



# 2023 Healthy Future Report



Healthy People | Healthy Planet | Healthy Business

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# A Letter from Our Chairman and President and CEO

Last year, we announced our Pivot to Growth strategy, which guides us in conducting our business in a stronger, bolder and simpler way. We applied these same principles as we renewed our sustainability strategy, Healthy Future, which is focused on the health of people, the planet and our business, because they are all connected. Healthy Future is our purpose in practice: we are all in for better health.

This report shares what this means for Teva. As you'll see, we are ahead of schedule to meet existing goals, and we've set the bar higher with new targets. Many are directly tied to executive compensation and sustainable finance instruments.

Teva has always focused on addressing unmet health needs and getting medicines to patients who wouldn't otherwise have them. We have launched seven of the eight access to medicines programs we committed to by 2025. This includes our partnership with Global HOPE and Direct Relief to treat children with cancer and blood disorders, which is now in four countries in sub-Saharan Africa, where it has significantly improved the quality of diagnosis and care. Our program with Direct Relief and the National Association of Free & Charitable Clinics in the US is providing mental healthcare for uninsured and underserved patients suffering from depression and anxiety. Now, we are expanding our approach to address other factors impacting health, including strengthening health systems.

We also strive to protect the environment in all we do, including making medicines, especially because we know there is a direct relationship between environmental and human health. Last year, Teva was one of the first two pharmaceutical companies to receive the British Standards Institution (BSI) Manufacturing Certificate for addressing antimicrobial resistance through responsible antibiotics manufacturing. We exceeded our 2025 goal to reduce scope 1 and 2 greenhouse gas emissions, and we've announced our plan to achieve net zero emissions by 2045 and transition to 100% renewable electricity by 2035.



We continue to nurture a culture of ethics and compliance and hold ourselves and our suppliers to high standards. We support the United Nations Global Compact and integrate its Ten Principles in the areas of human rights, labor, environment and anti-corruption into our business.

This progress was against the backdrop of a challenging year. As a global company headquartered in Israel, our employees have been impacted by the October 7th attacks and the state of war declared in Israel; yet, they have demonstrated their unwavering dedication to our patients. We have been meeting the increased demand for medicines and medical equipment in Israel, while caring for our communities, including launching our signature program, Support the Soul, to help therapists treat trauma and enhance resilience.

The common thread through every story in this report is that Teva shows up where and when we are needed, offering the skills and resources we are best equipped to provide. Being stronger, bolder and simpler enables us to provide medicines to the millions of patients around the world who count on us.

Thank you to our employees and partners, who are behind this progress, and to all of you for joining us as we work to create a healthy future.

A handwritten signature in black ink, appearing to read 'Sol J. Barer'.

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

A handwritten signature in black ink, appearing to read 'Richard Francis'.

**Richard Francis**  
President and CEO

# 2023 Sustainability Highlights

## Our Progress

Introduced renewed **sustainability strategy, Healthy Future**, a continuation of our environmental, social and governance (ESG) journey

Issued a second series of **sustainability-linked bonds (SLB)**, valued at \$2.49B (\$7.5B total SLB issuances), making Teva the largest issuer in the pharma sector and second largest issuer in the world

Improved score in four prioritized **ESG ratings** (MSCI, Sustainalytics, ISS, EcoVadis)

Awarded:



The ESG Investing 2023 award for **Best Healthcare Company for Sustainability Reporting**



Global Generics and Biosimilars award for **Corporate Social Responsibility Initiative of the Year** for Teva's "Community Routes: Access to Mental Health Care" program in the US

<sup>1</sup>AMR: Antimicrobial Resistance



### Healthy People

7

access to medicines programs launched to date (88% of 2025 target of 8 programs)

46

regulatory submissions of essential medicines in our International Markets region to-date (61% of 2025 target)

18.8M

doses of medicine (worth \$21.5M) donated to patients in need through our access to medicines programs

\$40.9B

in savings from Teva's generic medicines across 20 countries

49%

Women in management positions

68%

increase in number of small and diverse suppliers in US network (vs. 2022)

20%

improvement in lost time injury frequency rate (vs. 2022), the rate of workplace-related lost time injuries that prevent employees from carrying out their duties



### Healthy Planet

Signed agreement for supply of

100%

renewable electricity for all operations in Israel

27%

reduction in scope 1 and 2 greenhouse gas (GHG) emissions (vs. 2019)

### AMR<sup>1</sup> Certification

One of the first two companies to receive the new BSI certification for Responsible Manufacturing for two variations of an antibiotic product



### Healthy Business

~100%

of targeted active employees participated in compliance and ethics training campaigns, covering pharmacovigilance, trade sanctions and conflicts of interest

94%

of employees feel comfortable reporting misconduct, 11% higher than externally benchmarked companies

60%

of significant suppliers evaluated on sustainability topics

Teva's Integrity Hotline Complaints Procedure published

Sustainability targets implemented for global procurement sourcing managers

## Our Performance

	Performance			Industry Ranking		
	2021	2022	2023	2021	2022	2023
	41	54	54	Top 17%	Top 7%	Top 8%
	31.1 (High risk)	29.8 (Medium risk)	22.9 (Medium risk)	Top 12%	Top 18%	Top 8%
	B (2.6)	BB (3.6)	BB (4.1)	NA	NA	NA
	C+	C+	B-	Top 10%	Top 10%	Top 10%
	63	67	73	Top 12%	Top 9%	Top 4%
	CLIMATE	B	A-	A-	NA	NA
	WATER	B	B	B	NA	NA

Accurate as of: 19/02/2024

Note: For Sustainalytics, a better result is indicated by a lower performance score. For MSCI, numbers are related to the industry-adjusted score.

# About Teva

## Our Company

### Our Purpose

As a global leader in generic medicines with a strong, innovative portfolio, **we are all in for better health.**



### Our Pivot to Growth Strategy

In 2023, Teva announced a new strategic framework to deliver enhanced value and create a greater impact for patients. Pivot to Growth aims to bolster Teva's strong commercial portfolio, amplify our innovative pipeline, sustain our generics powerhouse and focus our business. This future-focused mindset supports a stronger business, drives a bolder category-defying portfolio and encourages simpler processes, with the goal of better health.

### Our Business



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



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



We have **49 manufacturing facilities** and **22 research and development (R&D) sites** across **26 countries**.



We work with more than **45,000 suppliers**.



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

### Our People



Our global workforce, as of December 31, 2023, consists of over **37,000 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 **11 members** (all independent, aside from President and CEO).



## Our Portfolio

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

We commit to push the boundaries to help deliver quality medicines, discover life-changing treatments and drive scientific innovation to support patients, families, healthcare professionals and caregivers. 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 2,100 products in our portfolio and pipeline, use more than **100 different manufacturing technologies** and are a leading supplier of medications on the World Health Organization's (WHO) Essential Medicines List (EML)—**manufacturing 56% of medicines** on this list of treatments for priority health needs. **Below is a snapshot of our portfolio, aligned with our Pivot to Growth strategy pillars.**

#### Deliver on Growth Engines

We aim to maximize pivotal solutions that lead to better health for patients and a stronger company for our people.

**Portfolio:** Develop, manufacture and streamline launches of innovative and biosimilar medicines to deliver solutions for patients.

### 3

innovative medicine launches in 2023

### 12

new innovative medicine marketing authorizations in 2023

### 270

medicines in our innovative portfolio

### 1

biosimilar medicine launch in 2023

#### Step Up Innovation

We strive to become a category-defying company. From in-house innovation to strategic partnerships, we are persistently discovering, developing and delivering innovative and biosimilar medicines.

**Pipeline:** Pursue new disease targets, novel treatments and biosimilars.

### 11

innovative medicines in development (in pipeline as of January 2024); of those, three developed in partnerships

### 16

biosimilar medicines in development (in pipeline as of January 2024); of those, nine developed in partnerships

#### New partnership

agreements with Sanofi and Biologic, and expanded collaboration with Alvotech in 2023

#### Sustain Generics Powerhouse

We leverage our capabilities to bring forward complex generics at scale to help create more value for patients and healthcare systems.

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

### 776

new generic medicine marketing authorizations in 2023, including 206 in low- and middle-income countries (LMICs)

### 227

generic medicines in pipeline, including six antibiotics and antifungals

### 573

million sterile units produced in 2023

### 119

generic medicine product launches, 18% (21) of which were in LMICs and 27% (33) of which were complex generics

### 1,834

medicines in our generic portfolio

### 77

billion tablets and capsules produced in 2023

#### Focus the Business

We plan to increase our focus and optimize our businesses and portfolio, including by establishing Teva API (TAPI) as a standalone business. TAPI is a world-leading provider of small-molecule APIs, with extensive expertise in the development and manufacturing of high-quality API products. In January 2024, we announced our intention to divest our Teva API business.

**Portfolio:** Develop, manufacture and supply APIs with the industry's broadest portfolio.

### 350

generic APIs manufactured

### 8

innovative APIs manufactured

## Our Economic Impact

As a leading global pharmaceutical company, we contribute to the economy and society. In 2023, Teva conducted an assessment to quantify the value we provide to the economy, both in terms of savings from generic medicines, as well as contributions to the labor market and economic output.

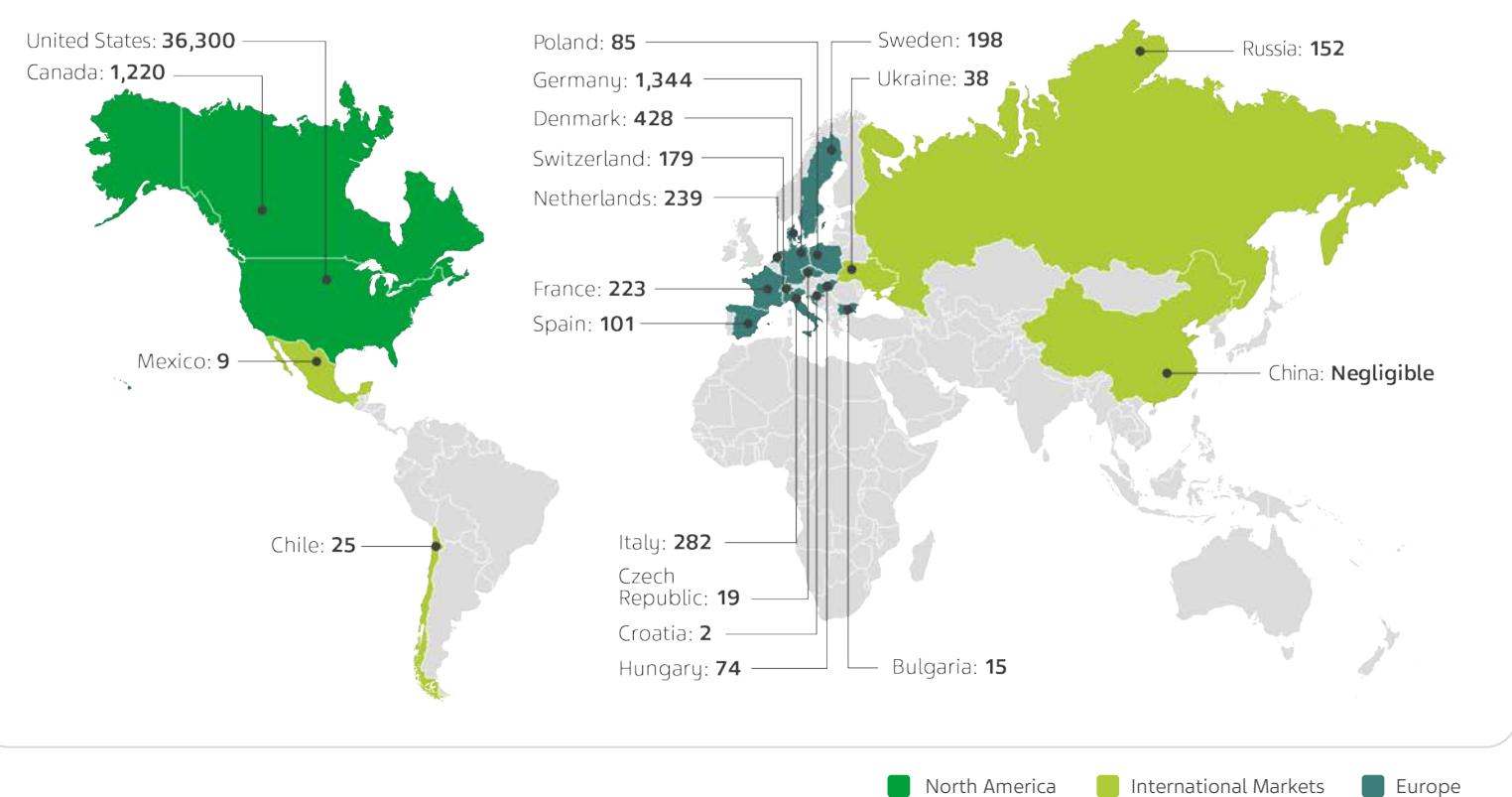
### Generic Medicines Savings

Our generic medicines generate savings for healthcare systems and help patients access treatments at lower costs, without compromising quality. The savings achieved generate additional financial resources for the healthcare budgets of governments—available for innovative treatments and reinvestment to provide additional health benefits. These savings also positively impact the healthcare budgets of families by lowering expenses of necessary medicines.

Teva's generic medicines contributed to \$40.9 billion<sup>1</sup> in savings across 20 countries, including:

- \$37.5B in the US<sup>1</sup> and Canada
- \$3.2B in 13 countries in Teva's Europe region
- \$224M in 5 countries in Teva's International Markets region

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



Note: While this analysis covers 24 countries with 32,924 FTEs (representing 91% of Teva's global workforce of 35,929 FTEs), external data used to calculate generic medicines savings are not available for UK, India, Ireland and Israel.

<sup>1</sup>This figure uses an estimate for 2023 generic savings in the US based on the 2022 Association for Accessible Medicines reported savings, assuming an average yearly generic savings increase rate of 8.5% for 2023 and Teva's generic market share of 8.4% for MAT December 2023. 2022 generic figures data was restated to reflect actuals rather than estimates.



## Social and Economic Impact Around the World

Teva also creates societal value as an employer and a manufacturer. Our spending and income, both directly and indirectly through our supply chain, initiate a production cycle that supports more jobs and further contributes to the economy and communities.

Teva's direct and indirect economic activity:

- Supported 240,320 jobs (in full-time equivalents or FTEs)
- Contributed \$17.2B to gross domestic product (GDP)
- Generated \$8.5B in labor income, a measure of aggregate worker wages



### Bulgaria

Jobs: 9,618  
GDP: \$206M  
Labor Income: \$121M



### Canada

Jobs: 6,245  
GDP: \$296M  
Labor Income: \$211M



### Chile

Jobs: 3,443  
GDP: \$192M  
Labor Income: \$107M



### China

Jobs: 1,227  
GDP: \$26M  
Labor Income: \$19M



### Croatia

Jobs: 14,166  
GDP: \$585M  
Labor Income: \$322M



### Czech Republic

Jobs: 10,137  
GDP: \$473M  
Labor Income: \$251M



### Denmark

Jobs: 192  
GDP: \$17M  
Labor Income: \$11M



### France

Jobs: 1,742  
GDP: \$146M  
Labor Income: \$99M



### Germany

Jobs: 12,979  
GDP: \$997M  
Labor Income: \$571M



### Hungary

Jobs: 16,127  
GDP: \$548M  
Labor Income: \$277M



### India

Jobs: 30,626  
GDP: \$423M  
Labor Income: \$139M



### Ireland

Jobs: 6,494  
GDP: \$545M  
Labor Income: \$233M



### Israel

Jobs: 41,883  
GDP: \$3546M  
Labor Income: \$1807M



### Italy

Jobs: 5,578  
GDP: \$322M  
Labor Income: \$235M



### Mexico

Jobs: 3,464  
GDP: \$176M  
Labor Income: \$85M



### Netherlands

Jobs: 8,084  
GDP: \$730M  
Labor Income: \$328M



### Poland

Jobs: 5,712  
GDP: \$338M  
Labor Income: \$139M



### Russia

Jobs: 4,714  
GDP: \$152M  
Labor Income: \$89M



### Spain

Jobs: 6,722  
GDP: \$400M  
Labor Income: \$192M



### Sweden

Jobs: 152  
GDP: \$13M  
Labor Income: \$10M



### Switzerland

Jobs: 3,575  
GDP: \$460M  
Labor Income: \$168



### Ukraine

Jobs: 1,131  
GDP: \$22M  
Labor Income: \$21M



### United Kingdom

Jobs: 4,926  
GDP: \$544M  
Labor Income: \$231M



### United States

Jobs: 41,385  
GDP: \$6,027M  
Labor Income: \$2,825M

# Sustainability at Teva

## Our Strategy

### Driving sustainability makes our company stronger and is essential for continued growth.

By doing business responsibly and leveraging our footprint, resources, products and skills to help address global challenges and support our communities, we create long-term value and position Teva to continue providing medicines to the millions of patients around the world who count on us.

