



Teva 2019
Environmental,
Social and
Governance
Progress Report

teva

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A Message from Our President & CEO, Kåre Schultz

As I write this, we are in the midst of an unprecedented health crisis—one that has impacted the lives of so many around the world. This global emergency highlights the importance of our industry and Teva's essential role in providing high quality medicines. We are collaborating with governments and health services to support emerging needs. At the same time, we are keeping all of our employees fully employed and safeguarding their well-being as they work diligently to ensure the safe supply of our medicines to the nearly 200 million patients who depend on us every day.

Our response at this challenging time is just one example of how we increase access to quality, affordable treatments and contribute to communities across the globe. This work is only possible because of our commitment to operate responsibly, ethically and transparently.

For us, Environmental, Social and Governance (ESG) means working to improve the health of our patients and communities while running an accountable business. It is embedded throughout our operations. This year, our ESG Progress Report outlines our efforts and includes new disclosures and goals, external validations and clear alignment with global health priorities. Highlights from 2019 include:

- **Environmental:** Reduced greenhouse gas emissions by 17% from 2017 and implemented our Environment, Health and Safety Management System (EHSMS) across 93% of our sites
- **Social:** Received more than 1,000 approvals for new generic medicines, donated \$246 million worth of medicines to patients across the globe and partnered to address childhood cancer medicine shortages by supplying 17,000 vials of 13 medicines in Ethiopia
- **Governance:** Trained more than 15,000 employees on eight ethical behavior topics using an innovative and engaging format and published policies on Access to Medicines and Expanded Access Programs

This progress was bolstered by solid financial performance, as we completed our two-year restructuring plan to build a strong and sustainable future for Teva. Looking to the future, we will continue to advance our ESG efforts to create value for our investors, employees and many stakeholders. We will strive for full compliance, while demonstrating integrity, ensuring the quality of our medicines and keeping patients at the heart of what we do.



A handwritten signature in black ink, appearing to read 'K. Schultz', positioned below the portrait.

Kåre Schultz

President & CEO
Teva Pharmaceutical
Industries Ltd.

About Teva

- We are the **world's leading provider of generic medicines**, with an **innovative portfolio, including specialty medicines and biosimilars**.
- Our mission is to be a **global leader in generics and biopharmaceuticals**, improving the **lives of patients**.
- We are **headquartered in Israel**, where Teva was founded in 1901.
- We specialize in developing, manufacturing and delivering quality, affordable **generic medicines**, as well as **innovative and specialty pharmaceuticals, over-the-counter healthcare products** and **active pharmaceutical ingredients** that we supply to industry peers.
- We are led by **Kåre Schultz, President & CEO**. Our Board of Directors is chaired by Dr. Sol J. Barer and includes 10 additional directors.
- We have a presence in **60 countries**, with **65 manufacturing facilities**.
- We are publicly traded on the **New York Stock Exchange (NYSE: TEVA)** and the **Tel Aviv Stock Exchange (TASE: TEVA)**.



In 2019



Employed
39,288
individuals



Manufactured **73 billion**
tablets and capsules and
753 million sterile units



Had a net
revenue of
\$16.89 billion USD



Had a market
capitalization of
\$10.86 billion USD

Our Portfolio



Central Nervous System



Oncology



Respiratory

Generic Medicines



1,800 molecules



12-20% of all prescriptions
in markets around the world



Supplied to all
**leading pharmaceutical
companies** for clinical trials

Environmental, Social and Governance at Teva

Our Approach


At Teva, we seek to align our corporate resources and expertise with relevant areas of global health and social need and conduct our business responsibly. We are dedicated to promoting the health of patients and increasing access to treatment, while cultivating a culture of compliance, ethics and transparency. Our strategy is grounded in key environmental, social and governance (ESG) topics and reflects our efforts to contribute to healthy communities and lead a responsible business. Each year, we publish a report to highlight our efforts in these areas and share our performance and stories with our stakeholders, including our employees, investors and the global health community.

Our activities are overseen by the Compliance Committee of our Board of Directors, which provides direction on the company's policies and practices for complying with laws, regulations and internal procedures. In August 2019, Teva conducted a dedicated session on ESG for our Board of Directors.

This report is organized according to the topics material to our business. For more information on our 2019 material issues and our latest materiality assessment update, see our material topics in our complete [2019 ESG Progress Report](#).

Commitment to Sustainable Development Goals

In 2015, the United Nations implemented 17 Sustainable Development Goals (SDGs) as part of the [2030 Agenda for Sustainable Development](#). The goals create a blueprint to end poverty and hunger, maintain a sustainable environment and spread peace and good fortune to all people. With a mission focused on improving health, Teva inherently supports the SDGs.



At its core, our business contributes to **Goal 3: Good Health and Well-Being**. We are the world's leading provider of generic medicines and the leading supplier of medicines on the World Health Organization (WHO) Essential Medicines List (EML), which includes treatments that address key health needs.

Teva's work is centered on advancing the health and wellness of our patients. Beyond developing new medicines, we donate treatments to those in need and protect and promote the well-being of our employees and communities. We also focus on addressing SDG 3.4 to reduce premature mortality from non-communicable diseases (NCDs), and in the past few years, we have focused specifically on patients with multiple chronic conditions (MCC).

We also support several other SDGs, which are highlighted in each chapter of this report. Some of these include:



2019 ESG Highlights

Our Patients

Expanded portfolio of quality medicines worldwide

25 approvals for innovative specialty medicines

1,000+ approvals for generic medicines

\$1B+ invested in research and development

- \$246M* worth of medicines donated to patients
- Launched **resources** for those who support patients, including **tools for pharmacists** and **caregiver programs** in **7 countries**
- 4 additional clinics selected for Enhancing Access2Care to develop creative strategies to prevent and treat chronic conditions
- 3 awards for increasing access to medicine, public health leadership in addressing multiple chronic conditions and partnering to deliver essential medicines

*WAC

Our People

93% of sites implemented global Environment, Health and Safety Management System

Best-recorded employee safety performance

- 11% reduction in total recordable injury rate
- 23% improvement in lost time injury rate
- 4% improvement in total lost workdays

46% of management positions held by women

19,200+ employees acknowledged in first year of global recognition program

82% of employees completed annual survey

Our Planet

Reduced:

- 17% greenhouse gas emissions by 2017
- 13% total waste by 2018
- 6% total energy consumption by 2018

Our Protocols

- 15,000+ employees trained on 8 key ethical behavior topics
- 4 policies and positions published on Clinical Trial Transparency & Disclosure, Access to Medicines, Animal Welfare and Expanded Access Programs
- 140 new suppliers under EcoVadis risk mitigation framework, which helps monitor supply chain sustainability

Our Performance

2020 AMR Benchmark from Access to Medicine Foundation

37% improvement from 2018

FTSE4Good

88th percentile for sub-sector

ISS QualityScore

Highest score for environmental and social performance

Sustainalytics

Top 14% of pharmaceutical companies

Dow Jones Sustainability Index

55th percentile, compared to 40th in 2017

Our Economic Impact

Teva's first-ever [Global Economic Impact Report](#) highlighted the billions of dollars in savings from Teva's generic medicines and the contributions of our economic activity to jobs, gross domestic product (GDP) and labor income. The report was based on an independent analysis conducted in 2019 by Matrix Global Advisors, a Washington DC-based economic policy firm. It reviews Teva's economic impact in 2018 in 19 of the 60 countries in which we operate, which represent 77% of Teva's global workforce and 85% of our direct economic activity.

Teva's generic medicines were responsible for **\$54.6 billion** in savings across 18 countries, including:

- **\$41.9 billion** in the US, including **\$5.9 billion** in out-of-pocket costs to patients
- **\$8.6 billion** across 12 European countries
- **\$400 million** in Israel

Across 19 countries, Teva's economic activity:

- Supported nearly **230,000** direct and indirect jobs
- Contributed **\$50.7 billion** to GDP, including **\$15.0 billion** in the US and **\$3.0 billion** in Israel (nearly 1% of Israel's total GDP)
- Generated **\$10.0 billion** in labor income

Teva Global Economic Impact Report



January 2020



Contributing to Healthy Communities

Health is what we study in our labs; it is the foundation of our business and what we ultimately want for every patient we serve. Teva increases access to quality, affordable medicines, and we are always striving to manufacture and develop new treatments for our patients. As our world grows more dynamic, we are faced with new health challenges, many of which Teva is uniquely positioned to address. We dedicate ourselves to improving the health of people across the globe, while also supporting individuals in improving their own health.



Access and Affordability



Our social and business goals are united by a commitment to bring more treatments to more people in more countries at affordable prices. We manufacture more than 3,500 drug products, but we know those products are only valuable if the patients who need them can access them. As the world's leading provider of generic medicines, Teva makes it possible for more people around the world to afford quality medicines. We also form partnerships to improve access, provide assistance to alleviate patients' financial burdens, donate medicines to those in need, participate in global health tenders and respond to urgent drug shortages. [Teva's Position on Access to Medicines](#) was published in 2019 and outlines our commitment to enabling better access for patients around the world.

Expanding our generics pipeline

With more than 1,150 generic medicines in our development pipeline, supplying affordable medicines is a fundamental way we contribute to improving access to medicines. As highlighted in the [Teva Global Economic Impact Report](#), Teva's generic medicines were responsible for nearly \$55 billion in savings across 18 countries in 2018. In 2019, we launched new generic medicines and received more than 1,000 approvals for generic medicines around the world. Below are some highlights.

