educational materials for patients and healthcare providers) to improve the safety of our products. We constantly review the safety of the entire Teva portfolio and clinical trial pipeline. Teva did not receive any penalty, fine or warnings regarding noncompliance concerning the health and safety impacts of our medicines.

Teva maintains Company Core Safety Information (CCSI) for our medicines, updating documents when new risks are detected and changing safety labels as required. We describe product composition and potential health impacts for every medicine in our package leaflets and in the Summary of Product Characteristics or similar documents for healthcare professionals. We also provide additional educational materials demonstrating how to use products safely, how to identify, avoid and/or minimize health risks, and how to improve treatment outcomes. All employees are required to complete our patient safety trainings, which cover communication and reporting protocols for rapidly collecting and sharing safety information. Training on adverse events (AE) collection and reporting is completed by new employees in their first month, and mandatory patient safety refresher trainings for all employees are conducted annually to ensure continuous compliance.

For our external products and services, a Global Good Vigilance Practice (GVP) audit program is prepared annually using a defined risk-based approach. The program consists of audits of third parties' patient safety management and is conducted by qualified Teva auditors or by external consultants at Teva's request.

To harmonize and improve the quality of post-approval safety data management globally, Teva is contributing to the revision of the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) E2D (Post Approval Safety Data Management: Definition and Standards for Expedited Reporting E2D).

## PV System

To ensure our products are used by patients safely, Teva has a PV system that includes procedures, audits, deviation management, monitoring activities (metrics/governance) and training. The system evaluates and coordinates a timely and controlled response to relevant information, and metrics are regularly reviewed by senior experts and/or governance boards to define our actions for further improvement. PV audits are conducted by an internal team of independent PV auditors and external companies specializing in performing these audits. The PV system is reviewed and assessed for compliance with internal and external regulations.

Utilizing advanced computer systems and the review of expert physicians and pharmacists, our Global Patient Safety Network quickly identifies and mitigates any possible new safety signal, providing information on a potential new or known AE that may warrant further investigation. If a new safety signal is identified, this system ensures it is addressed in a timely manner to minimize patient risks. Case reports are reported to global health authorities for independent review and assessment, per legal requirements.



**Teva Netherlands** developed the [MijnGiB](#) service to help all patients and their healthcare professionals safely use our medicines. MijnGiB provides clear instructions on drug use through pictures and large text, including dosage, language translations and any contraindications or warnings. This service is free, available in Dutch, English, Turkish, Arabic and Polish, and used by more than 500 pharmacies to date. In 2023, we will expand this service to more languages.

### EU PV Activities in 2022:

- Member of European Federation of Pharmaceutical Industries and Associations (EFPIA) PV working groups for patent-protected products
- Chair of Medicines for European PV working group for generic products
- Representative of Medicines for Europe (MfE) at 17th Industry Stakeholder Platform, presenting on cross-company and cross-country harmonization of patient safety improvements and risk minimization measures

# Data Privacy and Security

Teva protects the privacy of our patients, customers, employees, vendors and others. We handle all personal data responsibly, and we continuously evaluate and adapt our information security efforts based on the latest standards.

## Data Privacy

Teva's privacy team provides policies, procedures and tools, such as a data privacy intranet, to guide employees involved in processing personal data, and local teams support implementation of our data privacy program. All of our regions have a Regional Data Privacy Compliance representative, and our European region has supplemented this role with a Data Privacy Legal representative. These representatives support the implementation of our data privacy program.

Teva's data privacy governance manages data privacy principles that include General Data Protection Regulation (GDPR) principles, data incident and breach reporting and individual rights (data subject rights). The most recent employee training on this governance took place in November 2022.

In 2022, we enhanced our external privacy support to improve Teva's data privacy:

- A law firm in Europe offers consistent aligned advice across our European countries.
- A data privacy management firm in the US helps with research and development (R&D) privacy assessments and optimization of our OneTrust tool, an industry standard, where business colleagues processing personal data can assess, remediate and document data privacy risk.
- Our external privacy program manager in Israel expands privacy tactical and operational goals.

In addition, Teva's cross-functional Global Privacy Steering Committee looks for ways to improve existing privacy controls and scans for new privacy risks to eliminate, minimize or remediate them, meeting at least twice per year. We also established a process to ensure GDPR-required Standard Contractual Clauses are in vendor contracts where EU data may be transferred outside the jurisdiction and protection of the GDPR.