In 2023, we introduced our renewed sustainability strategy, [Healthy Future](#)—a continuation of our environmental, social and governance (ESG) journey. Reflecting Teva's new leadership, corporate strategy and purpose and an evolution in the external landscape, including stakeholder expectations, Healthy Future encompasses all we do to promote **healthy people**, a **healthy planet** and a **healthy business**.

In line with our [Pivot to Growth strategy](#), Healthy Future guides us in being **stronger**—with enhanced action and transparency across topics that are most important to Teva and our stakeholders; **bolder**—with a clear focus on key topics that have the greatest impact on our business and on which we make the greatest impact, including ambitious targets; and **simpler**—further integrating sustainability into our company. Healthy Future is a natural part of how we do business. It is our purpose in practice: we are all in for better health.

## Our Priorities

We regularly conduct materiality assessments, seeking insights of key stakeholders on the issues they believe are most relevant to our business. Using findings from our [2022 assessment \(page 22\)](#) and additional inputs, we defined 11 priority areas with the greatest potential for Teva to make an impact or to impact Teva: access to medicines and healthcare, patient safety, inclusion and diversity, employee health and safety, climate action and resilience, pharmaceuticals in the environment, ethics and integrity, sustainable procurement, corporate governance, quality manufacturing and risk management.

Within these priority areas, we have focused on the six we believe require the most attention to advance sustainability at Teva and create long-term value, as demonstrated by the visual on the following page. For these focus areas, we have ambitious targets to hold us accountable and help track our progress. As illustrated, we recognize the interconnectedness of these topics and the importance of managing them in a coordinated way to contribute to a healthy future.

Within this report, we outline our 2023 progress in each of our priority areas. However, these are only a few of the many sustainability topics we manage, and we report on our actions and performance across many others in our [Healthy Future Report Disclosures](#).

## Healthy Future

### Our Purpose in Practice



### Healthy People

Improving the well-being of people and society



### Healthy Planet

Safeguarding our planet



### Healthy Business

Leading our business the right way

## Our Healthy Future Focus Areas

### Access to Medicines & Healthcare

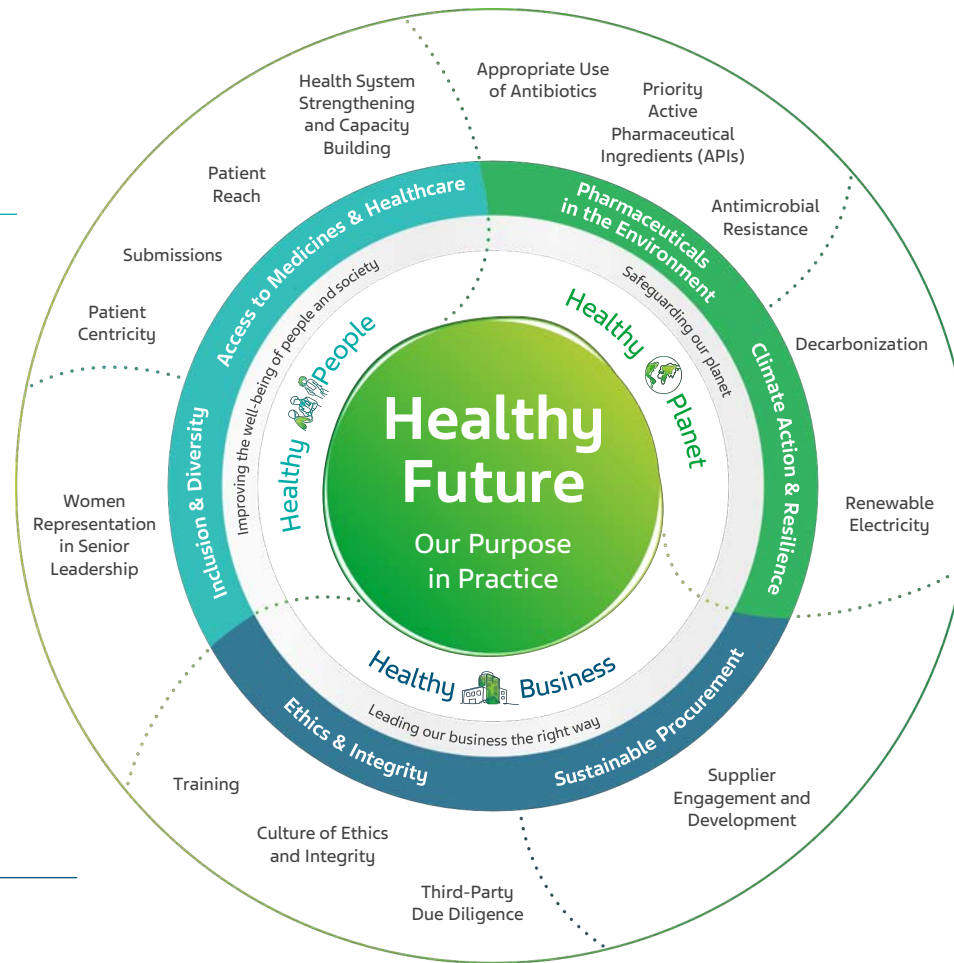
Create equitable and sustainable solutions to enable more people to get the medicines they need, while contributing to health systems strengthening

### Inclusion & Diversity

Foster an inclusive culture and diverse representation to enable business excellence and innovation

### Ethics & Integrity

Uphold the highest standards of business conduct



### Pharmaceuticals in the Environment

Minimize the environmental impact of pharmaceuticals in our operations and supply chain and encourage appropriate use of our products

### Climate Action & Resilience

Reduce our environmental footprint to help fight climate change, while preparing to adapt to its impacts

### Sustainable Procurement

Further integrate priority sustainability factors in our engagement with suppliers

## Fostering a Culture of Sustainability and Transparency

Sustainability is central to Teva's communications. We share our sustainability efforts and progress regularly, investing significant time and resources in internal and external campaigns, educational webinars and other assets, such as articles and social media content. This fosters a culture of transparency and accountability and is grounded in our belief that real change is driven by collective awareness, engagement and action.

Internally, these communications educate and engage Teva's employees, empowering them to adopt and advocate for sustainable practices within and beyond Teva. This amplifies our influence by strengthening our own sustainability efforts and making our employees ambassadors for change. Externally, we believe these communications build trust and credibility by openly sharing targets, processes and progress—and encouraging a collaborative approach to addressing global challenges, improving health and making a positive environmental and social impact.



*Teva employees, UK*

## Governance






In 2023, we refreshed and simplified our Healthy Future governance model to drive responsibility for Teva's sustainability strategy and activities. In 2023, we held dedicated Board of Director sessions, Sustainability Steering Committee meetings and Sustainability Global Forum meetings focused on topics such as development and approval of our Healthy Future strategy, new sustainability disclosure regulations and standards, updates and achievements and our quarterly sustainability dashboard. All of Teva's Executive Management members have sustainability goals across various topics (e.g., greenhouse gas emissions, access to medicines and ethics and compliance) tied to their compensation (annual bonuses). For our six focus areas, we have defined the executives and delivery leads that are accountable for executing our targets. We also continue to embed sustainability into our processes, decisions and actions.



## Long-term Targets

In 2023, Teva developed new targets in line with our Healthy Future strategy to advance sustainability at Teva and create long-term value. The below targets reflect both those created in 2023 and those that are tied to our sustainability-linked bonds. Other targets are highlighted in relevant report chapters.

### Healthy People

Topic	Subtopic	Targets	Progress	Status
Access to Medicines and Healthcare <sup>1</sup>	Submissions	Increase the cumulative number of new regulatory submissions in low- and middle-income countries (LMICs) on the World Health Organization's (WHO) Essential Medicines List (EML) across six key therapeutic areas (TAs) by 150% from 2022 to 2025 (vs. 2017-2020) <sup>2</sup>	46 submissions cumulative (61% of target)	
	Access Programs and Product Volumes	Increase access to medicines program product volume by 150% in 2025 (vs. 2020) through four access to medicines programs, including donations and social business in LMICs on the WHO EML across six key TAs <sup>2</sup>	798K single unit doses provided	
	Health System Strengthening and Capacity Building	Increase the cumulative number of beneficiaries of health system-strengthening and capacity-building initiatives in support of underserved populations by 200% by 2026 (vs. cumulative 2022-2023 baseline)	Around 29K beneficiaries reached (2022-2023 baseline)	
	Patient Centricity	Incorporate a patient-centric approach in 100% of clinical trials for innovative products by 2030, which will help enable more equitable access to medicines	Metrics and baseline in development	
Inclusion and Diversity	Women Representation in Senior Leadership	Aim for gender equality at all levels, with a specific focus on senior management positions (Vice President (VP) and above)	29% of VP+ roles held by women	



New target












In progress

<sup>1</sup>A target on patient reach is being developed in 2024. <sup>2</sup>Sustainability-linked bond target.









## Healthy Planet

Topic	Subtopic	Targets	Progress	Status
Climate Action and Resilience	Decarbonization	Achieve net zero emissions <sup>1</sup> across our operations and value chain by 2045	See scope 1 and 2 and scope 3 progress below	
		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 27%, achieving 2025 target	
		Engage with significant suppliers to get 80% committed or approved by the Science Based Targets initiative (SBTi) by 2030	37% of suppliers with SBTi	
	Renewable Electricity	Achieve 100% <sup>3</sup> use of renewable electricity by 2035 <sup>4</sup>	43% used in 2023	
Pharmaceuticals in the Environment	Antimicrobial Resistance <sup>5</sup>	Achieve safe discharge levels <sup>6</sup> (RQ <1) <sup>7</sup> for antibiotics for 80% of applicable Teva sites by 2030 and 100% by 2035	65% of sites with RQ<1	
		Assess discharge levels of 100% of antibiotic supplier sites by 2030: <ul style="list-style-type: none"> <li>At least 50% of antibiotic supplier sites to have safe discharge levels<sup>6</sup> (RQ &lt;1)<sup>7</sup></li> <li>Of remaining antibiotic supplier sites with discharge levels above safe limits<sup>5</sup>, 50% to have mitigation plans in place</li> </ul>	18% of suppliers assessed	
	Priority Active Pharmaceutical Ingredients (APIs) <sup>8</sup>	Achieve safe discharge levels (RQ <1) <sup>7</sup> for priority APIs for 50% of applicable Teva sites by 2030 and 100% by 2040	44% of sites with RQ<1	
		Assess discharge levels of 100% of priority API supplier sites by 2030: <ul style="list-style-type: none"> <li>At least 50% of priority API supplier sites to have safe discharge levels (RQ &lt;1)<sup>7</sup></li> <li>Of remaining priority API supplier sites with discharge levels above safe limits, 50% to have mitigation plans in place</li> </ul>	Strategy in development	
	Appropriate Use of Antibiotics	Reach 40,000 targeted healthcare professionals and 400,000 patients with educational materials about appropriate antibiotic use to contribute to antimicrobial resistance (AMR) stewardship efforts by 2026	AMR stewardship campaign launched in Germany	

 New target

<sup>1</sup>According to the Science Based Targets initiative (SBTi) net zero standard (Teva intends to make official SBTi net zero commitment by the end of 2025). <sup>2</sup>Sustainability-linked bond target (2030 target has been validated by SBTi as meeting their near-term standard). <sup>3</sup>According to RE100 standard (Teva intends to make official RE100 commitment by the end of 2025). <sup>4</sup>Previous target was substituted with a new, more ambitious target. <sup>5</sup>Previous targets related to the topic were substituted with new targets that reflect efforts to go beyond assessment and include minimizing impact. <sup>6</sup>Safe discharge levels as described in the AMR Industry Alliance Antibiotic Manufacturing Standard. <sup>7</sup>RQ refers to the risk quotient measure of risk that compares the predicted environmental concentration to the predicted no-effect concentration (RQ = PEC/PNEC). <sup>8</sup>Defined by Teva as including hormones, cytotoxins and other APIs on the European Union Water Framework Watch List.

## Healthy Business

Topic	Subtopic	Targets	Progress	Status
Ethics and Integrity	Training	Train 100% <sup>1</sup> of active employees assigned to annual "Our Way" Global Compliance & Ethics training campaigns	>99% employees trained	
		Recertify 100% <sup>1</sup> of active employees on Teva's Code of Conduct biennially (next due in 2024)	Biennial recertification on the Code of Conduct next planned for 2024	
	Third-Party Due Diligence	Maintain 100% evaluation of all submitted Third-Party Representative (TPR) <sup>2</sup> business partners through Teva's Third-Party Due Diligence tool (RiskMate) annually	100% evaluated in 2023	
	Culture of Compliance	Meet or exceed the benchmark of high-performing <sup>3</sup> organizations for the four comparable questions that appear in Teva's Organizational Health Survey related to compliance and ethics by 2028	We exceeded the benchmark of high-performing organizations for one of the four comparable questions	
Sustainable Procurement	Supplier Engagement and Development <sup>4</sup>	Evaluate 95% of significant suppliers <sup>5</sup> on sustainability topics by 2030	436 (60.2%) <sup>6</sup> significant suppliers evaluated (87 in 2023)	
		Achieve 70% of significant suppliers <sup>5</sup> scoring >60 points in EcoVadis by 2030	235 (32.5%) significant suppliers have a score >60	



Achieved



New target



In progress

<sup>1</sup>Teva's compliance training goals are 95% completion after training campaigns are assigned and 100% year-end completion (percentage calculated as average of all Our Way campaigns, within -1% for employees on leave). <sup>2</sup>A TPR is a Teva customer or vendor that interfaces with the government or the healthcare community on behalf of or for the benefit of Teva. <sup>3</sup>High-performing organizations represent the average of the top quartile of responding companies. <sup>4</sup>Previous targets related to the topic were substituted with new targets due to EcoVadis methodology changes and increased scope of significant suppliers. <sup>5</sup>Significant suppliers are identified based on a defined set of criteria, which include businesses with the highest spend, those responsible for over 60% of the scope 3 emission, those connected to antimicrobial resistance (AMR) and those targeted for sustainability initiatives based on a sustainability maturity model. <sup>6</sup>Teva's definition for valid assessment: <50pts score is valid for 12 months (annual re-assessment) and ≥50pts score is valid for 24 months (biannual re-assessment).