- **Generic version of EpiPen® (Epinephrine Injection, USP) in the US**, Epinephrine Injection (Auto-Injector) is a prescription medicine in a disposable auto-injector used to treat life-threatening, allergic emergencies, including anaphylaxis, in people who are at risk for, or have a history of, serious allergic emergencies.
- **Generic version of Gilenya® (Teva-Fingolimod) in Canada**, a monotherapy for the treatment of patients with the relapsing-remitting form of multiple sclerosis (MS). Canada has the highest prevalence of MS in the world, with more than 77,000 cases in the country.¹
- **Octreo-ratiopharm in Germany**, the only available generic alternative to octreotide containing long-acting release injection in Germany. Octreo-ratiopharm is for the treatment of acromegaly, a disease in which the pituitary gland produces too much growth hormone, and of gastro-entero-pancreatic endocrine tumors, which arise from cells in the gut that release hormones that control various functions of the digestive system. Given the highly complex development, this is a significant achievement, which saved the healthcare system in Germany \$8.8 million in 2019.

¹ Government of Canada. 2019. What is Multiple Sclerosis?. Available: <https://www.canada.ca/en/public-health/services/chronic-diseases/multiple-sclerosis.html> (Accessed September, 2019)

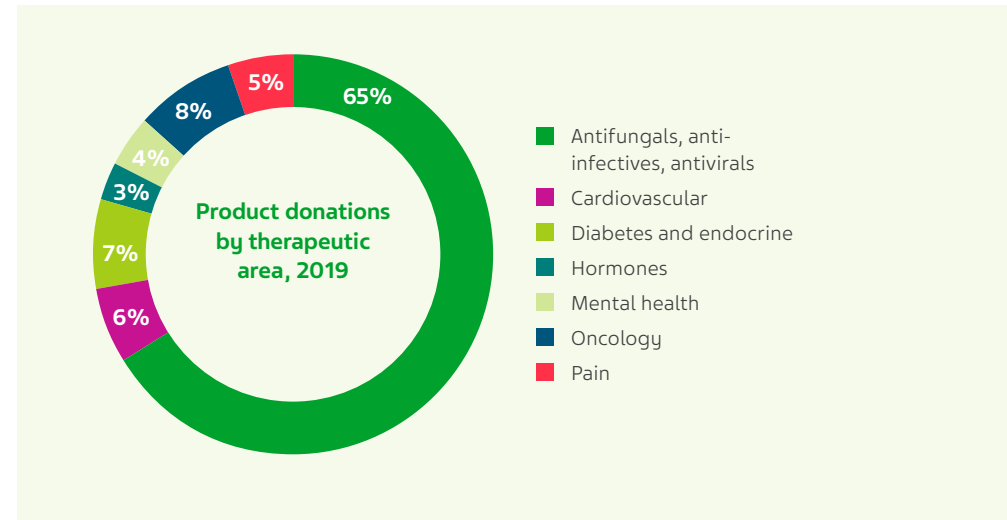


Donating medicines to patients around the world

Even affordable medicines may not be accessible to the most disadvantaged populations. Teva has collaborated with key partners for decades to get medicines to those in need, often in countries where Teva does not have a presence. In 2019, Teva donated 2.7 million packages of medicines to patients around the world, valued at \$246 million. Our donated medicines covered various therapeutic areas, including chronic health conditions, such as cardiovascular disease, diabetes, mental health and pain, as well as antifungals, anti-infectives and antivirals.

Teva's donation partners help enable access to Teva medicines. Teva has partnered with Operation Blessing for years to provide free medical services. Through four strategic approaches, medical brigades, community health volunteers, rural clinics and in-country hospitals, Operation Blessing supplies basic medicines and critical medical supplies. In 2019, Teva provided more than 97,000 units of medicines to 47 different institutions across El Salvador, Guatemala, Haiti and Honduras.

Teva has partnered with Direct Relief and Global HOPE (Hematology-Oncology Pediatric Excellence), a program of Texas Children's Hospital, to enable access to medicines in sub-Saharan Africa, where an overwhelming majority of children with cancer and hematologic diseases do not survive. While more than 80% of children with cancer are cured in high-income countries, only about 20% are cured in many low- and middle-income countries!¹ Global HOPE will determine how much medicine is needed at its clinics in Malawi, and Direct Relief will safely transport Teva medicines.



Teva received **eye for pharma's 2019 Most Valuable Collaboration Award** for our partnership with Direct Relief, reflecting patient and health professional recognition of our work to improve access to medicines.

¹ Gupta S, Howard SC, Hunger SP, et al. Treating Childhood Cancer in Low- and Middle-Income Countries. In: Disease Control Priorities, volume 3. <http://dcp-3.org/chapter/900/treating-childhood-cancers-low-and-middle-income-countries>; Howard SC, Zaidi A, Cao X, et al. The My Child Matters programme: effect of public-private partnerships on paediatric cancer care in low-income and middle-income countries. *Lancet Oncol.* 2018;19(5):e252-e266.

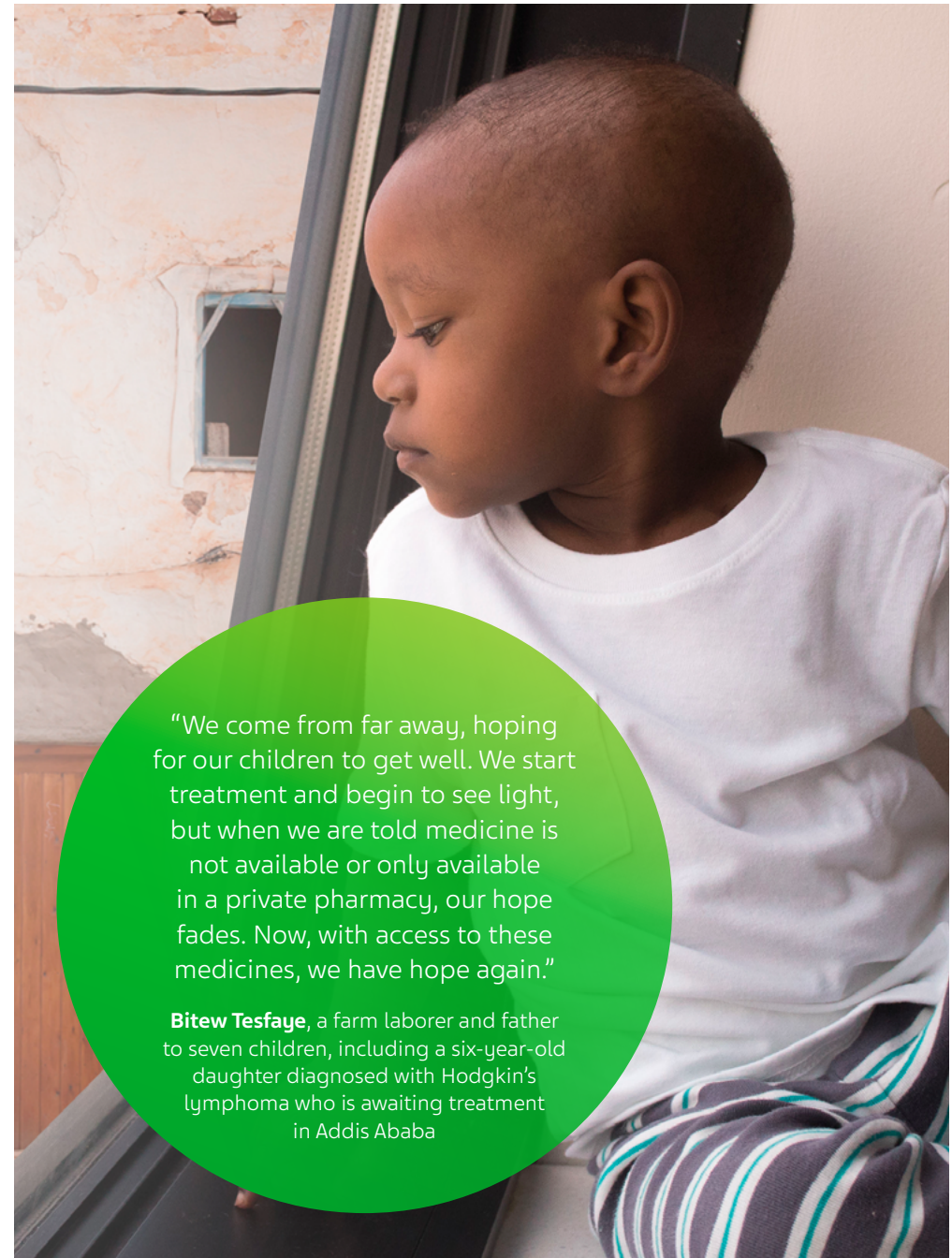
Supplying essential medicines to children in times of need

Drug shortages can leave patients without access to critical treatments. They can occur for many reasons, such as delays, discontinuations or manufacturing problems. With a medicine cabinet of more than 3,500 drug products, Teva works closely with regulatory authorities around the world to alert them to anticipated shortage issues and leverage our vast portfolio to support supply, when possible.

Teva manufactures 84% of cancer medicines listed on the World Health Organization's (WHO) Essential Medicines List (EML), so when Ethiopia faced a shortage of childhood cancer medicines, we formed an initiative with [Access to Childhood Cancer Essentials \(ACCESS\)](#), Direct Relief and the Ethiopian Pharmaceutical Fund Supply Agency (EPFSA) to address the problem. We identified 13 Teva cancer medicines from the EML and sent 17,000 vials to Ethiopia within six weeks—a process that can typically take upwards of six to nine months.

When the US faced a shortage of Vincristine, a childhood cancer medication, Teva announced we would re-introduce the product, manufacturing it at our US plant, which provides the fastest route to market. Teva hopes the reintroduction will help address the shortages and bring this life-saving medicine to children in need.

While we can't meet every need around the world, we strive to be a good partner to regulatory bodies and supply needed medicines whenever possible.



“We come from far away, hoping for our children to get well. We start treatment and begin to see light, but when we are told medicine is not available or only available in a private pharmacy, our hope fades. Now, with access to these medicines, we have hope again.”