### Guiding Documents

#### [Teva's Global Data Privacy Policy](#)

Teva's Global Privacy Incident and Breach Reporting Policy (internal)

Teva's Global Individual Rights Policy and Procedure (internal)

### Governance

Led by the Global Privacy Officer, the Global Privacy function reports to the Chief Compliance & Ethics Officer. The Global Privacy Officer leads a team of regional privacy professionals and Teva's Privacy Steering Committee. The Committee is cross-functional and sets privacy goals and priorities for the company. Regional Privacy Compliance Officers and local teams support the implementation of Teva's Privacy Program. The Information Technology Security Evaluation Criteria (ITSEC) team is responsible for monitoring, overseeing and verifying information technology (IT) security compliance on a regular basis. Teva's Internal Audit function periodically audits the cybersecurity department.

Goals	Progress	Status
Train 100% <sup>7</sup> of Teva employees that may process or control personal data on Teva's privacy policies by 2022	99.41% of active employees trained	



Complete



In progress

<sup>7</sup> Teva's compliance training goals are 95% completion after training campaigns are assigned and 100% year-end completion (within -1% for employees on leave).

## Data Security

We conduct multiple assessments of our data security processes, and we manage the findings, as well as timeliness and mitigation processes, through our central risk management system.

All Teva IT infrastructure is certified by ISO 27001, the international standard for information security management. We have more than 30 approved information security policies and standards to protect against threats to data confidentiality, integrity and availability. All employees participate in cybersecurity trainings, monthly phishing testing and internal drills.

We have established a new liaison forum that supports different business units in their project life cycles, as well as a breach and attack simulation (BAS) platform to identify gaps, remediate misconfigurations and optimize performance against a rapidly increasing threat landscape. This allows us to test the effectiveness, and conduct continuous automated validation, of our security controls and identify potential vulnerabilities.

Our global security operations center (GSOC) is available 24 hours, seven days a week to respond to security-related incidents, and we monitor and respond to any potential cybersecurity incidents using advanced tools, such as endpoint detection and response (EDR) and extended EDR (XDR). We intend to further implement data loss prevention (DLP) strategies and pilot a new service for identifying IT vulnerabilities and data leakage incidents.

**Our cloud security information and event management (SIEM) solution and smart cloud governance** were established in 2022 to handle data and respond to security incidents more efficiently on a unified platform. The smart cloud governance defines, implements and monitors a framework of policies that guide our cloud operations.



*Teva employees, Netherlands*

# Disclosures



Global Reporting Initiative (GRI)  
Content Index

Sustainability Accounting Standards  
Board (SASB) Index

UN Global Compact Principles

Task Force on Climate-Related  
Financial Disclosures (TCFD)



*Teva employee, Parsippany, New Jersey - US*

# About This Report

## 2022 Reporting

This report describes our key actions to advance environmental, social and governance (ESG) in 2022. It complements information contained in our [2022 Annual Report on Form 10-K](#).

Teva has reported in accordance with the Global Reporting Initiative (GRI) Standards for the period of January 1 to December 31, 2022, as well as some 2023 initiatives that were a result of efforts made in 2022. GRI reporting principles have been applied in compiling this report. This report fulfills our commitment to submitting an annual Communication on Progress to the United Nations Global Compact and reaffirms our commitment to embedding its principles across our business. For the third time, Teva is reporting per the Sustainability Accounting Standards Board (SASB) standards. As a pharmaceutical company, we have included disclosures related to the Biotechnology & Pharmaceuticals SASB industry standards. On a global level, reporting is done on a voluntary basis to address the topics important to our business and stakeholders. In specific operations, this report is used to comply with non-financial disclosure requirements.

This report was externally assured by DNV, as specified in the Assurance Statement, based on limited assurance level according to the International Standard on Assurance Engagements (ISAE) 3000. For more information, please see pages 65-67. External verification of greenhouse gas (GHG) emissions data was carried out for the eighth time. Teva 2022 scope 1 and 2 GHG inventory has been verified in accordance with ISO 14064-3:2006 by SGS, with limited assurance. The full verification statement can be found [here](#).

Please contact Amalia Adler-Waxman, Senior Vice President, Global Head, ESG, with any feedback or suggestions at [ESG@teva.co.il](mailto:ESG@teva.co.il).

## Independent Assurance Statement

Teva Pharmaceutical Industries Ltd (“Teva”) commissioned DNV Business Assurance Italy S.r.l. (“DNV”, “we”, or “us”) to undertake independent assurance of a sub-set of the information disclosed in the company’s ESG Progress Report (the “Report”) for the year ended 31<sup>st</sup> December 2022.