## Sustainable Finance

We seek to strengthen our accountability by tying our commitments and progress in priority areas, such as climate action and resilience and access to medicines and healthcare, to our business strategy through sustainable finance instruments. In 2023, we issued our second sustainability-linked bond (SLB) (past issuance 2021) valued at \$2.49 billion. This brings Teva's combined SLB issuance total to \$7.5 billion, making us the largest issuer in the pharmaceutical sector and second largest SLB issuer in the world. Our sustainability-linked financial instruments include:

**\$2.49 billion SLB**

*Issued in 2023*

**\$5 billion SLB**

*Issued in 2021*

**\$1.8 billion syndicated  
sustainability-linked revolving  
credit facility (RCF)**

*Entered into in 2022,  
amended in 2023*

Target Areas



Access to medicines and healthcare: bringing more medicines to low- and middle-income countries (LMICs) to treat noncommunicable diseases (NCDs) by increasing regulatory submissions and product volume on the World Health Organization's Essential Medicines List across six key therapeutic areas (TAs)



Climate action and resilience: reducing scope 1 and 2 greenhouse gas emissions to support efforts to limit global temperature increase to 1.5°C



Access to medicines and healthcare: increasing regulatory submissions in LMICs across six key TAs



Sustainability performance: improving our performance score from S&P Global ESG

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# Access to Medicines and Healthcare

Approximately one-third of the world's population lack access to medicines, vaccines, diagnostic tools and other essential treatments, according to the World Health Organization (WHO).<sup>1</sup> Underserved populations and those living in under-resourced communities are often unable to afford or obtain the treatments they need.

At Teva, we are all in for better health. Increasing access to medicines is fundamental to improving the health of patients, as well as the success of our business. Our generic medicines offer more affordable options, and our innovative medicines address unmet health needs.









In 2023, as part of our Healthy Future strategy, we formally adopted a holistic approach to access to medicines, further addressing financial, geographic, socioeconomic and cultural factors. This approach goes beyond our portfolio—with efforts to strengthen healthcare systems and integrate access into clinical trial design. We have two new targets focused on health systems strengthening and capacity building as well as patient centricity in clinical trials, and we are in the process of defining a patient reach target.

## Guiding Documents

[Teva's Position to Access to Medicines](#)  
[Teva's Policy on Compassionate Use Programs](#)

## Governance

Access to medicines initiatives are approved by Executive Management and reviewed by the Compliance Committee of the Board of Directors. Teva has a dedicated Access to Medicines Committee, which directly reports to the Chief Executive Officer. The committee, which is chaired by the Senior Vice President and Global Head of Sustainability and staffed by other senior managers, advises on and oversees our access to medicines initiatives on a strategic level. Executives are assigned access targets. Our Access Hub is responsible for planning, selecting and implementing all programs on an operational level. It consists of representative leads from key business units and is overseen by Teva's Access to Medicines Lead.

Subtopic	Targets	Progress	Status
Submissions	Increase the cumulative number of new regulatory submissions in low- and middle-income countries (LMICs) on the WHO's Essential Medicines List (EML) across six key therapeutic areas (TAs) <sup>2</sup> by 150% from 2022 to 2025 (vs. 2017-2020) <sup>3</sup>	46 submissions cumulative (61% of target)	
	Ensure consideration of access to medicines strategy for new product launches (2023 and beyond)	Mapped processes and opportunities in generics	
Access Programs and Product Volumes	Increase access to medicines program product volume by 150% in 2025 (vs. 2020) through four access to medicines programs, including donations and social business in LMICs on the WHO EML across six key TAs <sup>3</sup>	798K single unit doses provided	
	Launch eight access programs by 2025 that address underserved populations and those in the last mile in LMICs	7 programs launched, including 2 in 2023	
Health System Strengthening and Capacity Building	Increase the cumulative number of beneficiaries of health system-strengthening and capacity-building initiatives in support of underserved populations by 200% by 2026 (vs. cumulative 2022-2023 baseline)	Around 29K beneficiaries reached (2022-2023 baseline)	
	Continue to be a leader and trusted partner for healthcare organizations in emergencies, disasters and pandemics	Israel, Ukraine and Turkey emergency donations and agreement for Strategic Emergency Stockpile	
	Quantify savings of quality generics to health systems	\$40.9B in savings across 20 countries	
Patient Centricity	Incorporate a patient-centric approach in 100% of clinical trials for innovative products by 2030, which will help enable more equitable access to medicines	Metrics and baseline in development	

<sup>1</sup>Urgent health challenges for the next decade. Source: World Health Organization, Dr Tedros Adhanom Ghebreyesus, WHO Director-General; <https://www.who.int/news-room/photo-story/photo-story-detail/urgent-health-challenges-for-the-next-decade> <sup>2</sup>Therapeutic areas include cardiovascular diseases, adult oncology and pediatric oncology, respiratory diseases, diabetes, mental health and pain/palliative care. <sup>3</sup>Target is part of sustainability-linked bond.



Achieved



New target



In progress



## Offering a Unique Portfolio of Medicines

Our broad portfolio of generic and biosimilar medicines helps create more value for patients and healthcare systems.

Our wide portfolio of generic medicines covers **56%** of treatments on the WHO's EML of important drugs that address key healthcare needs across the globe. This includes:

- **57%** of cardiovascular treatments
- **61%** of pain treatments
- **62%** of cancer treatments
- **69%** of mental health treatments
- **32%** of respiratory treatments
- **44%** of anti-infective treatments
- **20%** of diabetes treatments

### Increasing access to medicines in 2023

Through our business

- **1,834** generic medicines in portfolio
- **5** biosimilar medicines in portfolio
- **270** innovative medicines in portfolio
- **772** new generic medicine marketing authorizations, including 206 in LMICs
- **25** regulatory submissions in LMICs on the WHO EML across key TAs

Beyond our business

- **530M** doses (worth **\$825.8M**)<sup>1</sup> donated to patients, including:
  - **18.8M** doses (worth **\$21.5M**) through our access programs
- **2.9M** units of medicines (worth **\$1.2M**) provided to address drug shortages across the globe
- **92.2M** units of medicines (worth **\$1.69M**) provided to United Nations (UN) organizations and aid agencies through global health tenders

<sup>1</sup>All medicine donations comply with WHO guidelines.





## Reaching Underserved Populations

With a longstanding legacy in quality generic medicines, we are well positioned to help more people get the medicines they need, including underserved populations. To reach them, we partner with trusted organizations that know these communities, are familiar with the local health systems, understand patients' treatment plans and work directly with healthcare providers to implement those plans.

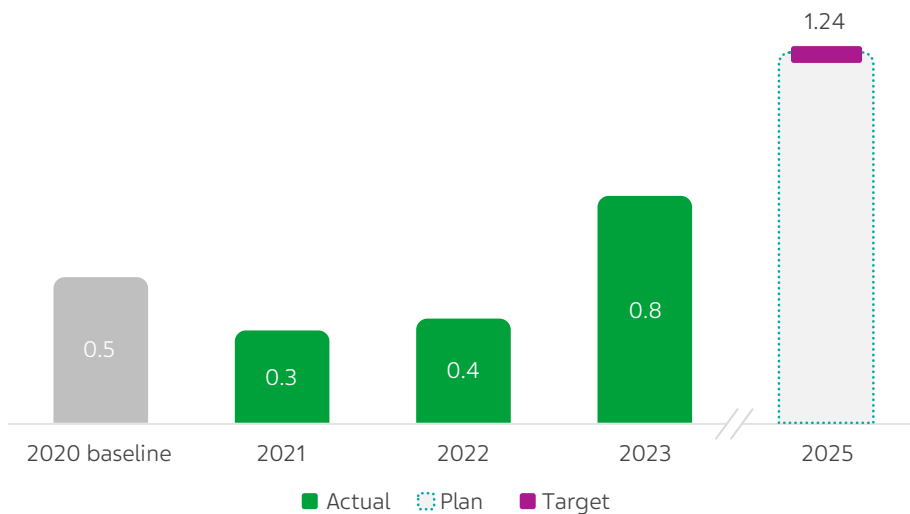
In 2020, we committed to launch eight access to medicines programs by 2025 to provide treatments to underserved populations worldwide through customized, localized models. We are ahead of schedule, having launched seven of these programs to date, including two new social business programs in 2023. Through our social business programs, we sell our products at a very low cost to nonprofit organizations that distribute them to patients, making a sustainable, positive impact while also supporting our business.

These programs count toward our 2025 target for number of programs launched, with a subset of these programs eligible for inclusion in our product volume sustainability-linked bond (SLB) target. In 2023, we donated more than 18.8 million tablets/doses, worth over \$21.5 million, of medicines through our access programs. Separately, nearly 800,000 tablets/doses were donated to programs included in our SLB target.



*Access to medicines program in Malawi*

Product volume in LMICs across six key TA access programs



## Our Access to Health and Medicines Programs



### Chile

In 2023, in partnership with Fracción, we launched a new program supporting the Communities Without Pharmacies project, to open pharmacies in rural and remote areas for the 30% of people in target communities who live under the poverty line and have chronic health needs. The partnership will eventually evolve into a social business program.



### Spain

In 2023, we launched a new program to increase access for the approximately 1.5 million people in Spain who cannot afford to pay for prescription medicines and other health products for chronic diseases. We partnered with [Banco Farmacéutico](#) to aid 1,000 pharmacies in covering co-payments for medicines—with an estimated reach of 585 underserved patients—and provided nearly 51,000 doses of medicine (worth \$8,900) in the program's first year.



### Malawi, Uganda, Botswana and Tanzania<sup>1</sup>

We launched a partnership with [Global HOPE](#) (Hematology-Oncology Pediatric Excellence), a program of the Texas Children's Hospital, and [Direct Relief](#) in 2020 with the goal of providing medicines to fulfill the treatment plans of children with cancer and blood disorders in sub-Saharan Africa. After piloting the program in Malawi, Uganda and Botswana, we expanded to Tanzania in 2022. In 2023, the program treated around 1,000 patients monthly and increased three-year survival rates by more than 40% (in Malawi and Uganda). We also supplied more than 434,000 doses of medicine (worth \$8.2 million) through this program in 2023 alone.



### Ghana<sup>1</sup>

In partnership with [Breast Care International](#) and [Direct Relief](#), we continue to build on our existing efforts to support oncology treatment in Ghana. In 2023, we donated 597,000 doses of medicine (worth \$1.9 million) to support treatment for approximately 400 patients with breast cancer. We also initiated a capacity-building program to address core challenges of the local healthcare system to enable early diagnosis and improve survival rates.



### France

We created a social business program to help treat cardiovascular diseases, infectious diseases, pain and mental health conditions. The program is in partnership with [Pharmacie Humanitaire Internationale](#), 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 2023, we provided 1.9 million doses of medicine (worth \$80,500).



### 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 reliable healthcare option available. We partnered with [Terem Clinic](#) and Naavat David (a supporting nongovernmental organization [NGO]), as well as Ruth Clinic and Amcha (a supporting NGO) to donate 50,000 doses of medicine (worth \$20,000) to more than 660 patients in 2023.



### United States

In partnership with [Direct Relief](#) and the [National Association of Free and Charitable Clinics \(NAFC\)](#), we launched a program to advance access to mental healthcare for uninsured and underserved patients suffering from depression and anxiety in 2022. The program is now active in 10 states (seven added in 2023). We are donating 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 2023, we donated 17.7 million doses of medicine (worth over \$11.3 million).



Teva's **"Community Routes: Access to Mental Health Care"** program in the US received the 2023 Global Generics and Biosimilars Award for Corporate Social Responsibility Initiative of the Year.



<sup>1</sup>Program meets the eligibility requirements to be counted toward Teva's sustainability-linked bond key performance indicator to increase access to medicine program product volume by 150% in 2025 (vs. 2020) through four access to medicines programs.

## Increasing Regulatory Submissions in LMICs

In line with our SLB target to increase regulatory submissions in LMICs, we continued to support our International Market Region in increasing submissions of WHO EML products across key TAs. We are on track with our target, having reached 46 submissions in total as of 2023 (61% of our 2025 target).

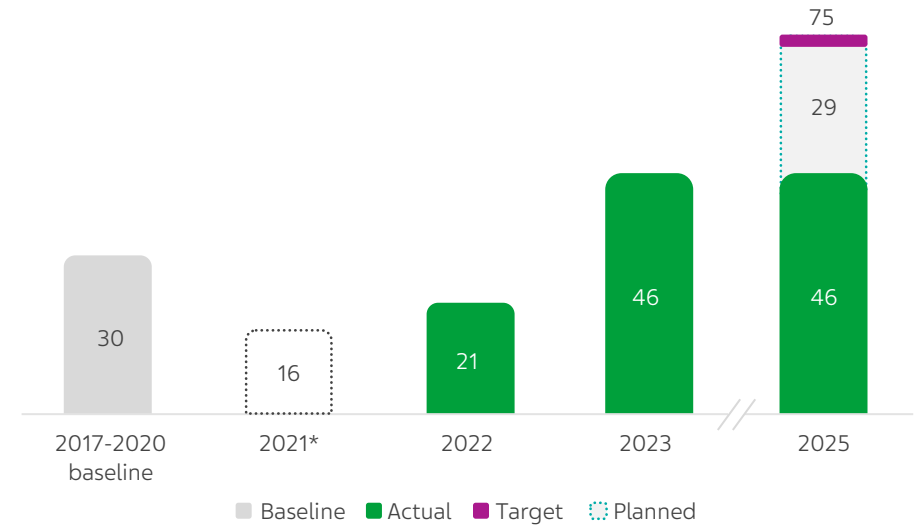
## Strengthening Health Systems and Capacity Building

We focus on strengthening healthcare systems to improve health equity. Our new target will measure impact through the number of Teva health system-strengthening and capacity-building initiative beneficiaries, including patients, healthcare workers and community members.

In 2023, as a result of our grant funding through our US mental health program in partnership with Direct Relief and NAFC, clinics implemented or expanded activities, including conducting depression, anxiety and adverse childhood experience screenings and culturally and linguistically relevant behavioral health services. In its first year, from November 2022 to October 2023, the program reached more than 28,000 patients, including nearly 7,000 directly (e.g., through provider visits and screenings) and more than 21,000 indirectly (e.g., through outreach, training of staff, volunteers and community members and hosting community events).

In addition, through our Global HOPE partnership, we trained almost 1,000 healthcare workers in 2023. The partnership aims 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.

Number of cumulative new regulatory submissions in LMICs across six key TAs



\*Not counted towards target

## Considering Access in Generics Development

In line with our target, we consider access to health and medicines when developing our generics products. Some of these strategies include:

- Before product development: Considering formulations that can adapt to difficult conditions, including heat-stable, oral and long-acting formulations. We also consider developing two different formulations in parallel, so medicines can be adapted to the needs of specific markets.
- Product development: Doing everything in our power to ensure the earliest possible submissions can happen and partner with third-party suppliers when we do not have a product.
- Before product launch: Prioritizing certain products in LMICs, in line with criteria of our sustainable finance instruments. We also integrate high standards in all LMIC markets and make adaptations based on culture and languages.

## Driving Patient Centricity

In line with our Pivot to Growth strategy, we are stepping up innovation to continue the momentum behind the discovery, development and delivery of medicines. To increase the value that our medicines provide to patients and caregivers, we introduced a new patient centricity target in 2024. We will focus on implementing patient-centered clinical trials through an approach that emphasizes patient engagement, recruitment of diverse populations, evaluation of remote decentralized procedures and site centricity. By putting patients' needs at the center of our clinical trials approach, we gain insights to inform how we develop medicines that are more effective, and therefore more accessible, for certain populations.

### Patient Engagement

In 2023, we engaged with patient advocacy groups to obtain input from patients and caregivers about the development of clinical trials and to support clinical trial awareness.