Bitew Tesfaye, a farm laborer and father to seven children, including a six-year-old daughter diagnosed with Hodgkin's lymphoma who is awaiting treatment in Addis Ababa

Helping patients afford their medicines

Teva's patient assistance programs provide Teva medicines at no cost for eligible patients. The [Teva Cares Foundation](#) in the US works to address financial barriers to access to medicines, supplying free treatments to hundreds of patients each year. In 2019, we provided \$40.5 million worth of medicines to 12,800 patients through the Teva Cares Foundation.

Responding to requests for medicines

Through global health tenders, Teva works with non-profit and non-governmental health organizations to provide quality medicines to vulnerable populations. We focus on creating equitable access in lower-middle-income countries, including many where Teva does not have a commercial presence. In 2019, Teva provided 121 million units of medicine through global health tenders, a 21% increase from 2018.

- 119,900 million units of Pyridoxine (50 mg and 100 mg) to UN organizations
- Myfenax (250 mg and 500 mg), Cyclosporine (25 mg and 50 mg) to Pan American Health Organization (PAHO)
- 810,000+ tablets of Linezolid (600 mg) to UN organizations
- Mephaquin (250 mg) to IFET

Increasing the availability of quality medicines

The WHO's Prequalification of Medicines Programme (PQP) helps ensure medicines supplied by procurement agencies meet acceptable standards of quality, safety and efficacy. Only 100 medicines are on this list. Teva submitted an application for Atazanavir (capsule) 300 mg to be included. This was the first time the WHO evaluated this antiretroviral medicine for HIV at the 300 mg dosage for inclusion in the program. Just six weeks later, it was added to the list, increasing developing countries' access to this quality medicine.

Offering investigational medicines

In some cases, people cannot wait for a medicine in development to be approved, due to a critical or life-threatening condition. Through seven programs around the world, Teva provides more than 300 patients with access to certain medicines before they are on the market. In 2019, we published our [Policy on Expanded Access Programs](#), which helps ensure patient access to Teva's investigational products, including drugs and biologics.



Expanding access in the Ukraine

In 2019, **Teva Ukraine** became the leading participant in terms of value in the state reimbursement program, "Affordable Medicines," and second in terms of volume. Ten Teva products, or 25 SKUs, were featured in all three areas of the program: cardiovascular diseases, asthma and type 2 diabetes. Teva is the only company represented in all of these areas. We were the first to join the program when it launched in April 2017 and have since grown our contribution, having supplied 6.8 million medicines of the program's total 57.9 million last year (12%).

Science and Innovation



Teva's global research and development (R&D) organization is devoted to developing new medicines, devices and combination products that provide meaningful therapeutic benefit to patients worldwide.

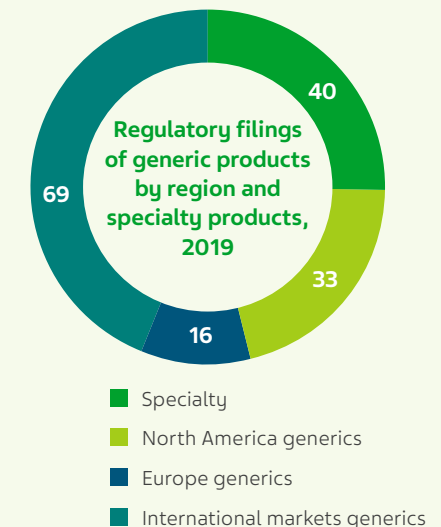
In 2019, we invested more than \$1 billion in R&D, working to uncover innovative treatments and bring new medicines to market. With more than 3,300 R&D employees and R&D facilities in 28 countries, Teva conducts more than 250 clinical and pharmacokinetic studies annually to support our mission to be a global leader in generics and biopharmaceuticals. R&D includes the important work happening in our laboratories all over the world, but it is much more. It is the clinical trials we oversee and the partnerships we have with leading academic and research institutions that help uncover novel science. These efforts all help us in our quest to find, test and launch future treatments to advance health.

Launching innovative specialty medicines

With approximately 25 specialty, or innovative, medicines in our development portfolio, we focus on developing treatments that address central nervous system disorders, respiratory conditions and oncology. In 2019, we received 25 approvals for innovative specialty medicines around the world, bringing new hope to patients with critical health conditions. In 2019, Teva filed 158 submissions to regulatory agencies worldwide for generic and specialty products.

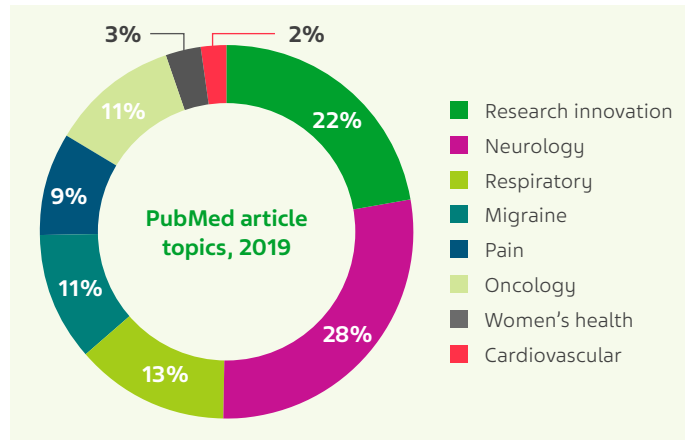
Advancing treatment options with biosimilars

Biosimilars are medicines that are highly similar to approved biologics (complex medicines made from living cells or organisms). Because biosimilars do not require as many expensive or lengthy clinical trials, they have the potential to lead to faster access to these medicines, more treatment options and greater cost competition. In November and December 2018, we received approvals from the US Food and Drug Administration (FDA) for two oncology biosimilar candidates through our exclusive partnership with Celltrion. In 2019, one oncology biosimilar was launched in the US. In addition, we have approximately 20 original biologic and biosimilar programs in various phases of development.



Working with global academic partners

R&D partnerships help Teva expand our pipeline and advance our work in developing therapies that can impact the lives of patients. In 2019, Teva R&D researchers published 123 articles in peer-reviewed scientific journals on developing and evaluating medicines



to treat diseases in neurology, migraine, pain, respiratory and oncology. Teva assisted our investigators who were interested in presenting their new research at conferences, resulting in 264 scientific conference presentations. Teva's Global Publication Policy defines our position on scientific and medical publications to ensure full transparency and compliance with all applicable external laws, guidelines and requirements, while protecting Teva's intellectual property.

We participate in the [Innovative Medicines Initiative \(IMI\)](#), the largest public-private partnership in the life sciences industry, which aims to speed up the development of innovative medicines, particularly in areas of unmet need. Teva participates in seven IMI consortia.

Teva recently expanded our scientific collaboration with Tel Aviv University (TAU) to advance innovative cancer and brain research. Leading Teva and TAU researchers will collaborate using advanced analyses of the immune system to test the efficacy of immunotherapy in unique models. As part of a wider initiative to collaborate with Israeli academia, Teva recently partnered with [Yeda Research and Development Company](#), the [Weizmann Institute of Science's](#) commercial arm, to research and develop specific innovative antibodies for treating various types of cancer.



Global Health Priorities



Teva has developed deep expertise in select health conditions. Yet, we are reminded daily—by the places where we live and work, the communities we serve and the latest diseases, epidemics and pandemics—that the world’s health challenges are constantly evolving. In 2019, we donated more than \$3.65 million to our communities and organizations that help address health challenges around the world.

Mobilizing quickly in response to the COVID-19 pandemic

2020 brought an unprecedented global health crisis, affecting all nations and industries. We recognize our company plays a critical role, particularly during these uncertain times. While this report details our 2019 efforts, it is being published in 2020—and we feel it is important to share [our ongoing response to COVID-19](#). As we face this global health challenge, Teva is focused on:

- **Safeguarding the health and well-being of our employees.** We are limiting the number of people in our facilities to only those who are essential and may not work remotely, enforcing strict guidelines to protect and ensure our employees’ safety and keeping our workforce fully employed.
- **Ensuring continued, safe supply of our essential medicines and active pharmaceutical ingredients (APIs).** All facilities that research, manufacture, order, pack and distribute medicines and provide critical customer and patient services remain fully operational to meet demand from patients around the world.
- **Supporting government and healthcare organization efforts to curb the pandemic.** We are providing millions of tablets of investigational treatments and securing and scaling production of medicines and APIs that may prove essential in treating COVID-19.

We will continue to operate conscientiously, supporting our communities and protecting our dedicated employees who are working diligently to secure continued supply of our medicines for the nearly 200 million patients who depend on us each day. Our latest updates and resources can be found on [Teva’s COVID-19 Updates](#) page.



Addressing multiple chronic conditions

Improving adherence to care among vulnerable populations

One in three adults around the world suffer from multiple chronic conditions (MCC), or two or more chronic conditions at the same time. When we looked at the data, we asked ourselves: How can patients cope when they have multiple diseases? How can they better manage their own health?

For three years, Teva has partnered with [Mount Sinai's Arnhold Institute for Global Health](#) to design and implement novel programs for vulnerable patients with MCC, providing behavior change tools to help them better

manage their own health. Teva and Arnhold Institute team members developed the Peak Health Wellness Program, a peer-led behavior change program to help New Yorkers with MCC track their medications, change their lifestyles and control their conditions.

This intervention may help medication adherence and care engagement and aims to be a model for other vulnerable populations worldwide. Most recently, we applied our insights to help community nurses and volunteers in Navrongo, Ghana treat depression and hypertension. In partnership with the [Navrongo Health Research Centre](#), this program aims to create an integrated disease screening and care model for many common chronic conditions.



"I use the pill box that I was given here and I travel with it. Sometimes, I get busy and I forget my routine, but I've got it with me and I say, 'Oops, I gotta take my medicine!' I've been keeping it up like that and it's been helpful for me."