### Scope and Approach

We performed our work using DNV’s assurance methodology VeriSustain™, which is based on our professional experience, international assurance best practice including the International Standard on Assurance Engagements 3000 – Revised (“ISAE 3000”), and the Global Reporting Initiative (“GRI”) Sustainability Reporting Standards. We evaluated the Report for adherence to the GRI 1 principles for ensuring the quality and proper presentation of the reported information (the “Principles”).

### Performance Data and Information

The scope of our work covers the following 2022 disclosures (“Performance data and information”) from the Report:

#### Stakeholder engagement, materiality and reporting practice:

- GRI 2-2 Entities included in the organization’s sustainability reporting
- GRI 2-29 Approach to stakeholder engagement
- GRI 3-1 Process to determine material topics
- GRI 3-2 List of material topics
- GRI 3-3 Management of material topics

#### Employee information and diversity:

- GRI 2-7 Employees
- GRI 2-8 Workers who are not employees
- GRI 2-30 Collective bargaining agreements
- GRI 401-1 New employee hires and employee turnover
- GRI 405-1 Diversity of governance bodies and employees

#### Water and effluents:

- GRI 303-1 Interactions with water as a shared resource
- GRI 303-2 Management of water discharge-related impacts
- GRI 303-3 Water withdrawal
- GRI 303-4 Water discharge
- GRI 303-5 Water consumption

#### GHG emissions\*:

- GRI 305-3 Other indirect (Scope 3) GHG emissions

### Responsibilities of Teva and of the Assurance Providers

Teva has sole responsibility for the preparation of the Report. Our statement represents our independent opinion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Assurance Statement.

DNV’s assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

### Level of Assurance

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our Assurance Opinion. We are providing a “limited level” of assurance. A “reasonable level” of assurance would have required additional work at Group and site level to gain further evidence to support the basis of our Assurance Opinion.

(\* ) Assurance carried out with reference to all Scope 3 emissions’ categories applicable to TEVA.

**Access to medicines\*\*:**

- KPI 1.a: Number of regulatory submissions across six key therapeutic areas (TAs)
- KPI 1.b: Product volume through four access to medicine programs, including donations and social business across six key TAs

**Occupational health & safety:**

- GRI 403-1 Occupational health and safety management system
- GRI 403-2 Hazard identification, risk assessment, and incident investigation
- GRI 403-3 Occupational health services
- GRI 403-4 Worker participation, consultation, and communication on occupational health and safety
- GRI 403-5 Worker training on occupational health and safety
- GRI 403-6 Promotion of worker health
- GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
- GRI 403-8 8 Workers covered by an occupational health and safety management system
- GRI 403-9 Work-related injuries
- GRI 403-10 Work-related ill health

**Economic Impact\*\*\*:**

- Teva's economic contribution data (direct and spillover):
  - Jobs generated
  - Gross Domestic Product (GDP) contribution
  - Labor income generated
- Generic and Biosimilars' Drug Savings Analyses: savings attributable to Teva at the national level and global level

(\*\*) Assurance carried out with reference to the information presented in TEVA's Sustainability-Linked Financing Framework.

(\*\*\*) Assurance carried out with reference to TEVA's methodology developed in partnership with an external partner.

We evaluated the Performance data and information using the GRI 1 Reporting principles to ensure the quality and proper presentation of the reported information (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability) together with Teva's data protocols for how the data are measured, recorded and reported.

The review of any data from prior years is not within the scope of our work (this includes any data in scope in previous years that has been re-stated).

**Independence**

DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. We have no other contract with Teva.

**DNV Business Assurance**

DNV Business Assurance Italy S.r.l. is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnv.com](http://www.dnv.com)

## Basis of Our Opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at Group level. We undertook the following activities:

- Review of the current sustainability issues that could affect Teva and are of interest to stakeholders;
- Review of Teva's approach to stakeholder engagement and recent outputs;
- Review of information provided to us by Teva on its reporting and management processes relating to the Principles;
- Interviews with selected Subject Matter Experts and senior managers responsible for management of sustainability issues and review of selected evidence to support issues discussed;
- Virtual site visits to Salt Lake City (US), Santhià (Italy), Savski Marof (Croatia) and Tel Aviv (HQ, Israel) to review process and systems for preparing site level sustainability data and implementation of sustainability strategy. We chose the sites based on their contribution to Water & Effluents and Safety KPIs disclosed in Teva's ESG Progress Report, their location, and previous site-visits performed;
- Review of supporting evidence for key claims in the Report. Our checking processes were prioritised according to materiality, and we based our prioritisation on the materiality of issues at Group level; and
- Review of the processes for gathering and consolidating the selected Performance data and, for a sample, checking the data consolidation.