Throughout 2023, we hosted several advisory boards to gather feedback directly from patients and caregivers to hear their preferences on how they would like us to engage with them throughout the product life cycle. Insights from these meetings have contributed to our drug development strategy and allowed us to identify and evaluate educational programs and resources. Highlights include:

- **Schizophrenia:** Our DECIDE survey uncovered barriers to healthcare providers' (HCPs) use of long-acting injectables despite the favorable outcomes they offer for patients and is now being expanded outside the US via the ADVANCE survey. Drawing on their value in 2023, advisory boards related to psychiatric conditions are a strategic imperative in 2024 to continue amplifying patient and caregiver voices.
- **Migraine:** We launched a survey to better understand the challenges and diagnostic and treatment journey of patients living with both migraine and depressive disorder. We also implemented a compassionate use program to allow patients who participated in our pediatric migraine study to continue treatment.

## Recruitment of Diverse Populations for Clinical Trials

In 2023, we successfully completed a pilot program to educate and raise awareness of diversity in clinical trials at our sites. We collaborated with a partner to identify community institutions to increase underrepresented populations in an active clinical trial. We also explored partners to support engagement with underrepresented communities to provide general education about clinical trials.

### Evaluation of Remote Decentralized Trials

We are also focused on providing better access to clinical trials to ease the burden for all participants and for people who live far away from clinical study sites or those that would otherwise not be able to participate, including those with mobilization difficulties. In 2024, we will begin to evaluate and implement decentralized components for all trials.

### Site Centricity

This component of patient centricity means ensuring we partner with clinical trial sites to improve the design of our clinical trials and support sites for successful execution (e.g., eliminate barriers related to recruitment of diverse populations and introduce remote decentralized components).

#### Migraine Advocacy

Teva received an award for our support to the European Migraine and Headache Alliance (EMHA). We have supported advocacy initiatives over the past eight years, collaborating on migraine awareness campaigns. This includes the Stigma Survey, a pan-European digital survey answered by more than 4,000 people across 17 countries that examines the origins of stigma surrounding migraine, its impact on patients and the need for better understanding and support.

## Addressing Emergencies and Disasters

We leverage a network of credible suppliers and partners and serve as a trusted collaborator with healthcare organizations to address urgent medical needs.

### State of War Declared in Israel

Many at Teva have been impacted by the state of war declared in Israel, where we are headquartered. We have been supporting our Israeli colleagues and their families, with a focus on safety and physical and mental health, while also maintaining business continuity to deliver our medicines to the patients who count on us—both in Israel and around the world. We met an up to 300% increase in demand for medicines and medical equipment in the initial days after the war began. We also extended support to Friends for Health (Haverim Le'Rufuah), a non-profit organization, to donate medicines and medical equipment to soldiers, victims, those evacuated from their homes or others in need. Read more [here](#).

### War in Ukraine

Teva remains focused on supporting our employees impacted by the war in Ukraine and their families, prioritizing their safety and well-being. We donated more than 83 million single unit doses of medicines (worth about \$140 million) to areas of Ukraine affected by the war in 2023, building on our support in 2022—during which we made the largest donation of any pharmaceutical company. Teva Ukraine continues to participate in the National Affordable Medicine Reimbursement Program by adding new molecules for both immunosuppressive therapy and cardiovascular diseases across four TAs. In 2023, we hosted a patient assistance program to sell migraine products at low margins, which remains crucial in the current economic and social situation.

### Strategic Humanitarian Emergency Support

We are contributing to the Strategic Emergency Stockpile, an initiative managed by Direct Relief to collect antibiotics, vaccines and other medicines to be distributed immediately in case of international humanitarian emergencies. In 2023, we ensured continuous supply of our products to existing programs and prepared systems for expanded shipping to the stockpile, which we will begin in 2024.



*Teva's CEO, Richard Francis, supporting employees during the state of war declared in Israel*



## Advancing Health Research

Improving access to medicines and healthcare requires a continued effort to develop evidence-based solutions that address unmet needs. Beyond our robust in-house capabilities, we also look beyond our company to collaborate with others. We do this by participating in academic partnerships, working with other innovative ecosystems around the world and collaborating with our industry through consortiums. These efforts increase Teva's scientific visibility, while expanding and accelerating our innovative medicines portfolio.



## Innovative Medicines Initiative

Since 2019, Teva has been part of the Innovative Medicines Initiative (IMI), Europe's largest public-private partnership in the life sciences. IMI aims to develop next-generation vaccines, medicines and treatments. Members of the European Federation of Pharmaceutical Industries and Associations (EFPIA) develop research priorities, and the European Union (EU) matches contributions for academics and experts to join. Participation enriches Teva's network across the industry in line with our strategic focus areas.

In 2023, Teva was participating in more than eight consortia—from drug discovery to development. Three current highlights include:

### Trials@Home



Explores opportunities of moving clinical trials from the traditional clinic setting to the participant's immediate surroundings, known as remote decentralized clinical trials (R-DCT). Teva will work on developing insights, guidelines and best practices for R-DCTs to accelerate recruitment and retention of clinical trial participants, improving the validity of research.

### ConcePTION



Aims to enhance optimal care for pregnant and lactating women by generating and sharing science on medicine use during pregnancy and breastfeeding. Teva is helping to design the tools to predict medicines in breastmilk and support pharmacovigilance data collection.

### RealHOPE



Aims to measure real-life events during drug handling of biological products. Teva will contribute to standards and guidelines for safe handling of biologics in pharmacies and with caregivers.



## Innovation Collaborations

We engage in scientific collaborations from an early stage to help shorten discovery and development timelines and increase success rates. Collaborating with medical centers, biobanks, start-ups, accelerators and universities bolsters development of novel therapeutics for Teva and enables meaningful contributions to the healthcare ecosystem. As a partner of choice in the biotech ecosystem, we provide access to industry insights and our team's unique expertise.

We have extended our strategic R&D partnerships with the Israeli ecosystem to develop new therapeutics and technologies, establishing approximately 30 projects with Israeli researchers over the past four years. This includes 15 partnership grants with the Israel Innovation Authority, one of which evolved into a start-up for magnetic resonance imaging (MRI)-based diagnostics for Parkinson's disease through Sanara Ventures, an incubator supported by Teva and Philips Healthcare.

As an active partner in AION Labs, based on an alliance between Teva and three other global pharmaceutical companies, Amazon and the Israel Biotech Fund, we support start-ups in the field of artificial intelligence (AI) in drug discovery and development. As part of this alliance, 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 also continue to support DenovAI, a start-up that focuses on design of novel, computational-based antibodies.

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 scale a lab project to production. As a part of our BioInnovators Forum, our experts offer mentorship and training on translational research to PhD and post-doctorate students as well as an annual innovation competition for students to develop solutions to unmet medical needs. In 2023, top ventures included a multi-sensor home use device for breast cancer detection, cannabinoid nanoparticles for treatment of endometriosis and a novel method to reduce graft-versus-host disease during bone marrow transplants.

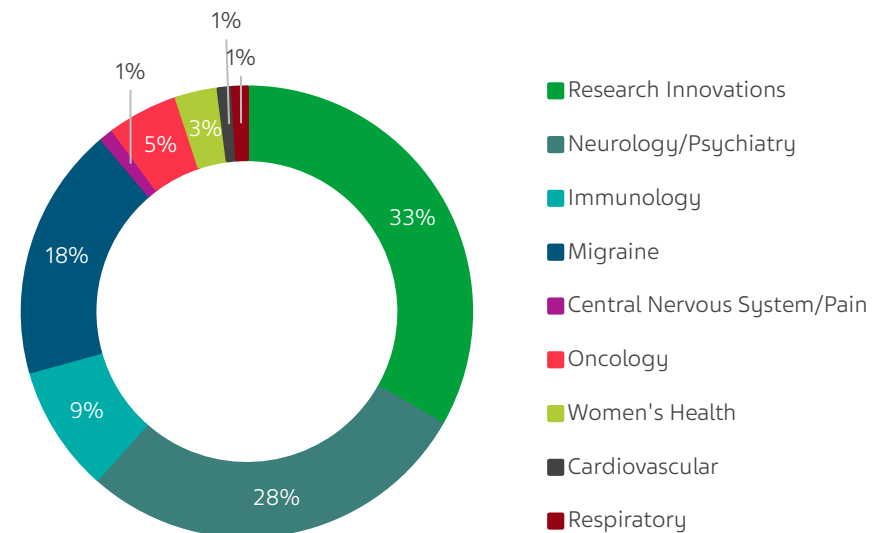


## Public Health Research

We collect and use public health and epidemiological data to estimate unmet economic, clinical and social needs of patients across our key TAs, including central nervous system, psychiatric, inflammatory and oncological conditions. Our research focuses on understanding the burden of illness, examining new clinical educational tools and evaluating ways to ensure patients have access to necessary treatments and enables HCPs, payers and other decision-makers to focus on areas with the greatest need.

In 2023, we presented our research at 180 congresses and published 78 peer-reviewed articles across scientific and medical journals.

Teva Research and Development Academic Papers  
Published on PubMed in 2023 (78 total)



# Patient Safety

We prioritize the safety of our products across the full product life cycle—from development to the pharmacy shelf—to support the health of our patients each day. Our Global Patient Safety and Pharmacovigilance (GPV) unit continuously assesses the benefit and risk profiles of our products and implements measures to minimize risk.

## Prioritizing Pharmacovigilance

Our robust pharmacovigilance system ensures our medicines meet our high standards and comply with legal requirements, with procedures for audits, deviation management, monitoring activities and training.

We swiftly identify and mitigate any possible new safety signal—information on a potential new or known adverse event that may warrant further investigation—via our global safety network, which uses computer systems and medical knowledge of expert physicians, pharmacists and other healthcare providers (HCPs) to constantly review and assess all case reports for possible safety signals. Regular supervision from the Food and Drug Administration (FDA) and other health authority inspections also ensure compliance with legal requirements. If a signal is identified, we address it in a timely manner to minimize risk to patients.

We maintain Company Core Safety Information (CCSI) for our medicines, updating documents when new risks are detected and changing safety labels as required. In 2023, our GPV unit reviewed more than 35,000 drug-event combinations and more than 18,000 literature abstracts to determine new potential risks. Results were included in more than 1,500 aggregate safety reports and shared with health authorities per local requirements. As a result, we initiated safety label updates for more than 280 compounds, including aspects related to potential health impacts and their mitigation, as well as 250 additional measures across countries, such as the provision of educational materials for patients and HCPs regarding how to use a given product safely; identify, avoid and/or minimize health risks; and improve treatment outcomes. We constantly oversee and review the safety of Teva's entire medicine portfolio and clinical trial pipeline.

Additionally, in 2023, we implemented a new global pharmacovigilance safety database to enable a harmonized, end-to-end process for managing adverse event reports and improving oversight of the safety profile of our products. In 2023, we had 138,906 adverse events—decreasing from 148,968 events in 2022.

### Guiding Documents

[Teva's Position on Patient Safety](#)  
[Global Patient Organization and Advocacy Disclosure](#)

### Governance

The Global Head of Patient Safety reports to the Head of Global Research and Development, who is a member of Teva's Executive Management.

Our Global Head of Patient Safety leads our Patient Safety organization and chairs the Corporate Safety Board (CSB), which serves as the highest level for patient safety governance at Teva. Our CSB consists of senior Teva leaders from Patient Safety, Medical Affairs, Clinical, Regulatory, Legal and Quality.

The CSB, as well as similarly composed product safety groups, regularly reviews and assesses the safety of Teva's products and evaluates global data collection system outputs, including product use data and scientific publications. Product safety groups are a multifunctional forum, with representatives across business units. Teva's local safety officers are responsible for patient safety reporting and compliance with legal requirements in each country.

A global Good Vigilance Practice (GVP) audit program is prepared annually using a defined risk-based approach. The program audits third parties' patient safety management and is conducted by qualified Teva auditors or by external consultants at Teva's request. Teva audited 59 third parties in 2023.

All employees are required to complete our patient safety trainings and annual refresher courses, which cover communication and reporting protocols to prepare our employees for rapid collection and sharing of safety information when needed.

### Patient Safety Day

For World Patient Safety Day in September, we amplified our commitment to patient safety with an article discussing "Three Trends" in pharmacovigilance, video messaging on the importance of elevating patient voices and a social media campaign. Trends discussed include the role of artificial intelligence and machine learning in processing safety data, patient roles in drug safety and eco-pharmacovigilance. We encouraged country and regional communication leaders to connect with local safety officers to explore in-market opportunities to collaborate or refine messaging.

# Inclusion and Diversity

We weave inclusion and diversity (I&D) into every aspect of our business—including our workforce and Board of Directors, as well as our clinical trials, supply chain and communications. This drives innovation and enables us to better meet the needs of our patients, while also contributing to the success of our business.

## Fostering an Inclusive Culture for Employees

Teva offers a welcoming, inclusive culture where our employees feel heard, safe and respected, allowing them to thrive. Diversity of thought and skill drives our collective creativity and success, creating high-performing teams that understand the diverse needs of patients best. Positive feedback from employees reflects the sense of belonging we've fostered. According to Teva's 2023 Organizational Health Survey, 82% of employees believe we have an inclusive culture where they can reach their full potential.

In 2023, we further translated our I&D commitments into action:

**We formalized our internal structure and processes** to ease implementation of I&D initiatives, including by identifying I&D leads at the business unit level and allocating resources to specific activities. We also reestablished a global I&D professional forum, composed of regional and business unit-level I&D leads, leading and calibrating the company's activities at all levels.

**We implemented a new annual data analysis process** to evaluate the inclusion experience of each employee, keep us accountable and help us address our colleagues' needs. The process monitors representation data, analyzes employee experience and monitors aspects of psychological safety, fairness, well-being, career opportunities and more. Analyses are presented to each business unit's executive leadership and serve as baselines for mapping and planning initiatives.




**Teva USA** increased employee membership in the Healthcare Business Association (HBA)—the premiere group promoting women's leadership in healthcare. We also partnered with the HBA to help support and advance women at Teva through its Rising Star and Luminary Program, honoring top talent who exhibit exemplary leadership, actively mentor and sponsor others and are role models who have made notable contributions to our company.

### Guiding Document

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

### Governance

Within the Talent Management Function, our dedicated Global Inclusion and Diversity (I&D) Lead, who is two levels away from Executive Management, is responsible for the execution of the global I&D strategy and initiatives, partnerships and alignment of activities across regions and business units.