—Peak Health Wellness Program participant

Peak Health Wellness Program

Pilot Intervention

- 12 sessions

Validated Content

- Diet, Exercise Counseling
- Medication Adherence
- Stress Relief and Emotional Coping
- Connecting with Your Doctor and Care Team



In 2019, a new study made possible through Teva's partnership with Mount Sinai's Arnhold Institute for Global Health offered a novel method for identifying patterns in the frequency and cost of MCC. The study, published in *BMJ Open*, examines 190,000 patients with Medicaid insurance in New York City between 2012 and 2014. Results show 61.5% of those patients have MCC. Using this new method, researchers found high blood pressure and high cholesterol were the most common pair of conditions, and with the addition of diabetes, these made up the most common combination of three conditions. The results also reveal several unexpected disease clusters, such as lung disease and heart attack, which could inform new approaches for managing conditions.

Read more about the [new published study](#) by Mount Sinai researchers. →

Establishing a global dialogue

We share our research on MCC with partners and peers, so we can collectively address the growing burden of non-communicable diseases (NCDs). In 2019, Teva participated in several events to move the conversation forward and discuss solutions.

72nd World Health Assembly (WHA), Switzerland

Teva co-hosted a panel discussion with the Mission of Israel to the United Nations, Philips Healthcare and the [NCD Alliance](#) (NCDA) on the growing challenge of MCC. Moderated by Sir George Alleyne, Director Emeritus of PAHO, the panel discussed MCC in the context of priorities for the UN High-Level Meeting on Universal Health Coverage in September 2019.



Highlights from Teva's panel during the World Health Assembly (WHA) in Geneva, 2019

2019 NHS Health and Care Innovation Expo, England

Amalia Adler-Waxman, Teva's Vice President of ESG and Global Health, discussed MCC and the National Health Service (NHS) Long-Term Plan, including how integrated care systems and innovation can help patients take control of their well-being.

Enhancing access to care

In 2017, Teva established Enhancing Access2Care with Direct Relief and [Volunteers in Medicine](#) (VIM) to address two Teva priorities—MCC and access to medicine. The goal of the three-year program was to address challenges of people with MCC and support VIM clinics in communities across North America by developing creative and effective strategies to prevent and treat chronic conditions. We help community health centers, free and charitable clinics and other safety-net providers enhance management skills via training, capacity building and information sharing. In 2019, four additional VIM clinics were selected as awardees.

Enhancing Access2Care in 2019



325 patients enrolled across **4 programs**, which educate and empower patients to take a more active role in their healthcare



3 programs are specifically focused on **behavioral/mental health** and **social determinants**



2 programs incorporate **smoking cessation**



1 program uses **telehealth** for complex care management



3 programs use **text messaging engagement platforms**

Creating new partnerships

In 2019, Teva established a partnership with NCD Alliance, a global thought leader on NCD policy and practice, convener of the civil society movement and an advocate for people at risk of, or living with, NCDs. The partnership aims to foster dialogue around specific challenges of MCC in the context of universal health coverage.

Teva participated in a panel hosted by NCD Alliance: *Putting people living with NCDs at the center of universal health coverage*. Together with NCD Alliance, European Coalition for People with Obesity and American Heart Association, we discussed challenges faced by health systems in delivering quality care and shared examples of programs that address current and future needs of those with MCC. *Turning the Tide*, a new series of short films by NCD Alliance highlighting bold actions to address NCDs, features Teva and Mount Sinai's unique team-based approach to tackling MCC.



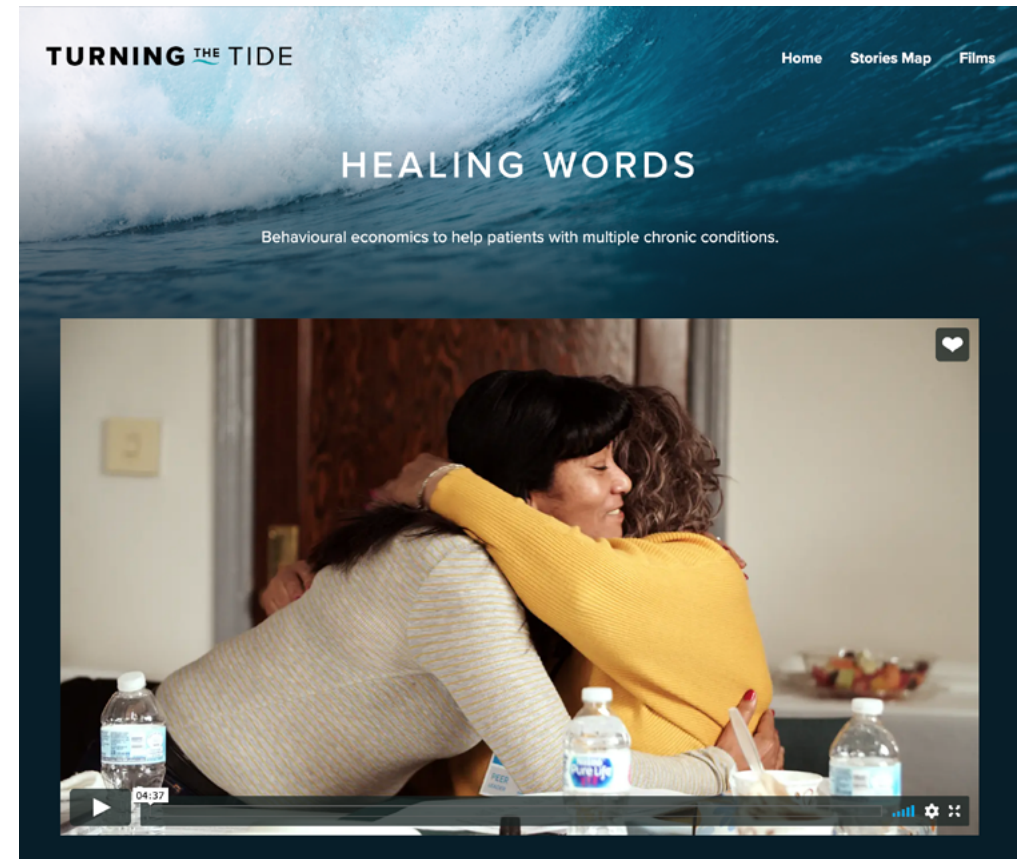
Teva received **eye for pharma's 2019 Global Health Pioneer Award**, reflecting patient and health professional recognition of our work to champion MCC.



Teva was recognized by the 2019 Pharma Intelligence Global Generics & Biosimilars Awards for **CSR Initiative of the Year**.



Teva Netherlands developed *My Medication Review*, an innovative tool to help pharmacists put together an overview of all relevant drug information for patients with multiple medications. This program empowers pharmacists to educate and inform patients whose different conditions are often treated individually. The goal is to enhance patients' recognition of their medication and, ultimately, improve their adherence to prescriptions.



Supporting efforts to address antimicrobial resistance

Antibiotics can treat bacterial infections, but overuse and misuse of antibiotics are contributing to a global health challenge: antimicrobial resistance (AMR). This happens when bacteria become resistant to antibiotics, making antibiotics ineffective. In the US alone, 35,000 people die each year as a result of drug-resistant infections.¹ Globally, these infections kill 700,000 people each year, including 230,000 from multidrug-resistant tuberculosis.² If no action is taken, this could increase to 10 million deaths each year by 2050.²

Teva is a large manufacturer of antibiotics and their active ingredients and manufactures 70% of the antibiotics and anti-infectives registered on the WHO EML. We work with our peers, researchers and governments to address AMR.



In **Israel**, **Teva** sponsored and participated in a hackathon hosted by the Mimshak Fellowship Program of the Israel Society of Ecology and Environmental Sciences and the Heschel Center for Sustainability to uncover innovative ways to address antibiotic resistance. Sixty participants from academia, non-profit organizations and industry spent 36 hours brainstorming creative multi-system approaches.

Our response to address the opioid crisis

We understand the abuse of opioids—whether illicit opioids or those available legally by prescription that are misused or subsequently diverted—is a public health crisis in the US and other countries around the world. We are committed to helping address opioid abuse and support health authorities and other stakeholders in addressing the various aspects of this public health crisis.

¹ Centers for Disease Control and Prevention (CDC). Antibiotic Resistance Threats in the United States 2019, Atlanta, GA: US Department of Health and Human Services, CDC; 2019. Available: <https://www.cdc.gov/drugresistance/pdf/threats-report/2019-ar-threats-report-508.pdf> (accessed April, 2020).

² World Health Organization (WHO), 2019. No time to wait: Securing the future from drug-resistant infections. Report to the Secretary-General of the United Nations. Available: <https://www.who.int/antimicrobial-resistance/interagency-coordination-group/final-report/en/> (accessed April, 2020).

Our AMR activities and efforts include:



37% improvement on Access to Medicine Foundation's (ATMF) 2020 AMR benchmark, only independent comparison of pharmaceutical companies' efforts to bring AMR under control; Teva's **Appropriate Access & Stewardship** efforts to avoid use of sales agents to mitigate against overselling was recognized as a **benchmark best practice**



Serving on the board of the **AMR Industry Alliance**, which brings together 100+ biotech, diagnostic, generic and research-based pharmaceutical companies to drive progress in reducing AMR

Developing materials and tools to **increase awareness of AMR** and encourage appropriate use among employees

Developing **35+ generic antibiotics and antifungals**, 20+ of which target WHO priority pathogens

Helping to **develop and improve** the AMR Industry Alliance's Common Manufacturing Framework

Promoting access to **critical antibiotic and antifungal medicines** for those in need through donations and global health tenders

Download Teva's [Position on AMR](#). →

Patient Engagement



Teva has worked directly with patients for decades to better understand their experiences and how we can use our knowledge and resources to improve their lives. We recognize caregivers, whether they are parents, children, siblings, friends or neighbors, play an important role in patients' health and well-being. Recently, we expanded our collaboration with caregivers, which has allowed us to learn more about how we can better support them in supporting patients. Their insights also inform new, innovative patient programs and resources.