## Our Opinion:

- Based on the work undertaken, nothing came to our attention to suggest that the Report does not properly describe Teva adherence to the Principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability.
- In terms of quality of the Performance data and information, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate.

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For and on behalf of DNV Business Assurance Italy S.r.l.  
Vimercate (MB), Italy  
May 8<sup>th</sup> 2023



**Riccardo Arena**  
Lead Assessor



**Alessia Segalini**  
Assessor



**Laura Ierardi**  
Reviewer

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This 2022 Environmental, Social and Governance Progress Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are based on management's current beliefs and expectations and are subject to substantial risks and uncertainties, both known and unknown, that could cause our future results, performance or achievements to differ significantly from that expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include risks relating to:

- our ability to impact and effectively execute on our social, economic, environment and governance related strategies and goals; environmental risks; failure to comply with applicable environmental laws, health and safety laws and regulations worldwide; our ability to satisfy the targets set forth in our sustainability-linked senior notes and in other sustainability-linked financing instruments that we may issue; the impact of ESG issues on our business; and consequences of climate change;
- our ability to successfully compete in the marketplace, including: that we are substantially dependent on our generic products; concentration of our customer base and commercial alliances among our customers; delays in launches of new generic products; the increase in the number of competitors targeting generic opportunities and seeking US market exclusivity for generic versions of significant products; our ability to develop and commercialize biopharmaceutical products; competition for our innovative medicines, including AUSTEDO®, AJOVY® and COPAXONE®; our ability to achieve expected results from investments in our product pipeline; our ability to develop and commercialize additional pharmaceutical products; and the effectiveness of our patents and other measures to protect our intellectual property rights;
- our substantial indebtedness, which may limit our ability to incur additional indebtedness, engage in additional transactions or make new investments, may result in a further downgrade of our credit ratings; and our inability to raise debt or borrow funds in amounts or on terms that are favorable to us;
- our business and operations in general, including: the impact of global economic conditions and other macroeconomic developments and the governmental and societal responses thereto; the widespread outbreak of an illness or any other communicable disease, or any other public health crisis; effectiveness of our optimization efforts; our ability to attract, hire, integrate and retain highly skilled personnel; manufacturing or quality control problems; interruptions in our supply chain; disruptions of information technology systems; breaches of our data security; variations in intellectual property laws; challenges associated with conducting business globally, including political or economic instability, major hostilities or terrorism; costs and delays resulting from the extensive pharmaceutical regulation to which we are subject; the effects of reforms in healthcare regulation and reductions in pharmaceutical pricing, reimbursement and coverage; significant sales to a limited number of customers; our ability to successfully bid for suitable acquisition targets or licensing opportunities, or to consummate and integrate acquisitions; and our prospects and opportunities for growth if we sell assets;
- compliance, regulatory and litigation matters, including: failure to comply with complex legal and regulatory environments; increased legal and regulatory action in connection with public concern over the abuse of opioid medications and any delay in our ability to obtain sufficient participation of plaintiffs for the nationwide settlement of our opioid-related litigation in the United States; scrutiny from competition and pricing authorities around the world, including our ability to successfully defend against the US Department of Justice criminal charges of Sherman Act violations; potential liability for intellectual property right infringement; product liability claims; failure to comply with complex Medicare and Medicaid reporting and payment obligations; and compliance with anti-corruption, sanctions and trade control laws;
- other financial and economic risks, including: our exposure to currency fluctuations and restrictions as well as credit risks; potential impairments of our long-lived assets; the impact of geopolitical conflicts including the ongoing conflict between Russia and Ukraine; potential significant increases in tax liabilities; and the effect on our overall effective tax rate of the termination or expiration of governmental programs or tax benefits, or of a change in our business;

and other factors discussed in our Quarterly Report on Form 10-Q for the first quarter of 2023 and in our Annual Report on Form 10-K for the year ended December 31, 2022, including in the sections captioned "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" and under similar captions in our other reports that we file with the US Securities and Exchange Commission. Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statements or other information contained herein, whether as a result of new information, future events or otherwise. You are cautioned not to put undue reliance on these forward-looking statements.