Target	Progress	Status
Aim for gender equality at all levels, with a specific focus on management positions (Vice President (VP) and above)	29% of VP+ roles held by women	

 New target

### 2023 I&D Highlights



Increased female representation of top executives (Vice President and above) (29% vs. 27% in 2022)



90% of employees and 84% of managers completed "The Science of Diverse Winning Teams" training, learning to leverage diversity to achieve higher performance

### Recognition

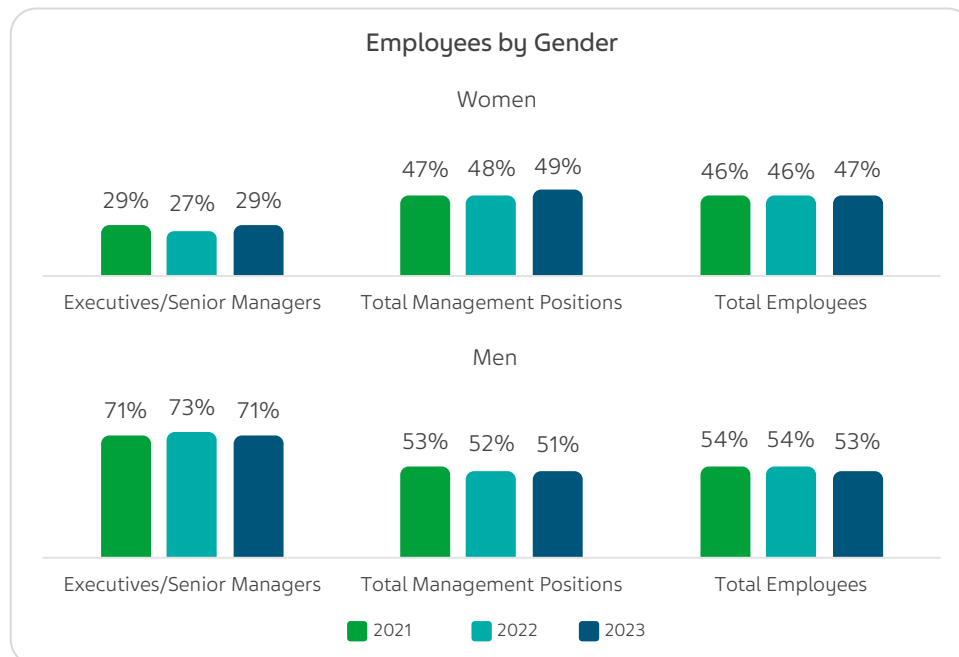
- **Teva US:** "Equality 100 Award" recipient based on a perfect score of 100 in the Human Rights Campaign Foundation's Corporate Equality Index
- **Teva US:** Mansfield Certification of Legal department for the second year in a row, awarded by Diversity Lab

## Continuing to Ensure Gender Equity

Women often face challenges to achieving their full potential, impacting their professional growth. In addition to our broader diversity-focused recruitment and retention efforts, we actively accelerate and encourage integration of women into leadership positions. Leading activities, which span female-designated programs as well as those with significant female representation, include:

- Early Graduate global program, hiring young talent for a structured career development process
- Exchange program for women in finance to further their career development
- Individualized assessments and development plans for successors
- Mentorship programs across regions and business units

The Catalysts is a global group of mid- and senior-level business leaders dedicated to promoting gender diversity at Teva. In 2023, the group implemented training sessions for managers and revisited talent acquisition practices to help address barriers to women entering senior management



## Upskilling Our Colleagues on I&D

Throughout 2023, we enhanced opportunities for learning and skills development on I&D-related topics. Three hundred Teva Human Resources (HR) professionals were invited to the HR SPARK I&D Learning Series, offering up-to-date research on the benefits of I&D from a business perspective and sharing how to reduce the negative impacts of bias and lead effective organizational transformation in I&D. We also held designated sessions to raise awareness, reduce bias and further integrate inclusive leadership among our people managers.

## Improving Pay Equity

We aim for pay equity at all levels. In 2023, we continued to identify pay differences among our entire employee population using our global methodology, which includes pay differences between men and women and across other disparities among employees of the same function, level and location. Our 2023 findings revealed that among those in the same level, function, profession and location, Teva has no pay gap, paying women 0.01% more than men for base salaries.

We take action to minimize any gaps identified during our annual rewards cycle. Because pay differences are often created when employees are hired into Teva or are promoted, we have worked with our talent acquisition team to introduce new tools and approaches to avoid pay differences during the offer stage.

## Promoting Diversity

As a global company, the diversity of our team is something to be celebrated! In 2023, we leveraged awareness months and days, such as International Women's Day, Diversity Month and Pride Month.

For **Pride Month** in June, our global "Celebrating with Pride" campaign celebrated team members from the LGBTQ+ community to increase allyship. Sharing employee-generated content, enabling meaningful discussions via global and regional webinars and promoting involvement in employee resource groups (ERGs) helped colleagues see one another beyond stereotypes.

For **International Women's Day** in March, we expanded our global campaign to reinforce that gender equity impacts everyone. By correcting the perception that these challenges only impact women, we encouraged all employees to play a role in addressing gender equity.

## Advancing I&D Across the Globe

### United States

- ERGs connect like-minded employees, offering networking opportunities, mentoring and leadership training, while providing a platform to take action and express their unique voices. ERGs include Black Heritage, Women, Men, Abilities (for those working with disabilities), Hispanic/Latino Heritage, Pride, Veterans, MERGE (multigenerational ERG) and Working Families (for those with children)
- Abilities ERG held webinars to advance awareness of neurodiversity in the workplace to encourage disability allyship and support those caring for a loved one with a disability
- Pride ERG developed a gender transition policy to support transgender inclusion, which has since been approved and published
- For more details on 2023 updates, see the [Healthy Future Report Disclosures](#).

### Europe

- Signed L'Autre Cercle Association's commitment charter in France to work toward LGBTQ+ inclusion in the workplace
- Organized a one-day workshop at Teva Germany's Ulm site, themed "Change the Perspective," where employees learned about the daily experiences of individuals with disabilities

### Russia

- Offered learning programs to support working women in their professional development
- Implemented part-time summer work opportunities for employees' family members to gain firsthand business experience and share ideas

### Asia

- Committed to making I&D a priority focus in Japan, an initiative of the Vision Ambassador Team
- Implemented regional program to support development of female talent through peer coaching, beginning with a pilot of four female leaders
- Raised awareness of complex elements of I&D through personality assessments, workshops and education on working styles and preferences in Thailand, China and Hong Kong

### Latin America

- Promoted inclusion of people with disabilities, the LGBTQ+ community and women through webinars, roundtables, discussions and materials
- Advanced I&D education in leadership via a targeted workshop
- Established I&D Committee and Forum
- Developed initiative to accommodate employees with disabilities, including certification processes and in-office accommodations

### Israel

- Hosted field HR and recruitment team trainings and adapted local processes to promote hiring of people with disabilities
- Partnered with Co-Impact to look beyond traditional recruitment efforts to increase integration of Arab populations
- Offered local, on-site workshops to increase collaboration and understanding between Jewish and Arab employees
- Promoted women leadership in tech and health sectors through the Woman2Woman mentorship program, with workshops to enhance professional skill development, events for knowledge sharing and nurturing spaces to share experiences

## Diversifying Our Supplier Network

Cultivating a diverse network of suppliers enhances our innovation and positively contributes to our growth. We offer opportunities for small and diverse organizations that have the capability and capacity to provide required goods and services and demonstrate geographic reach and scalability.

Through our US Supplier Diversity program, we actively engage with external stakeholders and pursue partnerships and memberships that are instrumental in advancing our business opportunities and initiatives for risk evaluation and mitigation. We have a dedicated supplier diversity resource page to enhance employees' understanding of the program and provide detailed guidance on inclusive procurement procedures.

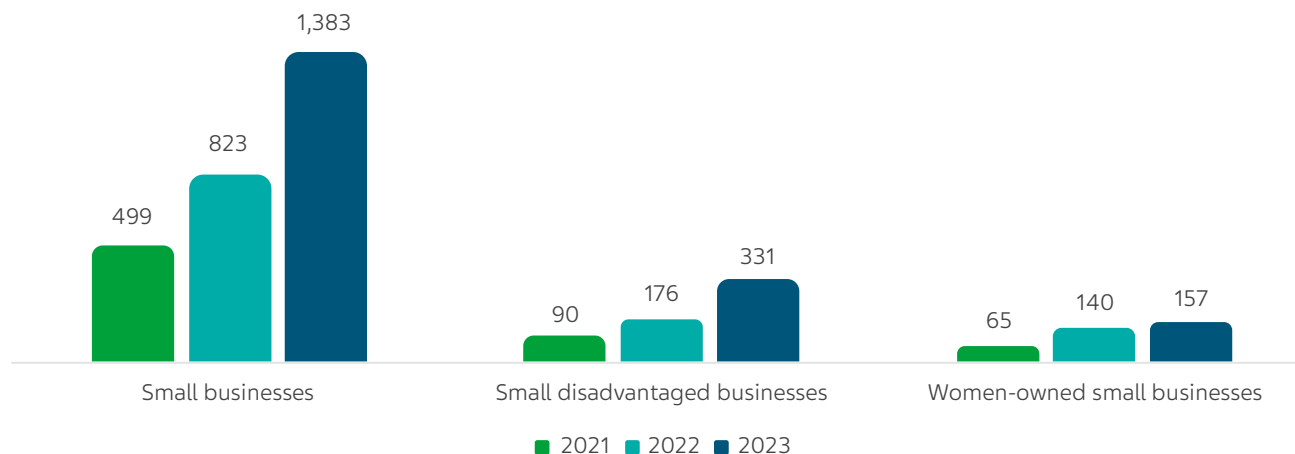
Our efforts led to a more than 68% increase in the number of small and diverse suppliers in our US network in 2023 (vs. 2022), fostering inclusivity and economic growth in the communities we serve. Teva's US procurement spend with small and diverse businesses was 10.4% in 2023. We also increased representation of small and diverse businesses in our overall supplier base in the US.

We also participated in eight supplier diversity events and conferences in 2023, highlighting our strong commitment to diversify our supplier network. Following these conferences, we expanded our network of suppliers, working across areas such as video production, secondary packaging, cafeteria services, speaker programs and more. Our continued participation in these events reflects Teva's commitment to excellence through continuous benchmarking, industry peer mentoring and a proactive approach to evolving our supplier diversity program in line with best practices.

### Conference Participation

We participated in the Diversity Alliance for Science conference, which aims to connect small and diverse businesses with corporate partners in life science and healthcare through educational programs and networking opportunities. Our outreach efforts during and after the conference initiated a partnership with a small and diverse supplier, focused on life sciences, who supports Teva with staff teams for the implementation, enhancement and support of SAP Analytics Cloud Planning solution. The company is certified as a woman-owned, minority-owned, small and disadvantaged business enterprise.

Supplier Diversity in the US



Status as a diverse supplier or a small-business supplier is validated at the time of spend captured using applicable criteria.

## Applying a Holistic Approach to I&D

Our I&D efforts go beyond our workforce and suppliers. See our [Corporate Governance section](#) to discover how our Board of Directors reflects diversity in its composition and the [Driving Patient Centricity section](#) to learn how we are diversifying our clinical trials to expand access to medicines and healthcare.



# Employee Health, Safety and Well-being

Employees are our most important asset. We are committed to promoting their health—both mental and physical—and their personal well-being, which also supports our business.

## Maximizing Employee Health and Safety

In 2023, we saw continued improvements in health and safety, including:

- 20% improvement (vs. 2022) in lost time injury rate (LTIR)
- 33% improvement (vs. 2022) in process safety event rate
- 96% on-time corrective and preventive actions (CAPA) closure (OTCC), remaining above our internal target of 95%
- 7% improvement (vs. 2022) in regulatory inspection with no further action required

Our EHS Observation Program encourages all employees to report concerns or suggestions related to their work environment, recognizing the value of open, honest communication and that employees are best positioned to report potential risks. Of over 50,000 observations raised in 2023, 87% have been closed, exceeding our target of 80% and demonstrating our ability to promptly evaluate, correct and mitigate issues.

In 2023, we also deployed a new, simple office safety standard, endorsed by our corporate EHS&S Committee. The standard introduces expectations for risk assessments, governance, compliance, reporting, incident investigation, inspections and more for all office locations worldwide. Sites will have a local management representative to centralize coordination of office EHS&S activities.

<sup>1</sup>TRIR includes Teva and contingent employees, injuries and illness and is calculated based on 200,000 hours. <sup>2</sup>During 2023, we experienced an increased accident rate at some of our sites in North America and Europe. The top three accident types were slips, trips and falls; ergonomic injuries; and injuries from interaction with machinery. 57% of locations did not experience any recordable injuries in 2023.

### Guiding Documents

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

### Governance

Our Corporate Environmental, Health, Safety and Sustainability (EHS&S) Committee, comprised of senior executives from each business unit, ensures appropriate engagement and oversight of material issues. Health, safety and well-being management is an operational responsibility of each business unit's line management, who are supported by knowledgeable professionals from Teva's Global EHS&S function, reporting to the Executive Vice President of Teva Global Operations. At our facilities, management is locally responsible for Environment, 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.

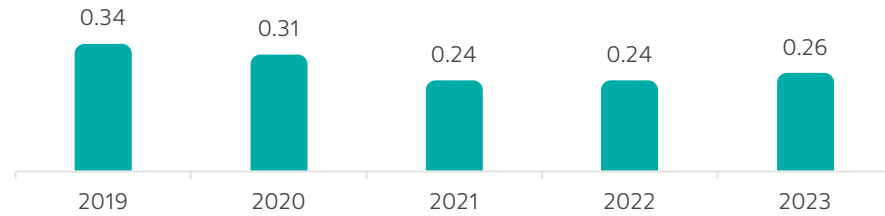
Targets	Progress	Status
Achieve a total recordable incident rate (TRIR) of <0.25 <sup>1</sup>	0.26 <sup>2</sup>	⊗
Achieve a process safety event (PSE) rate of 0.028	0.01	⊙
Maintain an on-time corrective and preventative actions (CAPA) closure (OTCC) of 95% or above	96%	⊙
Maintain a 90% or above regulatory inspection with no further action required	94%	⊙
Maintain a closure rate of above 80% for all EHS&S observations	90%	⊙

⊙ Achieved    
 ⊗ Not achieved    
 ⊙ New target    
 ⊙ In progress

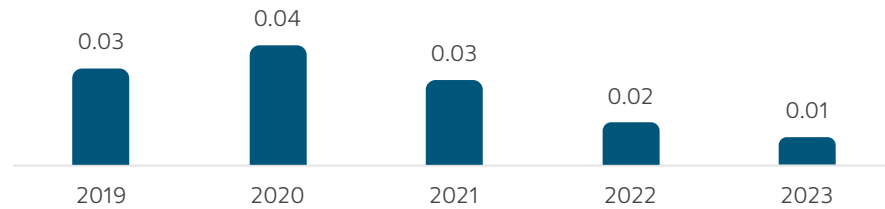


Teva employees, Israel

### Total Recordable Incident Rate



### Process Safety Event Rate



As part of our EHS&S Excellence Awards, **Teva USA** received an honorable mention for its initiative in Ohio, which encouraged employees to report potential events that could negatively impact the environment or health and safety of employees through the Good Catch Program, which exceeded corporate key performance indicators for number of observations reported.



**Teva Estonia, Lithuania and Latvia** organized lectures to teach ergonomic principles. Experts provided personalized consultations and optimized workspaces for comfort and efficiency, and sites integrated minimal exercise requirements, with designated spaces and equipment for fitness. Sites also installed ergonomic computer mice, adjustable monitor arms, dual screens and supportive chairs.



*Teva employee, Croatia*

## Celebrating Local Initiatives

Our annual EHS&S Excellence Awards, part of our annual EHS&S Week in October, recognize initiatives from site teams across the company to create a safe and healthy workplace. In 2023, we received 70 applications. Highlights include:

### Safety

- Leveraging communications, reporting, training, structure and processes to reduce minor forklift incidents from 21 in 2020 to two in 2023 (West Yorkshire, UK: Global Supply Chain)

### Health

- Converting an old copy room into a dedicated well-being room to rest, pray or meditate; publishing a series of short videos with stretching exercises that can be done at work, home or during a commute (Warsaw, Poland: Commercial)
- Installing a mechanism to collect and contain dust in manufacturing mills, preventing hand-scooping of over 50 kg of materials and reducing exposure hazards to active pharmaceutical ingredients (APIs) (Cincinnati, Ohio: SMSO)
- Designing a new process that integrates the use of a pallet truck, which eliminates manual lifting of 31,500 kg each month to avoid risk of injury (Opava, Czech Republic: Operations)

### Culture

- Introducing an app for employees to raise safety hazards, upload photos, perform safety observations and hold trainings (Plantex, Israel: Teva API)
- Implementing activities to enhance EHS&S ownership in employee culture through educational workshops on leadership, buddy systems to walk through sites and identify safety concerns and nomination of Safety Champions (Gajraula, Malanpur, India: Teva API)

In 2023, we launched the EHS&S Academy, inviting internal and external experts to educate employees on key topics, including:

- Effective risk communication
- EHS considerations for new products at Teva
- Exposure controls for different occupational exposure limits (OEL) to toxicity and hazards of component
- High-impact speaking skills
- Health economics research and why it matters to Teva

## Contributing to Employee Well-being

Employee well-being is critical to any company's success—impacting performance, morale, engagement and the ability to innovate and contribute at work. It is multifaceted, affected by physical, emotional, social and other factors.