Reaching patients and caregivers through Life Effects

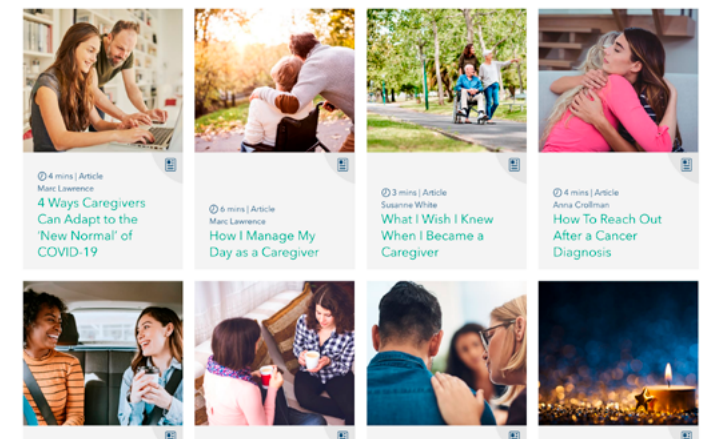
In 2019, Teva launched Life Effects, our digital hub for patients, by patients, in the United Kingdom (UK) and Ireland. The UK launch took place at Teva's Digital Transformation Zone at the NHS Digital Expo, where patients shared their experiences living with chronic conditions and how they have benefited from Teva's Life Effects initiative. Life Effects contributors now include caregivers, who share their experiences and how caring for a loved one impacts their lives. With 48 patient and caregiver contributors across six countries, we collaborate to produce articles, videos and podcasts, highlighting real-life experiences, tips and stories. Life Effects spans 10 conditions and includes more than 400 original pieces across the US and Europe sites.



Partnering to improve outcomes for migraine patients

Teva works closely with the [Neurological Alliance](#), a national coalition of more than 80 neurological organizations working to transform outcomes for the millions of people in England with neurological conditions. The Alliance's former CEO highlighted findings from the biennial Neurology Patient Experience Survey at Teva's Digital Transformation Zone at the NHS Digital Expo, and Teva's Life Effects program was featured in the Neurological Alliance newsletter.

24 Caregivers Patient Stories



Since launching, Life Effects has received:

- 2.3+ million visits from 1.4+ million people
- 160,000+ podcast downloads

Check out [Life Effects](#) →

Understanding caregivers

When we began to approach caregivers in a unified way, we didn't truly understand the magnitude of caregiving. Our global research, coupled with our market insights, revealed that nearly half of the global population consider themselves caregivers. We learned a great deal about this population, including who else they care for and how the caregiver role has impacted their lives and their own health.¹



43%

of the global population are caregivers for a family member or loved one, supporting them with managing chronic or long-term medical conditions

32%

say caring for this person has taken a large emotional toll on them

28%

say they had to completely alter their daily routine

22%

say their role as a caregiver has negatively impacted their other relationships



49%

care for a parent, grandparent or other older relative



44%

are also parents who have children living with them



37%

care for a spouse or partner



21%

care for a child under 17



62%
work



53%
are
female



24%

feel they do not have enough support to care for the individual properly

¹ Teva Brand Research, 2020. Teva's Primary Global Brand Activation Research. Switzerland: 2015-2020.

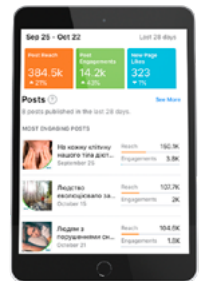
In 2019, we implemented caregiver programs across seven countries: Canada, Israel, Ukraine, France, Chile, Argentina and Russia.



In **Chile**, we developed a strategic approach to supporting caregivers, including an online course to improve their expertise and knowledge. The course provides guidance on coping with disease and developing relationships with healthcare professionals, as well as a web-based platform with videos showcasing the right questions to ask physicians.



In **Israel**, we introduced an employee caregivers' policy and a caregivers' Facebook community—a safe space for caregivers to ask questions, share experiences and seek emotional support. The Facebook community has reached an engagement level of 94%. We also organized a conference with speakers from the Israeli government and caregiving organizations from Canada and Israel to discuss how we can collaborate to address, and drive awareness of, the caregivers' unmet needs.



In **Ukraine**, we've focused on women, who are the primary caregivers, according to our research. We created a new social media channel that reaches approximately 400,000 patients and caregivers each month and developed user-friendly Q&As for 50 medicines that are available via QR codes on packages.

Supporting patient advocacy organizations

Insights and advice from patient organizations inspire us to create programs that support and empower patients and caregivers. Sometimes patients and caregivers become ambassadors for Teva, communicating the value of our medicines by sharing their stories and experiences. We publicly disclose the support we provide to patient advocacy organizations as part of our [Global Patient Advocacy Disclosure](#).



Leading a Responsible Business

As a global company that affects the health of millions of people, we have an immense responsibility—a responsibility to act ethically and with integrity and maintain accountability throughout our supply chain to ensure our medicines get to those who need them, safely and consistently. At the same time, we work hard to keep our employees healthy and safe and treat our planet with respect. Acting responsibly helps ensure our long-term sustainability, allowing us to focus on what matters most—improving health.



Our People



Teva’s employees are the heart of our company. Each of our more than 39,000 colleagues makes unique contributions to discover new medicines and deliver quality treatments to patients safely, quickly and reliably. We care deeply about our employees and their health, safety and well-being. In 2019, we trained our employees to ensure a healthy and safe workforce, implemented new programs that foster a diverse and inclusive culture and offered educational opportunities to promote growth and development.

Promoting diversity and inclusion

At Teva, we pride ourselves on getting it done together. This value reflects our desire to create and sustain an inclusive and diverse work environment, as outlined in our [Position on Diversity and Inclusion](#). Teva embraces and respects individuals of all backgrounds. For instance, in the US, the Teva Inclusion Network is made up of nine employee resource groups (ERGs), which bring together employees with shared characteristics and life experiences to foster opportunities for networking, mentoring, collaboration, community outreach, career development, leadership training and cultural exchanges.


Teva has been a signatory to the United Nations (UN) Global Compact since 2010, taking measures to respect all people and their human rights throughout Teva and our supply chain, as outlined by our [Position on Human Rights](#).




For the second time, **Teva US** received a **perfect score of 100 on the Corporate Equality Index (CEI)**, the nation’s premier benchmarking survey and report on corporate policies and practices related to lesbian, gay, bisexual, transgender and queer (LGBTQ) workplace equality, administered by the Human Rights Campaign (HRC) Foundation. The top marks include the distinction of “Best Places to Work for LGBTQ Equality.”

Current ERGs in the US:

- Women@Teva
- Men@Teva
- Black Heritage
- Hispanic/Latino Heritage
- Asian Heritage
- Abilities (for those working with disabilities)
- Vets@Teva
- Pride
- Parenting Stages



Teva Ukraine and 12 other companies signed a pledge to promote gender equality and prevent domestic violence. The pledge, initiated by the United Nations Population Fund (UNFPA) and the CSR Development Center, supports businesses in helping to address the UN Sustainable Development Goals.



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

[Teva’s Position on Human Rights](#)

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

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

Investing in professional growth

We maintain a range of materials to support employees of all levels in developing skills and contributing to Teva's strategy, ultimately driving business performance. Much of our training is in-role, amplified by global and locally-tailored training modules to meet different challenges and help gain new skills. In 2019, Teva acquired a company-wide license for LinkedIn Learning, which offers an extensive catalogue of online video lessons taught by industry experts. It has over 14,500 videos on a wide array of topics, including business, creative and technology, in seven different languages. The platform uses machine learning to suggest content relevant to users, according to skills defined as "areas of interest" or based on function (e.g., information technology, science, human resources), and also recommends courses according to trends for the industry. In 2019, more than 7,000 hours of training were recorded and 150,700 videos watched across a variety of topics, including project management, communications skills, Microsoft Excel and more.

Enhancing managers' skills

We launched the Teva Skills Enhancement Strategy to improve our employees' development and growth. As part of this

strategy, global managers' development programs were initiated across Teva, helping managers build people and leadership skills and learn how to effectively manage across Teva. We also partnered with Wharton Business School on a uniquely designed program for our senior commercial managers, focused on enhancing business and leadership skills. In 2019, 350 managers participated in the development programs, which we are continuing to scale up in 2020. Online resources for managers were introduced as well.

Training our R&D colleagues

In 2019, Teva launched a new program, *Learn, Grow, Inspire*, and its purpose is to do just that. The initiative provides all Global R&D colleagues with access to self-paced learning, innovative webcasts and trainings, so they can learn more about disease states and leverage the vast, existing knowledge in the R&D space. This is a key way for employees to participate in learning and development trainings and cultivate their expertise. *Learn, Grow, Inspire* includes self-study, live training, therapeutic area training and team workshops. In a matter of months, we hosted seven successful webcasts, with more than 5,000 colleagues in attendance.



Recognizing our employees

We aim to create an empowering culture that recognizes and acknowledges our employees' accomplishments. In 2019, we implemented Teva STARS, a global, easy-to-use recognition platform that enables Teva employees to formally recognize, acknowledge and celebrate each other. Recognitions range from a simple "thank you" to a monetary reward and help foster positive reinforcement and encouragement among employees.