Through global policies and local initiatives, we strive to reduce stress and promote a healthy work-life balance for our employees. The hybrid working policy was continued in 2023, which allows for office-based roles to work from home two days a week.

We also celebrated well-being month, hosting activities and educational events for employees. Topics included connecting with other people, prioritizing sleep, staying present, being active and giving to others.



**Teva USA** launched its preventative medicine app, Livez, for all US employees in 2023. Livez fuses artificial intelligence (AI) technology with medical protocols and expertise to provide employees with health check-ups adapted to their age, health plan, location, risk factors and personal history.



Teva employees, UK



# Healthy People: Additional Highlights

## Responding to the State of War Declared in Israel

As a global company headquartered in Israel, our Teva family has been deeply and directly impacted by the events of October 7th and the resulting war. We recognize that even in the most difficult circumstances, we have a responsibility to continue producing and distributing medicines so they can reach patients when they need them most. In the initial days of the war, our facilities in Israel managed to respond to a 300% increase in demand for medicines and medical equipment. We remain committed to caring for our patients, communities and each other during this heartbreaking time.

### Showing Teva's Support



#### For Our Employees

- Support for those impacted and their families
- Full payment for those who couldn't work for the first month of the war
- Specific initiatives for parents of young children, such as webinars about resilience and managing children's stress
- Online activities for employees' kids
- Resources to build resilience, including 24/7 mental health resources, training for managers of Israeli employees, presentations from psychotherapists, designated support groups and employee stories
- Arrangements for working from home and volunteering to fill employment gaps
- New myteva app with emergency response capability and memorial page



Employees volunteering, Israel



#### For Our Communities

- Monetary donations to [Magen David Adom](#), Israel's national emergency medical services (EMS) organization, and [NATAL](#), which provides counseling to victims of trauma and anxiety due to war and emergencies
- Medicine donations to [Friends for Health \(Haverim Le'Refuah\)](#), which distributes medicines to Israelis in need
- Baby formula and diaper cream donations through [Pitchon-Lev](#)
- Laptop donations for displaced families and professional caregivers
- Use of Teva's truck fleet to transport vegetables from evacuated farms to markets across Israel, including one at Teva

### And Our Employees Are Showing Their Support



#### For Our Employees

- Vacation day donations through Teva Mikol Halev (With All My Heart) fund, supporting employees directly impacted by the war



#### For Our Communities

- Collection of equipment for Israel's security forces and others impacted through Pitchon-Lev
- 2,200+ employees volunteered, contributing 7,000+ hours across 200+ events, including:
  - Assisting Friends for Health emergency medicine storage
  - Performing agricultural work to support farmers with limited labor due to the war
  - Supporting the elderly
  - Supporting those evacuated from their homes



Employees volunteering, Israel

# Support the Soul: Strengthening Israel's Emotional Resilience

Since the attacks that took place on October 7th, trauma has become a crisis in Israel. It is anticipated that approximately two million Israelis—more than 20% of the country's population—will experience post-traumatic stress disorder (PTSD) symptoms.<sup>1</sup> At the same time, resources are scarce, there is a void in professionals trained in trauma therapy and mental health therapists themselves are at risk—50% of those highly involved in recovery efforts could suffer from secondary trauma.<sup>2</sup>

Teva is leading the charge to address these challenges. In late 2023, Teva established [Support the Soul \(Metaplim BaNefesh\)](#), a holistic, large-scale, long-term solution to support and care for Israel's therapists so they can more effectively treat those impacted. Together with partners from around the world, Support the Soul is committed to helping Israelis heal, restoring normalcy and optimism and strengthening the emotional resilience of Israeli society.

## teva Support the Soul

### CREATE SAFE SPACES

including resilience centers and a virtual support network

🎯 1,000 therapists



### FUEL INNOVATION

by supporting development of technologies for trauma care

🎯 3 technologies

### PROVIDE TRAINING

on caring for trauma and other mental health challenges

🎯 3,000 professionals



### DRIVE AWARENESS

of the need to care for mental health therapists

🎯 Our goals (through 2027)



Support the Soul Event, Israel

<sup>1</sup>Based on mental health aftermath of 9/11 attacks (~25% of exposed population developed PTSD symptoms lasting 5+ years). <sup>2</sup>Study of secondary trauma after 9/11. Source: Desk research, Population Authority; The Israel Democracy Institute, Ministry of Health.



## Personalizing Internal Recruitment and Development

In 2023, we introduced Twist, an innovative, artificial intelligence (AI)-based talent marketplace that promotes personalized development. Twist matches an employee's profile and career aspirations with development opportunities across Teva, providing smart, personalized recommendations for short-term projects, networking opportunities, learning offerings and open positions. Twist also assists recruiters in identifying and engaging internal candidates efficiently, fostering a dynamic and responsive talent management process. These measures promote a culture of continuous learning and skill and career development. In 2023, we launched a pilot with 5,000 employees, of whom 1,500 are already using Twist.



Teva employees, Japan

## Engaging Our People

In 2023, we achieved an 86% response rate from active employees to our annual Organizational Health Survey (vs. 83% in 2022), which highlighted many improvements, including:



**74%**

feel engaged and committed to Teva's success (vs. 71% in 2022)



**85%**

feel connected to Teva's purpose and values (vs. 83% in 2022)



**89%**

feel they are treated with respect (vs. 87% in 2022)



**Teva UK and Ireland** won an award from Employee Benefits Live for their menopause support program. The program included a "Let's Talk Menopause" video meeting, where employees discussed personal issues in a safe space. Hygiene products were placed in washrooms, and Teva developed a Menopause Support Plan through a private medical insurance provider. Teva also created support guides for managers and employees.

# Healthy Planet

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*Solar power plant, Teva Croatia site*



## Managing Our Environmental Impact

We reduce our impact on the environment to improve the health of the planet, which is inherently linked to the health of those who inhabit it, including the patients we serve each day.

Our Environmental, Health and Safety Management System (EHSMS) promotes environmental sustainability and compliance through a series of corporate standards. We have a multiyear program to ensure our sites implement the EHSMS, and as of 2023, we have verified installation of our environmental standards at 94% of sites within scope.<sup>1</sup> In 2023, we updated some of our environmental standards, expanding emphasis on climate impact, pharmaceuticals in the environment (PiE), antimicrobial resistance (AMR), chronic exposure to hazardous substances and more. We also enhanced our environmental risk management, executing a risk mitigation plan and consolidating our risk register to better understand new and emerging risks across our organization.



*Teva employees, Germany, in front of Teva's first all-electric truck*

<sup>1</sup>Scope includes all sites with the exception of office locations and commercial sales

## Guiding Documents

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

## Governance

Our Corporate Environmental, Health, Safety and Sustainability (EHS&S) Committee, composed of senior executives from each business unit, ensures appropriate engagement and oversight of material issues. Management of environmental sustainability is the responsibility of each business unit's line management, supported by Teva's Global EHS&S function, which reports to the Executive Vice President of Teva Global Operations. At our facilities, management is responsible for EHS&S compliance and performance, supported by Environment, Health and Safety (EHS) professionals who drive local implementation of the EHSMS, programs and initiatives. A multidisciplinary Global Environmental Sustainability Taskforce drives progress against our targets, helps to manage energy consumption and leads decarbonization efforts. Management of AMR activities is overseen by our Head of Environmental Sustainability, with projects being managed by our Director of Environmental Compliance, an active member of the AMR Industry Alliance (AMRIA).

Subtopic	Targets	Progress	Status
<b>Climate Action and Resilience</b>			
Decarbonization	Achieve net zero emissions <sup>1</sup> across our operations and value chain by 2045	See scope 1 and 2 and scope 3 progress below	
	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 27%, achieving 2025 target	
	Reduce absolute scope 3 GHG emissions by 25% by 2030 (vs. 2020) <sup>3</sup>	Reduced by 12%	
	Engage with significant suppliers to get 80% committed or approved by the Science Based Targets initiative (SBTi) by 2030	37% of suppliers with SBTi	
Renewable Electricity	Achieve 100% <sup>4</sup> use of renewable electricity by 2035 <sup>5</sup>	43% used in 2023	
<b>Pharmaceuticals in the Environment</b>			
Antimicrobial Resistance <sup>6</sup>	Achieve safe discharge levels <sup>7</sup> (RQ <1) <sup>8</sup> for antibiotics for 80% of applicable Teva sites by 2030 and 100% by 2035	65% of sites with RQ<1	
	Assess discharge levels of 100% of antibiotic supplier sites by 2030: <ul style="list-style-type: none"> <li>At least 50% of antibiotic supplier sites to have safe discharge levels<sup>7</sup> (RQ &lt;1)<sup>8</sup></li> <li>Of remaining antibiotic supplier sites with discharge levels above safe limits<sup>7</sup>, 50% to have mitigation plans in place</li> </ul>	18% of suppliers assessed	
Priority Active Pharmaceutical Ingredients (APIs) <sup>9</sup>	Achieve safe discharge levels (RQ <1) for priority APIs for 50% of applicable Teva sites by 2030 and 100% by 2040	44% of sites with RQ<1	
	Assess discharge levels of 100% of priority API supplier sites by 2030: <ul style="list-style-type: none"> <li>At least 50% of priority API supplier sites to have safe discharge levels<sup>7</sup> (RQ &lt;1)<sup>8</sup></li> <li>Of remaining priority API supplier sites with discharge levels above safe limits, 50% to have mitigation plans in place</li> </ul>	Strategy in development	
Appropriate Use of Antibiotics	Reach 40,000 targeted healthcare professionals and 400,000 patients with educational materials about appropriate antibiotic use to contribute to AMR stewardship efforts by 2026	AMR stewardship campaign launched in Germany	
<b>Waste and Circularity</b>			
Packaging	Reduce the overall mass of secondary and tertiary packaging materials per unit dose by 2030	Strategy in development	
	Increase the proportion of recycled and responsibly sourced materials by 10% by 2030 (vs. 2025)	Strategy in development	
<b>Product Stewardship</b>			
Life Cycle Assessment	Assess the environmental life cycle impact of key products by 2030	2 LCAs performed to date	



Achieved



New target



In progress

<sup>1</sup>According to the Science Based Targets initiative (SBTi) net zero standard (Teva intends to make official SBTi net zero commitment by end of 2025). <sup>2</sup>Sustainability-linked bond target (2030 target has been validated by SBTi as meeting their near-term standard). <sup>3</sup>Validated by SBTi. <sup>4</sup>According to RE100 standard (Teva intends to make official RE100 commitment by end of 2025). <sup>5</sup>Previous target was substituted with a new, more ambitious target. <sup>6</sup>Previous targets related to the topic were substituted with new targets that reflect efforts to go beyond assessment and include minimizing impact. <sup>7</sup>Safe discharge levels as described in the AMR Industry Alliance Antibiotic Manufacturing Standard. <sup>8</sup>RQ refers to the risk quotient measure of risk that compares the predicted environmental concentration to the predicted no-effect concentration (RQ = PEC/PNEC). <sup>9</sup>Defined by Teva as including hormones, cytotoxins and other APIs on the European Union Water Framework Watch List.

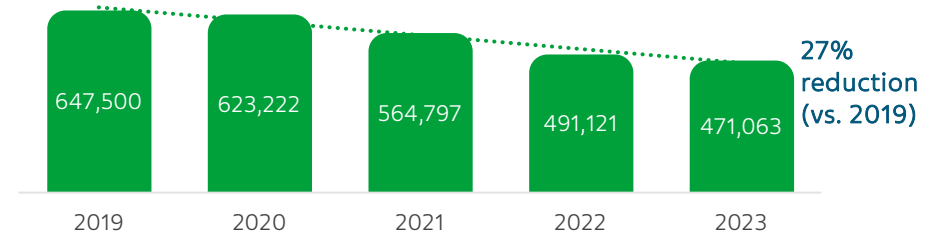
# Climate Action and Resilience

We minimize our carbon footprint to help fight climate change, while preparing to adapt to its impacts. Expanding upon our validated, Science Based Targets initiative (SBTi) near-term scope 1, 2 and 3 greenhouse gas (GHG) emissions targets, in 2023, we stated our intention to achieve net zero emissions across our operations and value chain by 2045. This target reflects our commitment to taking long-term climate action. To support our near-term targets, we have a decarbonization plan, overseen by our Global Environmental Sustainability Task Force, which includes efforts related to energy and process efficiencies, renewable electricity generation and sourcing and network optimization. In 2023, our manufacturing and research and development (R&D) sites continued developing their decarbonization roadmaps to support in achieving their site-level targets, with a focus on cost savings and implementation feasibility. For our scope 3 target, we engage suppliers to reduce their GHG emissions through various initiatives, including encouraging suppliers to set targets through the SBTi, participate in the Energize program coordinated by Schneider Electric to support renewable electricity adoption, disclose GHG emissions through CDP, a global non-profit disclosure system for environmental issues, and undergo EcoVadis assessments (see more in the [Sustainable Procurement section](#)).

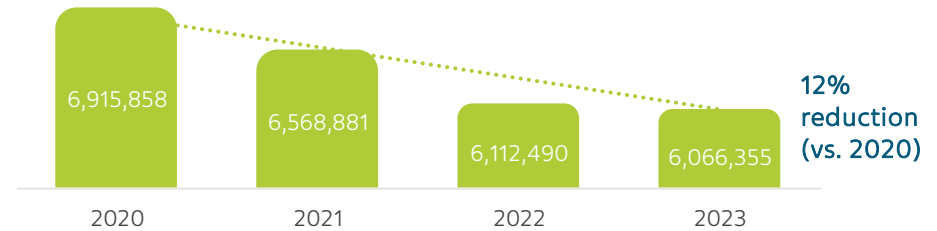
As part of our membership and sponsorship, the Energize program provides education and functional support to help our supply chain partners take action on climate change. In 2023, we more than doubled the number of suppliers engaged in the program, increasing participation from 54 suppliers in 2022 to 113 in 2023.

As a result of these efforts and more, Teva reduced scope 1 and 2 GHG emissions by 27% in 2023 (vs. 2019), exceeding our 2025 target ahead of time. We also reduced our scope 3 GHG emissions by 12%—representing good progress against our 2030 target. CDP has recognized our efforts and transparency on climate change, awarding us an A- rating in 2021, 2022 and 2023.

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



### Scope 3 GHG Emissions (tCO<sub>2</sub>e)

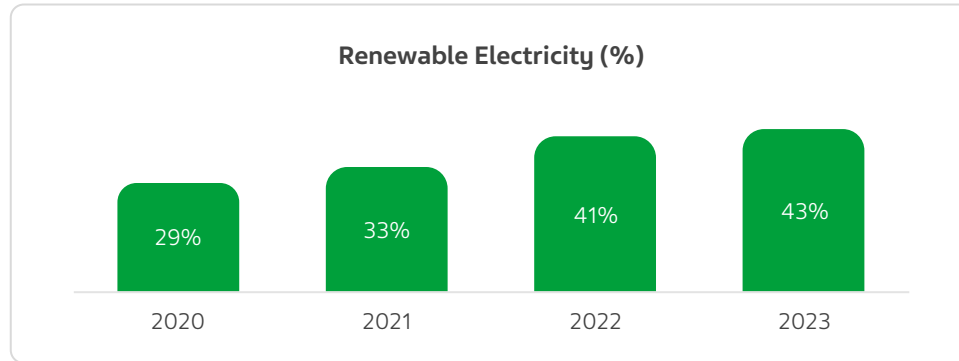


In 2023 Teva reduced by **24%** (6,800 tCO<sub>2</sub>e) of the site to market Air&Ocean transport emissions, compared to 2022, by switching from air transportation to ocean freight.



## Increasing Renewable Electricity

In 2023, we increased the ambition level of our renewable electricity target to 100%, which we aim to achieve across Teva sites by 2035. 43% of our electricity came from renewable sources in 2023—a 2% increase from 41% in 2022.



### Power Purchase Agreement

We are one of just a few sponsor companies of the Energize program to join the first supplier cohort for a Power Purchase Agreement for renewable electricity, an initiative that will result in a potential aggregate of two terawatt-hours of renewable electricity demand in Europe and North America.

## Building Climate Change Capacity

To develop our capabilities and achieve our climate goals, the Global Environmental Sustainability Task Force conducted seven training and awareness workshops in 2023 for our Energy Champion community, a forum of approximately 130 members from our local sites who manage energy consumption and lead decarbonization efforts. Workshop topics included “Introduction to the Energy Champions Role,” “Emissions Accounting and Reporting,” “Methodology: Identifying Energy Efficiency Opportunities,” “Deep Dives into Energy Management Tools and Practices,” “Introduction to: Renewable Energy: Onsite Projects and ESCO Program” and more, to provide skills and education surrounding decarbonization management.

We also work with energy service companies (ESCOs) to evaluate opportunities to increase energy efficiency and reduce energy consumption across our sites. In 2023, we worked with ESCOs to execute 83 projects across 17 sites, resulting in \$11.2 million in savings and 8,045 tons of carbon dioxide (tCO<sub>2</sub>) in emissions reductions. Projects increased energy efficiency in buildings, production processes, ventilation and air conditioning, and our ESCO program aimed to achieve a 10% reduction in GHG emissions and 15% cost savings at our sites in the Czech Republic, Hungary, Italy, Israel and the US. We also expanded our ESCO program to five additional sites in Europe, Israel and India, where energy efficiency evaluations and audits were performed. Energy efficiency initiative results informed plans for energy management across operations—including opportunities to self-produce renewable electricity—which we intend to implement in 2024.

To enhance Teva's climate resilience, we continue to be transparent about our approach to climate risks, through our fourth consecutive [Taskforce on Climate-Related Financial Disclosures \(TCFD\) statement](#). In 2023, we initiated a new project to enhance our business processes for climate risk identification, management and reporting. The project also included six interactive and customized training and awareness workshops on climate risks and opportunities presented to more than 100 colleagues across various Teva business units.



Teva employees, Germany

## Climate Action Across the Globe



**Teva Croatia** partnered with a large supplier of energy and renewable energy in 2022 to install a solar power plant for our production facilities. Following its commission in 2023, it was the second largest photovoltaic plant and the most powerful in Croatia. The plant covered 30% of electricity consumption in 2023, self-generating 5,548 MWh of power and 20% in financial savings.



**Teva Germany** introduced its first all-electric truck to its fleet, with an innovative electric cooling unit and the ability to charge from Teva's solar plant in Ulm. Following a detailed process of configuration, testing and compliance with requirements for transport logistics, the truck emits zero carbon emissions.



**Teva Israel** signed a 100% renewable electricity sourcing agreement, which will result in the addition of new solar power capacity in the Israel electricity market. The agreement will meet the electricity demand of Teva's five sites in Israel and will take effect in early 2024. It will significantly reduce the carbon footprint of Teva in Israel, lower electricity costs and even make a meaningful contribution to reducing Teva's global carbon footprint, as Teva Israel accounts for approximately 15% of Teva's global electricity usage.

Teva Israel also enhanced green electric vehicle use at its Tel Aviv headquarters, installing charging stations for cars and secure battery-charging lockers for bikes to encourage use. In our Tel Aviv offices, new smart-technology and motion sensors allowed automatic disconnection of air conditioning and lighting systems, resulting in an annual 12% reduction in our headquarters' electricity consumption.



**Teva UK** spearheaded efforts across Europe to reduce carbon dioxide emissions from its car fleet by promoting electric vehicles and introducing emission limits for new vehicles. In 2023, Teva UK reduced the GHG emissions of the cars in its fleet by 11.5% to an average of 124 g/km (vs. 2020 baseline of 140 g/km), and 99% of new vehicles were fully electric.



**Teva USA** continued its Energy Treasure Hunt program in line with the US Environmental Protection Agency's Energy Star program. Cross-functional teams searched facilities for quick methods to save energy, and sites enhanced operational capabilities by educating employees on best practices. As part of the program, our Miramar, Florida, site installed new remote-operated controllers to monitor heating, ventilation and air conditioning (HVAC) units. Activities will optimize our HVAC services, which currently represent 35-40% of our kilowatt-hour consumption.



**Teva Malta** received recognition from the Chamber of Engineers during the Annual Engineering Excellence Awards, winning first prize for Engineering Excellence and second prize for Energy and Water Sustainability. The site changed three desiccant dehumidifiers from steam regeneration to electric regeneration, which minimized boiler usage, removed a heat generation source and prevented hazard emissions. This resulted in an annual 186 tCO<sub>2</sub> emissions reduction and cost savings of \$78,000.



**Teva Lithuania** installed solar panels on its roof and sourced electricity from 100% renewable sources, purchased from an independent supplier, to reduce carbon emissions and increase financial savings. Panels installed on the security guardhouse roof will generate 22,160 kWh over five years, with carbon dioxide savings of 11.7 tCO<sub>2</sub>, and panels on the production building roof will generate 18,433 kWh over two years and realize carbon dioxide savings of 9.8 tCO<sub>2</sub>.



**Teva UK and Ireland** partnered with The Carbon Trust to re-assess and certify the cradle-to-grave emissions of eight Teva inhaler products across a total of 14 countries in Europe. The assessment found a significant difference in carbon footprint between one of Teva's metered dose inhalers (MDI) (12.20 kilogram of CO<sub>2</sub> equivalent (kgCO<sub>2</sub>e) per inhaler in the UK) and a dry powder inhaler (DPI) (0.46 kgCO<sub>2</sub>e per inhaler in the UK). The original carbon footprint assessment was performed in 2020.



# Pharmaceuticals in the Environment

Evidence suggests pharmaceutical-containing effluent puts biodiversity at risk, impacting ecosystems and nature. It is also one of many contributors to antimicrobial resistance (AMR), although the main drivers are the misuse and overuse of antimicrobials.<sup>1</sup> We are committed to assessing and mitigating potential environmental and public health impacts of pharmaceutical substances manufactured and used in our operations and by our suppliers. Our Environmental, Health and Safety Management System (EHSMS) requires our sites to comply with emission and effluent-related regulatory and permit requirements, conditions and limits, and we take a risk-based approach to prevent and control active pharmaceutical ingredients (APIs) in our facilities' wastewater.

In line with our new priority API target, between 2022 and 2023, we assessed nine of 16 Teva sites that manufacture priority APIs or final products that use priority APIs and found that seven of the assessed sites have discharge levels below our API discharge target (risk quotient (RQ <1)). We are working on actions to reduce priority API wastewater discharges at the other two locations and will continue working to assess and act, as needed, at all sites that handle Priority APIs. This year, we also implemented a wastewater discharge assessment calculator tool, developed in 2022, that enables sites to assess API discharge levels according to the site's product portfolio and for any new product introductions.

To assess and monitor sustainable practices among our suppliers, we developed Teva's first API and antibiotic discharge questionnaire in 2023. The questionnaire is used to collect information about water and waste management systems and encourages suppliers to adhere to the [AMR Antibiotic Manufacturing Framework](#). We will support suppliers in developing action plans for water, waste and discharge management in 2024, in support of our pharmaceuticals in the environment (PiE) and AMR supplier targets.



Teva employees, Salt Lake City, US

<sup>1</sup>Néstor, M. C., & Mariana, C. (2019). Impact of pharmaceutical waste on biodiversity. *Ecopharmacovigilance: Multidisciplinary Approaches to Environmental Safety of Medicines*, 235-253.



## Minimizing Antimicrobial Resistance

We are committed to taking a holistic approach to addressing the issue of AMR, one of the biggest global public health challenges,<sup>1</sup> by tackling it across our value chain: upstream (in our extended manufacturing supply chain), in our own operations (through responsible antibiotic production) and downstream (through healthcare professional [HCP] and patient education on appropriate antibiotic use).

After assessing all Teva sites that still handle antimicrobial drug substances since 2020, sites, where appropriate, identified corrective and preventive actions to minimize antibiotic wastewater losses and when needed, explored options for additional treatment technologies to further reduce discharges. Of the 33 sites assessed, 17 have safe discharge levels (RQ <1) and seven sites have either been divested/closed or are no longer manufacturing antimicrobials. We are working with the remaining nine sites with a goal to achieve safe discharge levels.



### AMRIA Certification Program

In 2023, we were one of six companies to participate in a pilot of the AMR Industry Alliance (AMRIA) certification program at our manufacturing site in Germany. In 2023, we were one of the first two pharmaceutical companies to receive the British Standards Institution (BSI) Manufacturing Certificate to address AMR through responsible manufacturing for two variations of an antibiotic product from our German sites.

Teva serves on the board of the AMRIA, which brings together more than 100 biotech, diagnostics, generics and research-based pharmaceutical companies to drive progress on this topic. We helped develop AMRIA's predicted no-effect concentration (PNEC) for environmental risk assessments of antibiotics and its Antibiotic Manufacturing Standard, published in 2022. We also worked with AMRIA to develop a third-party certification program for independent experts to confirm when an antibiotic product meets the AMRIA responsible antibiotic manufacturing standard.

To reduce our downstream impact, we initiated Teva's first AMR stewardship campaign in 2023. The program launched in December in Germany and includes patients who are prescribed commonly used antibiotics, covering a large variety of diseases. Hundreds of thousands of digital messages will be disseminated over 12 months to patients and HCPs, providing patient access to information on correct antibiotic use. The messages will be delivered through the dispensing systems of 11,000 pharmacies representing 61% of the German market. More than 100,000 messages have been delivered in the first 10 weeks. This supports our target, developed in 2023, to reach 40,000 targeted HCPs and 400,000 patients with educational materials about appropriate antibiotic use.



### AMR Action Fund

Due to the threat of AMR, strains of bacteria resistant to antibiotics are developing faster than new antibiotics are being produced. In 2023, Teva contributed more than \$400,000 to the AMR Action Fund, of which Teva is a founding member. The AMR Action Fund is the world's largest public-private partnership that invests in companies developing new antimicrobial therapies and establishes partnerships so governments can develop a sustainable antibiotic pipeline. Teva committed to donate \$8 million to the AMR Action Fund over 10 years (starting in 2021) and has contributed over \$1.2 million to date.



Teva employees, Argentina

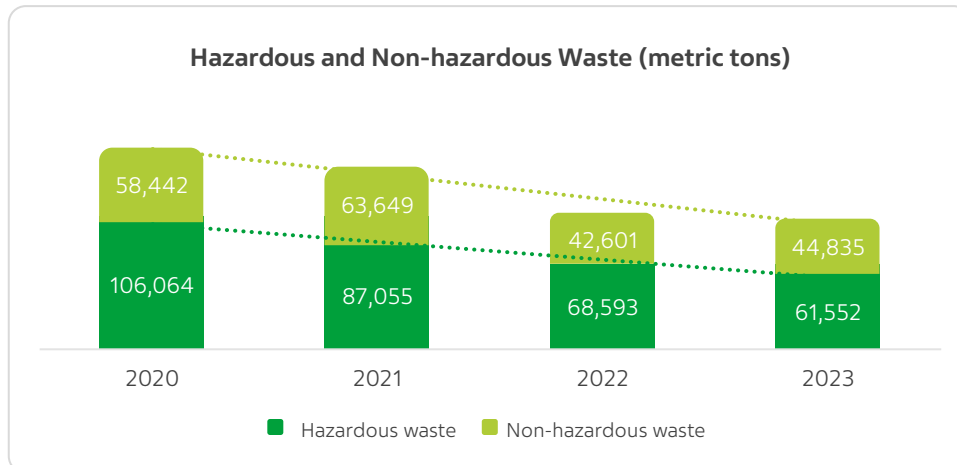
<sup>1</sup>World Health Organization. Antimicrobial Resistance. Available: <https://www.who.int/news-room/fact-sheets/detail/antimicrobial-resistance>.

# Healthy Planet: Additional Highlights

## Waste and Circularity

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 and programs for minimizing hazardous and non-hazardous waste, evaluate the use of packaging materials and manage solvent recovery.

In 2023, Teva decreased overall waste generation by 4% (vs. 2022). Waste intensity (defined as total waste by revenue) also decreased by 10% (vs. 2022).



**Teva Mexico** introduced a solvent recovery system that includes on-site effluents segregation, recovery and distillation. Efforts led to a 1,124 m<sup>3</sup> recovery of solvents and cost savings of \$237,000 in 2023.



**Teva Argentina** reduced hazardous waste generation in coating processes. Following rigorous testing, validation and presentations to the Argentine Health Authority, the site gained approval to minimize coatings, leading to an 82% reduction in waste generation and 80% decrease in waste management costs. Efforts also lowered excess coating solution use by 74 kg per batch, contributing to an annual cost savings of \$254,000.



**Teva Ireland's** two labs achieved a silver certification from My Green Labs in 2023. They introduced various initiatives to enhance sustainability, including traffic light systems for energy-efficient equipment use, measures to reduce chemical expiries, waste segregation systems and a "Shut the Sash" campaign to reduce energy associated with fume hoods. Improvements included a 100 m<sup>3</sup> per month reduction in water usage, a 15% decrease in expired chemical disposal and a 5% reduction in energy consumption.



Our Opava site at **Teva Czech Republic** won our EHS&S Excellence Awards for its initiative to transform the transportation process of one of their medicines from single-use white plastic buckets to reusable blue plastic boxes. This eliminated the four-year \$425,000 cost (from 2018-2022) associated with disposable packaging and resulted in first-year savings of \$280,000 in 2023.



## Go Green Together

As part of our continued efforts to support a sustainable culture and raise awareness of our environmental actions, commitments and progress among employees across the world, we created the Go Green Together campaign. A campaign video, posters, sustainability quiz, social media posts, screensavers and a dedicated Go Green Together webpage encouraged employees to think about their own impact on the environment and make simple changes in their everyday lives. Over 2,000 employees also participated in our educational webinar, and over 130 employees gave ideas for how to improve our environmental impact at our Teva sites through a Green Suggestion Box. Local markets also customized and translated materials, creating their own initiatives to encourage employee participation. Activities included litter and nature cleanup days in Bulgaria, Hungary, Switzerland and the UK and an employee competition to showcase everyday green actions in Poland.



Our EHS&S Academy educated employees on important environmental topics in 2023, including the 2050 Climate Change Conference debrief and lessons learned and the AMR Industry Alliance.



Materials from Go Green Together campaign.