Teva STARS 2019 by the numbers



- **55,500** STARS recognition moments
- **19,200** STARS recipients from 55 countries
- **20,600** STARS users (50%)
- **41%** peer-to-peer engagement
- Top award reason: **"Getting it done together"**
- **Every 8 minutes**, a Teva STAR is given around the world

teva | stars

Each year, we survey our employees to glean insights into their well-being and engagement and learn how we can support them and help them work to the best of their ability. In 2019, 82% of our employees completed our annual Teva Organizational Health Survey. We saw key improvements in terms of how we reward and recognize, and enable and engage employees.

Supporting health and well-being

Through practical tools and local programs, we address the physical, financial, social and emotional needs of our employees and their families. We offer programs and initiatives that promote healthy diets, physical activity and mental well-being. For example, in the US, we provide comprehensive mental health coverage, including a \$0 copay for in-network patient counseling. In Germany, we provide colon cancer screening examinations, and in Bulgaria, we provide voluntary oncological preventive examinations for employees. We also provide annual medical check-ups and examinations for employees across many of our markets, including Canada, the US, India, Israel and Germany.



Teva Croatia organizes stimulating, healthy and enjoyable physical activities. *Healthy Walking Paths* was established in Zagreb, Croatia as part of the *Healthy Workplace Program*, an initiative to improve employees' physical and mental health and prevent illnesses. Walking trails of different lengths and tailored to different health needs were created across the office. The routes are marked with interactive bulletin boards, which provide tips on the benefits of walking and suggestions for enhancing physical and mental well-being.

Ensuring workplace health and safety

Every person has the right to a safe and healthy work environment, and we believe all injuries, illnesses and safety incidents are preventable. We aspire toward Target Zero: Zero Incidents, Zero Injuries and Zero Releases (spills and accidental discharges). We also ensure our employees are properly trained on the safety precautions implemented across our company, as outlined in our [Position on Occupational Health and Safety](#). We are working toward fully installing Teva's Global Environment, Health and Safety Management System (EHSMS), which establishes a global standard for health and safety. In 2019, implementation of this system increased from 80% to 93% globally.

As a result of our planned improvement initiatives and measures in place to protect our workforce, Teva achieved our best-recorded safety performance in 2019.

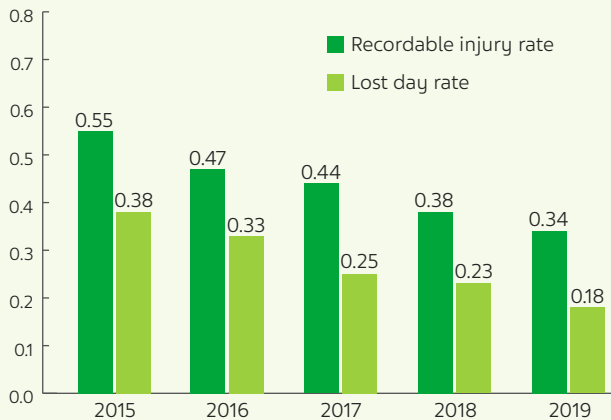
Teva is a member of the International Process Safety Group (IPSG) and the ORC HSE Strategies Occupational Safety and Health Network, through which we share and learn about occupational health and safety (OHS) best practices.

In 2019, we reported our best-recorded safety management performance:

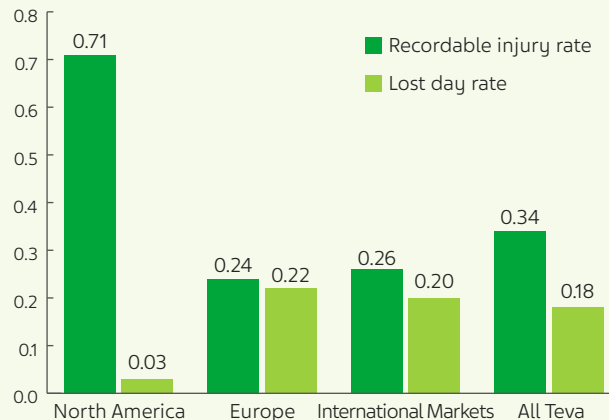
- 11% reduction** in total recordable injury rate
- 23% improvement** in lost day rate
- 4% improvement** in total lost workdays



Workplace safety performance



Workplace safety performance by region

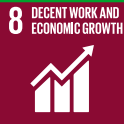


Teva's facility in Goa, India was awarded the **Safety Excellence Award in 2019 by Frost and Sullivan's Sustainability Awards**, which recognize and honor efforts made by companies that actively integrate sustainability principles into their business culture.

OUR PEOPLE GOALS: 2020

1. Continue to invest in managers and employees' development to effectively lead in times of disruption.
2. Continue to increase engagement and enable employees to grow.
3. Enhance employee recognition program, focusing on peer-to-peer interaction to promote a culture of appreciation for our people and create a meaningful work environment.

Compliance and Ethics



Our 360-degree approach to compliance promotes ethical and transparent behavior across our business, because compliance is everyone’s responsibility. Teva is accountable for its employees’ conduct and we have processes in place to ensure we make ethical business decisions. Teva’s compliance program focuses on eight key pillars.

Elements of Teva’s compliance program

Established Compliance Organization	Policy and Standards
Tone From Leadership	Approvals and Controls
Compliance Training	Risk Assessment and Monitoring
Third-Party Due Diligence	Office of Business Integrity

Maintaining an ethical workforce



We continue to implement the Our Way of Life (OWL) Training Program, an employee training series featuring virtual compliance courses. OWL reinforces our compliance principles and commitment to integrity. It represents knowledge, wisdom and oversight

of Teva’s business practices—helping to create accountability for compliance across the business. In 2019, the training program covered key topics, including conflicts of interests, preventing corruption, why speaking up matters, preventing harassment and a culture of ethics and compliance. Anti-trust training was also included in the Code of Conduct recertification.

More than 15,000 employees were trained on eight key ethical behavior topic, using an innovative and engaging format in 2019. These were rolled out during three separate training campaigns throughout the year, which collectively achieved a 99% completion rate.

Teva encourages employees and others who interact with our company to report potential non-compliance or Code of Conduct breaches to our Office of Business Integrity.

In 2019, the Office of Business Integrity received 207 reports.

- **27%** were related to business integrity issues and shared with the Audit Committee of the Board of Directors
- **38%** of these were substantiated

Substantiated reports received various corrective actions, including:

- Coaching
- Policy/process reviews
- Reprimands/warnings
- Terminations
- Vendor disengaged



[Teva’s Code of Conduct](#)

[Teva’s Policy on the Prevention of Corruption](#)

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

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

[Teva’s Position on Animal Welfare](#)

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

Disclosing our clinical trial data

At Teva, we believe it is our responsibility to inform patients about the results of trials in which they participate. Data from our studies are handled with care to ensure patient safety, data quality and corporate integrity, as outlined in our [Policy on Clinical Trial Transparency & Disclosure](#).

We established a new Transparency and Disclosure team in 2019, which manages activities including clinical trial registrations and results disclosures on ClinicalTrials.gov and the EU Clinical Trials Register for specialty products.

We recently made clinical trial data available to the public on our new [clinical trial transparency website](#).

In December 2016, we reached a resolution with the US Securities and Exchange Commission (SEC) and Department of Justice (DOJ) to fully resolve Foreign Corrupt Practices Act (FCPA) investigations by the DOJ and SEC. The resolution included a deferred prosecution agreement (DPA) by Teva to retain an independent compliance monitor for a period of three years. In November 2019, Teva's independent compliance monitor certified that Teva's compliance program is reasonably designed and implemented to prevent and address violations of anti-corruption laws.

Upholding data privacy

Teva continues to maintain a comprehensive global privacy program, addressing our privacy obligations across countries and regions. Teva's [Global Data Privacy Policy](#) is intended to support compliance with laws and regulations applicable to Teva's processing of personal data throughout the world. Our obligations include maintenance of active certifications, such as the EU-US Privacy Shield, and continued compliance with our obligations under the EU General Data Protection Regulation. During 2019, we expanded the framework to support new regulations in the US (California Consumer Privacy Act) and in other countries around the world. We implemented an internal information technology (IT) tool to support our obligations, including data subject requests, and launched Teva's Global Data Incident and Breach Policy, along with a global training campaign.

Conducting animal research responsibly

For more than a century, Teva has been dedicated to developing medicines to improve people's lives. We have significant research operations and a vast network of external partners and contract research organizations to support the development of our growing portfolio of generic, specialty and biopharmaceutical products.

Teva maintains high standards for conducting all aspects of our business ethically and in accordance with all laws, governmental regulations and industry standards, as well as Teva's internal policies. Animal-based biomedical research is no exception. Use of animals in any testing or process only occurs when deemed absolutely necessary from a scientific or regulatory perspective and after alternate methods have been fully explored and rejected. Our [Position on Animal Welfare](#) applies to all companies that are owned or operated by Teva, as well as active joint ventures and vendors that supply Teva with materials, goods or services.



COMPLIANCE AND ETHICS GOALS: 2020

1. Cultivate accountability for compliance within the business and continue to enhance compliance culture.
2. Realign compliance organization to support changing business needs.
3. Reinforce the expectation that compliance behavior will be addressed appropriately.
4. Continue to develop our people and compliance community.
5. Identify continuous improvements related to operational areas to increase efficiency, as necessary.

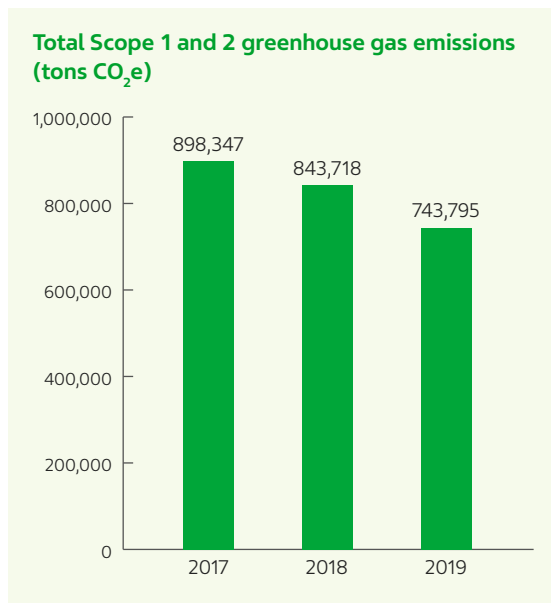
Environmental Sustainability



As a global company with 65 manufacturing facilities around the world, we work to continuously improve the impact of our manufacturing and daily operations on the environment. Recognizing the potential impact our facilities and our medicines can have, we implement measures to avoid, reduce or control pollution and promote responsible and efficient use of energy and natural resources across our company and supply chain.

Reducing the impact of our operations

Teva's EHSMS includes standards that help us stay on track and manage our environmental sustainability. Teva's EHSMS is designed to ensure compliance with all applicable regulatory requirements, establish minimum global standards and promote continuous improvement in Environment, Health and Safety (EHS) and sustainability performance. This system is now adopted across 93% of Teva facilities. Our EHS Information Management System centralizes all of our information, allowing us to track any potential incidents and take the necessary steps to improve and prevent future problems. We work to minimize the discharge of pharmaceuticals in the environment from our manufacturing facilities and extended supply chain, with a specific emphasis on antimicrobial compounds.



In 2019, we retired our prior (2014–2020) environmental sustainability goals, as we either achieved them or they were no longer applicable due to the Actavis integration. In order to not lose momentum in the environmental sustainability area, we established a new interim greenhouse gas (GHG) goal, while we develop a set of new next generation, long-term environmental sustainability targets. The interim GHG goal aims to achieve a 10% absolute reduction in Scope 1 and 2 emissions from our 2017 baseline (adjusted for business divestitures) by the end of 2020. We are proud to announce that we have already significantly exceeded this interim 2020 goal, one year ahead of time, having reduced our GHG emissions by 17.2% between 2017 and 2019. Compared to 2018, we also increased our renewable energy consumption by 9.4%, while decreasing our total energy consumption by 5.7%.



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

[CDP Climate Change and Water Security Ratings](#)

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

CDP Disclosures

- In 2019, we received a B score from CDP, a non-profit that manages the global disclosure system for environmental impacts, for our efforts to address climate change. Our score declined from the A-score we received in 2018 due to two additional CDP scoring criteria that we did not meet—specifically, establishing GHG emission targets beyond five years and increasing engagement with our value chain on climate issues. It is our goal to establish a long-term, Science-Based Target for GHG emission reductions in 2020 and analyze opportunities to improve supplier engagement on climate issues.
- Teva made a CDP Water Security Minimum Version Submission in 2019 for the first time, as part of our commitment to increase our focus on the importance of water as a limited resource, particularly in water scarce areas. We received a B- score from CDP, a solid starting point for continued improvement. We are working on a full submission for 2020.



ENVIRONMENTAL SUSTAINABILITY GOALS: 2020

1. Establish next generation environmental sustainability targets to guide our future efforts.
2. Continue advancing work to implement the Common Antibiotic Manufacturing Framework of the AMR Industry Alliance across the Teva network.
3. Continue to identify opportunities to enhance our responsible use of natural resources, such as water and energy, and to reduce waste.

Reducing our environmental footprint in countries around the world



Teva Chile has committed to reducing GHG emissions as part of the Paris Agreement on Climate Change. In 2019, Teva became one of the first pharmaceutical companies in Chile to obtain the “Huella Chile” quantification seal, one of four recognitions in a voluntary program created by the Ministry of Environment of Chile to help organizations manage their GHG emissions. Teva received the first seal in 2019 for our work in 2017 and 2018, after:

- Committing to contribute to GHG emission reductions to enable Chile to become carbon neutral by 2050
- Identifying sources of GHG emissions
- Selecting the calculation method
- Collecting and calculating data using the required method
- Submitting information to the government
- Obtaining government verification





Teva UK has partnered with TerraCycle since 2016 to operate an inhaler recycling initiative, encouraging people with respiratory-related illnesses to recycle their used or outdated inhalers at community pharmacies or with dispensing doctors. Teva currently provides approximately 11.5 million inhalers to patients across the UK, and we recognize the potential environmental impact of these products. In 2019, we updated the recycling box, providing new resources and pointing patients to Teva’s [“Let’s Talk Respiratory”](#) website. There are currently 57 independent pharmacies and 147 dispensing doctors using the inhaler recycling box initiative. 4,739 kg of inhalers have been collected, equating to 385,285 units of inhalers not sent to landfill. At the end of 2019, we launched a trial program in hospital settings, and we are currently working with six hospitals in the UK, with hopes to expand the initiative and continue to reduce the environmental impact of inhalers.



In an effort to safely dispose of unused drugs and protect the environment, **Teva Netherlands** launched Teva Retourbox, an initiative allowing patients to properly dispose of medicines at pharmacies. Teva Retourbox collects unused drugs and packaging materials separately, ensuring aluminum and plastics are disposed of apart from medicinal waste. The Dutch Institute for the Responsible Use of Medication, an organization actively promoting the safety, cost and environmental aspects of prescription drugs, has officially endorsed the project, and we are making strides toward gaining the same support from the Ministry of Health.



In **Ulm, Germany**, we are developing a state-of-the-art facility that integrates environmental features and will enable high energy efficiency. The building:

- Has a façade made of **electrochromic glass**, which gets darker or brighter depending on electric voltage; this allows automatic control of light and heat passing through the windows, which reduces energy consumption during summer
- Has two stratified tanks that allow **recovery of energy** for cooling and heating systems
- Uses **100% renewable energy**

Teva's EHS Excellence Awards recognize initiatives across the company that drive sustained improvements in EHS systems, processes or performance and promote a safe and responsible culture. Two of our award-winning stories are highlighted below.



In **Goa, India**, we are implementing and investing in energy-efficient technology. We installed a biomass boiler at one of our sites in 2015, which saved \$150,000 in 2016, but was only operating at 50% capacity. In 2018 and 2019, we leveraged this biomass boiler and installed steam piping to supply steam to our adjacent site. This allowed us to decommission the heavy-fuel oil boiler, maximizing the efficiency of our existing boiler and using biofuel to generate steam across our site. We were also able to avoid 381 metric tons of CO₂ and reduce running costs by \$113,000.



Our **Goa, India** site also undertook a project to reduce waste, dispose of hazardous waste through environmentally-friendly and economical processes and convert waste to energy—with the goal of becoming a zero-to-landfill site. Each year, the campus disposed of 333 tons of hazardous waste—70% through incineration and 30% through landfilling. That changed in June 2018, when we began transferring hazardous waste to the cement industry to be co-processed in a cement kiln, reducing the amount of fossil fuel used and CO₂ emissions per ton of cement produced, avoiding the use of 120 tons of coal in 2018. This solution supported GHG reductions and Teva's waste reduction activities.

Quality Manufacturing and Patient Safety



Our medicines undergo exhaustive safety monitoring and quality assurance measures at every stage of the process: from sourcing raw materials to R&D to clinical trials to production and all the way through delivery and patient use.

Our robust safety monitoring systems help us detect and manage safety issues, prevent future issues and ensure appropriate reporting to applicable regulatory agencies in accordance with their guidelines.

2019 product safety reporting

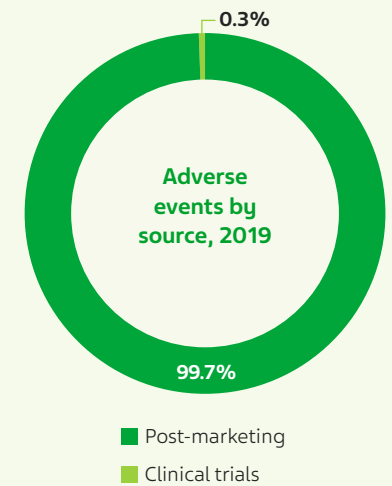
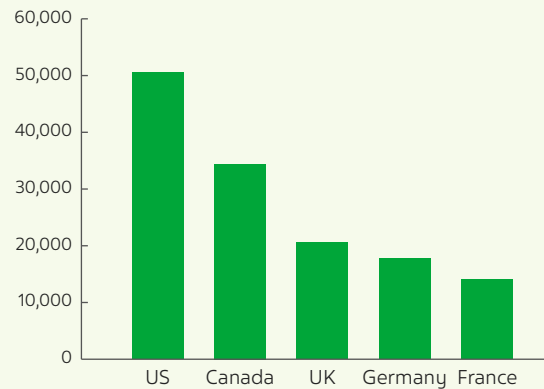
With more than 3,500 medicines that reach nearly 200 million people each day, patient safety is prioritized across our business. Teva's Global Pharmacovigilance (PhV) team monitors the safety of our medicines and takes action, when necessary, to mitigate risks and protect public health by working closely with applicable regulatory authorities. Our PhV team is made up of safety officers across 45 countries, who collect information about patients' experiences with our products, including adverse events. 205,796 adverse events were reported in 2019. Our Corporate Safety Board meets throughout the year to review and address these issues, providing important safety recommendations, such as working with health authorities to make changes to product labels or study designs and communicating information about risks to healthcare providers.

In 2019, we held our fourth annual PhV Week, which welcomed employees from around the world to learn about the importance of safety reporting and the integral role each of us can play in improving patient safety.

Global pharmacovigilance performance

- 1,659 periodic safety reports
- 258 Risk Management Plans (RMP)
- 205 health hazard assessments
- 25 internal and third-party audits
- 43 PhV inspections by regulatory authorities and third parties

Top 5 countries from which adverse event reports originated, 2019



In **Nigeria**, Teva supported a government to government capacity building seminar on patient safety and anti-counterfeiting for senior staff of the Nigerian National Agency for Food and Drug Administration Control (NAFDAC), organized by the Israeli Embassy. The trainings were conducted by leading experts from Teva. As a result of the seminar's success, Israel and Nigeria will continue to share insights on health safety and plan to host continued capacity building seminars on various topics, including biologics and biosimilars development and regulatory pathways, bioequivalence, clinical trials and product safety and anti-counterfeit technologies.

Ensuring quality manufacturing

Teva operates in 60 countries, and we comply with the audit standards of the countries where a drug product is made. This includes standards defined by the International Council for Harmonisation and Current Good Manufacturing Practices as stipulated by all major authorities like the US Food and Drug Administration (FDA), European Medicines Agency, UK's Medicines and Healthcare Products Regulatory Agency, Japan's Pharmaceuticals and Medical Devices Agency, China's National Medical Products Administration and Russia's Ministry of Health. In addition, we adhere to our own high standards.

Teva has processes in place to identify the gaps by opening a deviation, investigating the situation and putting corrective and preventive actions (CAPAs) in place to rectify. And on a monthly basis, Teva monitors the execution of the CAPAs.

What we mean when we say “high standards”

To ensure our products are safe and consistently meet high quality standards, we regularly monitor the performance of our production systems:

- **Right First Time (RFT) for Manufacturing and Packaging:** RFT is an indication of the level of process capability for our manufacturing and packaging operations. It is also related to the level of product quality.
- **Manufacturing Investigation Performance:** A deviation is any failure to follow documented procedures, methods and batch records or to operate within controlled conditions. As part of the manufacturing investigation, Teva monitors the following types of deviations:
 - Recurring
 - Human Error
 - Inconclusive
- **Laboratory Investigation Performance:** Investigations related to analysis performed in in-house chemistry and biological laboratories for all commercial, clinical trial and experimental batches intended to be submitted in a registration file.
- **Stability Performance:** Stability studies are performed for validation batches, as well as batches that support the expiration date for all products approved in the market.
- **Regulatory Inspection Performance:** An inspection performed by a regulatory agency (or by a third-party on behalf of a regulatory agency) to assess the compliance of sites within Teva's global network with cGMP and other relevant regulations.

- **Complaints Performance:** A quality complaint is any report indicating a possible deviation from the product specification (i.e., changes in, or deterioration of, the physical and/or chemical characteristics of the product or packaging). These reports may concern the packaging, labeling, medical devices or drug product.
- **Annual Product Review (APR) Product Quality Review (PQR) Performance:** APR is required by regulatory agencies and/or Teva's standard. The APR PQR includes the review of the active pharmaceutical ingredient.



PATIENT SAFETY GOALS: 2020

1. Continue to ensure company employees complete annual refresher training on PhV.
2. Continue to comply with reporting timelines for submitting documents, such as Periodic Safety Reports and RMPs, to health authorities and responding to safety information requests.

Supply Chain



Teva's supply chain is an integral part of our company, helping us ensure our medicines reach the nearly 200 million patients who rely on them each day. We operate the largest fully-integrated manufacturing and delivery network in the pharmaceutical industry, with 600 contract manufacturing operations (CMOs) that support development, manufacturing and packaging. We hold each of our partners to the same standards we hold ourselves to and expect them to conduct business ethically, act with integrity and protect human rights.



Sustaining a responsible supply chain

In partnership with EcoVadis—the leading provider of sustainability risk and performance ratings for global supply chains—Amgen, Boehringer Ingelheim, GlaxoSmithKline and Takeda, Teva continues to be part of the Responsible Health Initiative (RHI). The effort is intended to increase shared value across the industry's supply chain by enabling key players in the global health sector to boost not only their own sustainability performance, but also that of the industry's collective suppliers. RHI members are able to identify suppliers with high performance and best practices, mitigate risk and drive value with suppliers.

In 2018, we established a risk mitigation framework in the EcoVadis platform and tracked high-risk suppliers' corrective actions. In 2019, we expanded the number of suppliers under the program by 140.

Teva is a member of the Pharmaceutical Supply Chain Initiative (PSCI) and incorporates [PSCI Principles](#) into our [Supplier Code of Conduct](#). We hold our suppliers to high ethical standards, and our Supplier Code of Conduct outlines the principles and expectations for establishing and maintaining a business relationship with Teva.



[Teva's Supplier Code of Conduct](#)

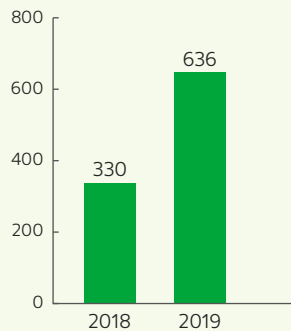
[Teva's Position on Human Rights](#)

Working with diverse suppliers

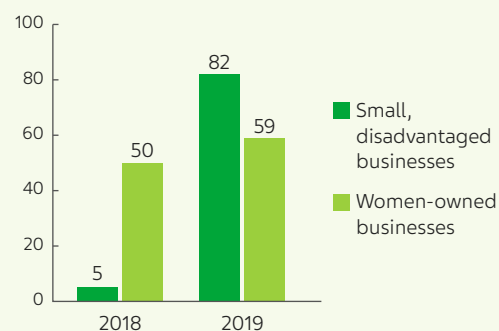
Teva maintains a diverse network of suppliers that reflects our customer and patient populations and offers quality goods and services. In 2019, as part of our efforts to go beyond our US government contracts, we exceeded our annual goal for spending with US small businesses. Teva nearly doubled our engagements with small businesses from 330 to 636, representing 7.3% of our US procurement spend. We grew our engagements with small, disadvantaged businesses from five to 82, representing 0.62% of US procurement spend. Small, disadvantaged businesses are at least 51% owned by one or more individuals who are both socially and economically disadvantaged. We also saw a steady increase in engagements with small, women-owned businesses, from 50 to 59.

Teva has continued relationships with partner organizations to drive additional engagement with the small and diverse supply base at a regional level, participating in seven outreach events to develop and grow relationships with small and diverse suppliers. In 2019, we also saw significant improvement in our reporting capabilities for federal government requirements, as well as improved onboarding processes for small and diverse vendors.

Small businesses engaged in US



Small, disadvantaged businesses and women-owned businesses engaged in US



Manufacturing active pharmaceutical ingredients

Medicines are made up of several ingredients, most important of which are active pharmaceutical ingredients (API)—the ingredients that produce the intended effects. Teva api is the world’s leading international manufacturer of APIs, with hundreds of quality API products in various therapeutic areas, manufactured across 16 API production facilities. For more than 80 years, Teva api has focused on quality services and products.

teva | api

\$750+ million in external sales

Supports 75% of top 50 global pharmaceutical companies

Operates **16 plants**, **5 R&D centers** and **7 regional offices**



SUPPLY CHAIN GOALS: 2020

1. Drive risk mitigation framework, ensuring corrective actions are in place for suppliers (execute five on-site audits for suppliers with low EcoVadis scores).
2. Lead and improve procurement’s responsible supply program in alignment with PSCI principles and relevant internal stakeholders.
3. Increase supplier diversity reporting capabilities (US Federal Government Small Business Report), awareness and transparency, provide internal training and improve external communications.
4. Provide internal supply chain training, improve reporting, increase communication and awareness and support teams in improving our supply chain.
5. Deliver on-time and accurate completion of required US Federal Government 2021 Small Business Subcontracting Plan (due by 11/30).

About This Report

This report describes our key actions in 2019 to contribute to healthy communities and lead a responsible business. The report is written in accordance with the Global Reporting Initiative (GRI) Standards: Core option. GRI reporting principles have been applied in compiling this report.

Teva's complete 2019 ESG Progress Report, including the Global Reporting Initiative (GRI) Content Index, is available on our [website](#).

Our complete [2019 ESG Progress Report](#) fulfills our commitment to submitting an annual Communication on Progress to the United Nations Global Compact.

Please contact our Vice President of ESG and Global Health, Amalia Adler-Waxman, with any feedback or suggestions at Amalia.Adler-Waxman@tevapharm.com.



Cautionary Note Regarding Forward-Looking Statements

This 2019 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 strategy and goals; our ability to successfully compete in the marketplace; consolidation of our customer base and commercial alliances among our customers; delays in launches of new products and our ability to achieve expected results from investments in our product pipeline; 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; our business and operations in general, including: duration, and geographic reach of the COVID-19 pandemic and its impact on our business, financial condition, operations, cash flows, and liquidity and on the economy in general; interruptions in our supply chain, including due to potential effects of the COVID-19 pandemic on our operations and business in geographic locations impacted by the pandemic and on the business operations of our customers and suppliers; adequacy of and our ability to successfully execute and maintain the activities and efforts related to the measures we have taken or may take in response to the COVID-19 pandemic and associated costs therewith; challenges associated with conducting business globally, including adverse effects of the COVID-19 pandemic, political or economic instability, major hostilities or terrorism; our ability to attract, hire and retain highly skilled personnel; our ability to develop and commercialize additional pharmaceutical products; compliance with anti-corruption sanctions and trade control laws; manufacturing or quality control problems; disruptions of information technology systems; breaches of our data security and privacy; compliance, regulatory and litigation matters, including our ability to reach a final resolution of the remaining opioid-related litigation; costs and delays resulting from the extensive governmental regulation to which we are subject or delays in governmental processing time including due to modified government operations due to the COVID-19 pandemic and effects on product and patent approvals; governmental investigations; potential liability for patent infringement; product liability claims; and other financial and economic risks including our exposure to currency fluctuations and restrictions; and other factors discussed in our our Annual Report on Form 10-K for the year ended December 31, 2019 and subsequent SEC filings, including in the sections captioned "Risk Factors" and "Forward Looking Statements." 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.