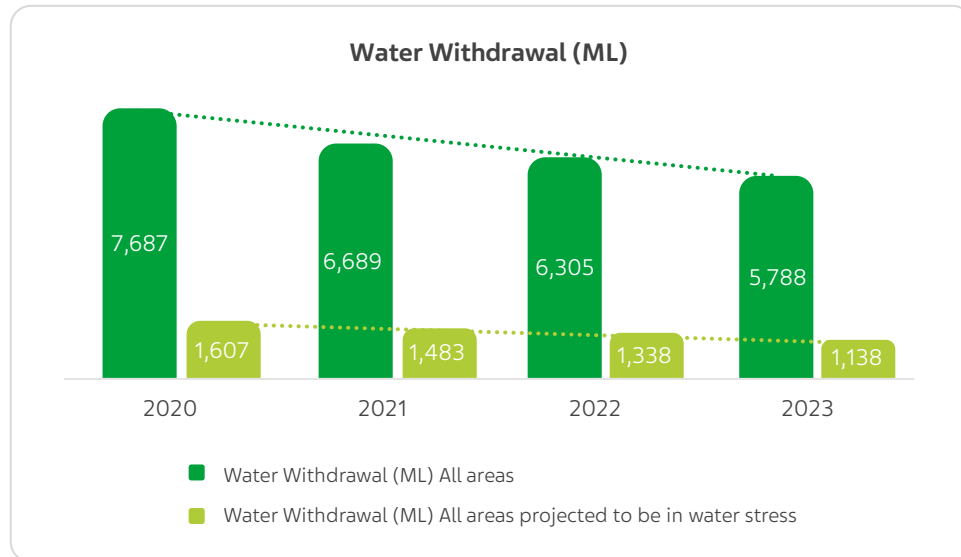


## Green Office Initiatives

- Teva's manufacturing site in Cracow, Poland, introduced plastic-saving solutions by installing a water dispenser in kitchens and common rooms. All employees received reusable bottles for everyday use with additional eco-tips on how small steps can make a difference on the environment. During Teva's 2023 Environment, Health and Safety (EHS) Week, the manufacturing site's employees also collected 116 kg of electronic waste and 24 kg of expired medicines, which were disposed of in compliance with local regulations.
- Teva Israel (our headquarters in Tel Aviv) minimized the reliance on disposable utensils and kitchenware by leveraging reusable cups and saucers. In the dining room, we eliminated the use of plastic bottles and installed water and soda dispensers, contributing to our efforts to reduce plastic waste.
- Teva Canada's cafeterias were generating considerable waste. After an evaluation of their environmental impact, they eliminated single-use coffee cups and lids in 2022, and plastic water bottles and utensils and polystyrene foam containers were replaced with paper alternatives in 2023, eliminating nearly 9,000 foam containers. This initiative has prevented approximately 7,148 kg of coffee cups and lids from reaching landfills annually, resulting in an annual cost savings of more than \$54,500 by eliminating the need to purchase and dispose of disposable cups, lids and sleeves.
- Teva India's Greater Noida site reduced printing paper usage by 50% through digitization and awareness and reduced wall-mounted air conditioning units by 30%.

## Water

Our Environmental, Health and Safety Management System (EHSMS) sets out our approach to water conservation and management across our operations, with more stringent requirements for those in areas projected to be water-stressed. In 2023, we reduced our total water withdrawal by 8% and by 15% at our sites in areas projected to be in water stress, both compared to 2022. As a demonstration of our continued action and transparency on water, we received a B score from CDP for water security, maintaining our 2022 and 2021 ratings.



## Nature and Biodiversity

Preserving nature and biodiversity is critical to sustaining life on earth. We are taking a science-based approach to understand and minimize the impact of our operations on biodiversity and nature. With a focus on our operations and priority raw materials, we continue to evaluate and understand the impact and risks in order to establish policies and guidelines that minimize negative consequences and improve the utilization of natural resources.



**Teva USA's** Davie and Sunrise sites constructed on-site butterfly gardens, building awareness about butterflies' vital role in assessing environmental health as pollinators and food sources. Over 10 volunteers built the gardens, planting self-sustaining native vegetation to support stages of the butterfly life cycle. The gardens also attract bees and ladybugs, contributing to site biodiversity and encouraging environmental consciousness among employees.



**Teva Hungary** annually utilizes an external expert to evaluate its Debrecen site's surrounding natural environment, in line with its license requirements. Biomonitoring takes place across three months and evaluates traces of specific indication species, food plants, mapping habitats, changes in plant surfaces and parts, occurrence of mosses and lichens and determination and comparison of coverage values. 2023 results indicated no negative impacts on surrounding wildlife within the scope of the assessment.



**Teva India's** Greater Noida site honored the Miyawaki forest, planting four different species on a 100-square-meter plot of land to introduce biodiversity to the region.

## A Greener Approach to Research and Development

Established in 2023, Teva's Research and Development (R&D) Green Community suggests actions, technologies and initiatives to promote a green culture and reduce the environmental impact of Teva's active pharmaceutical ingredient (API) R&D department activities. The community is composed of groups that address focus areas within R&D, including:



### Energy

Enhances energy efficiency in labs and pilot plants and analyzes energy usage, reducing consumption and replacing older technologies



### Technology

Reviews and replaces technologies, including solvents and catalysts, and assesses water usage



### Metrics

Helps chemists make sustainable choices and design processes with better efficiency through the development of a computational tool, which provides a numerical score between 1 and 100 for the greenness and sustainability of chemical processes



### Value and Proposition

Implements sustainability initiatives and collaborates within and outside of Teva, including through the Greeny award, which recognizes individuals who minimize or eliminate the environmental impact of R&D processes and promote a green culture



*Teva employee, Argentina*

# Healthy Business

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Teva employee, Brazil



# Ethics and Integrity

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 2023, we continued supporting ethical behaviors and deterring noncompliance. Read more about how we manage ethics and integrity at Teva [here](#).

In 2023, Teva engaged an external law firm to review the Global Compliance and Ethics (GC&E) program, including Teva's privacy program. This voluntary review confirmed that the GC&E program continues to align with standard elements of an effective compliance program set forth by the US Department of Justice.

In line with one of our 2023 targets, we evaluated all third-party representative (TPR)<sup>1</sup> business partners that were submitted to the GC&E department for assessment before Teva formally engaged them. To further communicate compliance standards to TPR business partners, contractual clauses outline expectations for anti-bribery and anti-corruption, trade sanctions and data privacy. Suppliers also commit to comply with Teva's Supplier Code of Conduct, which further communicates our compliance standards.

## Guiding Documents

[Teva's Code of Conduct](#)  
[Global Prevention of Corruption Policy](#)  
[Global Third Party Due Diligence Policy](#)

[Teva's Position on Marketing and Promotional Practices](#)  
[Teva's Integrity Hotline Complaints Procedure](#)

## Governance

Our Global Compliance and Ethics (GC&E) program is reviewed by the Compliance Committee of the Board of Directors and approved by Executive Management. Our Chief Compliance Officer has direct access to Executive Management and Teva's Board of Directors. The Chief Compliance Officer leads a team of compliance professionals to manage Teva's established GC&E program, including Third-Party Due Diligence, Trade Sanctions and Data Privacy. GC&E professionals work collaboratively with business colleagues as well as legal, finance, procurement and internal audit business units. GC&E has local, regional and functional compliance professionals throughout the company.

Teva's Office of Business Integrity (OBI) is an internal, independent function responsible for objectively, confidentially and consistently addressing reports of misconduct globally. The OBI reports directly to the Chief Compliance Officer and shares its findings with the Board.

Targets		Progress	Status
Training	Train 100% <sup>1</sup> of active employees assigned to annual "Our Way" GC&E training campaigns	>99% employees trained	
	Recertify 100% <sup>1</sup> of active employees on Teva's Code of Conduct biennially (next due in 2024)	Biennial recertification on the Code of Conduct next planned for 2024	
Third-Party Due Diligence	Maintain 100% evaluation of all submitted third-party representative (TPR) <sup>2</sup> business partners through Teva's Third-Party Representative (TPR) Due Diligence tool (RiskMate) annually	100% evaluated in 2023	
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	New questions introduced in the 2023 OHS	
	Meet or exceed the benchmark of high-performing <sup>3</sup> organizations for the four comparable questions that appear in Teva's Organizational Health Survey related to compliance and ethics by 2028	We exceeded the benchmark of high-performing organizations for one of the four comparable questions	

Achieved    New target    In progress

<sup>1</sup>Teva's compliance training goals are 95% completion after training campaigns are assigned and 100% year-end completion (percentage calculated as average of all Our Way campaigns, within -1% for employees on leave). <sup>2</sup>A TPR is a Teva customer or vendor that interfaces with the government or the healthcare community on behalf of or for the benefit of Teva. <sup>3</sup>High-performing organizations represent the average of the top quartile of responding companies.



## Communicating Our Standards

Our GC&E program encompasses policies, procedures, platforms and targeted compliance advice to drive ethical behavior. It includes education on compliance guidance and oversight, third-party due diligence management, compliance risk assessment and monitoring, our Code of Conduct and confidential reporting of misconduct or concerns. We ensure the program's continuous improvement through benchmarking, surveys, assessments and analyses.

We promote the GC&E program and other compliance-related activities across our organization through leadership announcements, plasma screen images, computer screensavers and newsletter articles. We also communicate policies and procedures externally, posting key documents on our website and including relevant language and references in purchase orders and contracts. In 2023, we developed and published [Teva's Integrity Hotline Complaints Procedure](#).

## Enhancing a Culture of Compliance

In 2023, we incorporated compliance and ethics questions into our OHS, which measures employee experiences and Teva's culture. 84% of employees answered favorably on questions related to compliance and 78% regarding ethics. 94% of employees also feel comfortable reporting misconduct—11% higher than externally benchmarked companies. We will use these results to identify areas for increased training in 2024.



In 2023, our Global Internal Audit team performed an audit on sustainability topics, select key performance indicators and associated governance processes, systems, controls and management.



## Educating Employees

Training equips our employees with the knowledge, skills and resources necessary to adhere to our compliance and ethics standards as set forth in our Code of Conduct. In 2023, over 99% of targeted active employees participated in the GC&E Our Way training campaigns, in which three training campaigns detailed procedures, resources and policy information on:

- OBI, pharmacovigilance and accurate record-keeping
- Trade sanctions and thoughtful communications
- Conflicts of interest, prevention of corruption and fair competition

We communicate anti-corruption policies and procedures to our Board of Directors and employees. Starting in 2023, we also required annual sign-off on Teva's Prevention of Corruption policy.

For new employees, we also conduct training on many topics, including risk prevention, insider trading, anti-bribery and anti-corruption, and certification on our Code of Conduct. In 2023, 99% of new employees completed these assigned compliance and ethics training modules.

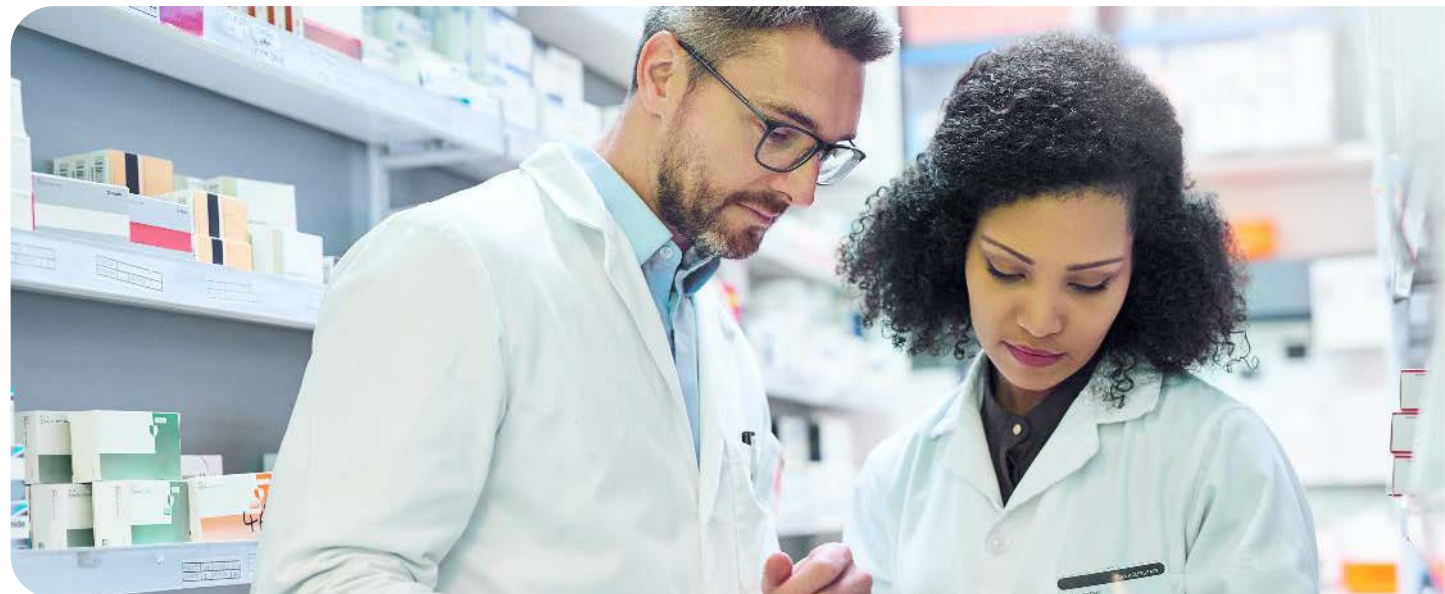
## Responding to the Opioid Crisis

The abuse, mistreatment and diversion of illicit and prescription opioids 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 misuses.

Teva has now finalized opioids settlements with all 50 states, 99% of litigating subdivisions and special districts and the Native American Tribes. Teva is dedicated to addressing the opioid crisis and helping patients in need—including by, among other things, supplying its life-saving medication naloxone hydrochloride nasal spray (a generic version of Narcan®) to states, subdivisions, special districts and the Native American Tribes, maintaining a robust anti-diversion program for all controlled substances, and partnering with law enforcement and other companies in the pharmaceutical supply chain to help prevent opioid diversion and abuse.

## Reaching a Settlement on Price-Fixing Allegations

In 2023, Teva reached a deferred prosecution agreement (DPA) with the US Department of Justice (DOJ) to settle the criminal price-fixing charges brought against Teva in 2020. Teva fosters a culture of compliance, including with antitrust laws, and is dedicated to conducting business with integrity and fairness. Teva has robust and consistent compliance controls in place designed to prevent this type of activity from reoccurring and has committed, as part of the DPA, to maintain these controls moving forward.



# Corporate Governance

Teva's Board of Directors oversees Teva's strategy and practices. Our [Statement of Corporate Governance Principles](#) is adopted by the Board and outlines its responsibilities to Teva, our shareholders and other stakeholders. We value transparency and continuously seek to improve our business practices, guided by our [Corporate Governance and Policy Documents](#).

In 2023, the Board of Directors approved and adopted the Inclusion and Diversity Statement as part of Teva's Statement of Corporate Governance Principles. The Board's vision is that the Board is a reflection of the cultural and geographical breadth of our business, and we strive to align the composition and diversity of our Board with the size and geographical spread of Teva, its broad product portfolio, history and culture. The process of selecting directors is based on objective criteria without discrimination and focuses on a candidate's ability to perform as a director.

## Guiding Documents

[Statement of Corporate Governance Principles](#)  
[Compensation Policy for Executive Officers and Directors](#)  
[Articles of Association](#)

## Governance

The Board of Directors is the ultimate decision-making body of Teva, except with respect to those matters reserved to the shareholders by law, regulation or Teva's Articles of Association. The Board selects the Chief Executive Officer and oversees and monitors the performance of the senior management team.

The Board has standing committees for Audit, Human Resources and Compensation, Corporate Governance and Nominating, Compliance, Finance and Investment and Science and Technology.



# Risk Management

Risk management involves coordinated activities that direct and control the business in pursuit of its objectives. We prioritize risk management across our value chain and manage and treat key risks throughout our global operations and across all markets. We proactively address risks through Risk Management, Crisis Management and Business Continuity Planning so we can continue delivering on our purpose.

## Enterprise Risk Management

In line with Teva's Position on Enterprise Risk Management, we have organizational structures to identify, assess, manage, and monitor risks through our ERM process, which includes a series of assessments and measures that help identify risks from across the organization. Teva's Corporate Risk Management team leads the ERM process across all Teva business units through dedicated risk champion representatives.

Our risk assessment process considers the likelihood and impact of risks. We consider current and emerging risks that could affect our ability to achieve our short term and long-term objectives.

Risks related to sustainability are predominantly identified through our materiality assessment and are reflected in our Healthy Future strategy. In 2023, we initiated a project to further integrate and emphasize climate risks in our ERM process (see additional information in the [TCFD disclosures](#), page 57).

As part of Teva's Global Business Continuity Plan (BCP), we completed an organization wide BCP mapping to understand the maturity and effectiveness of business continuity plans throughout our operation, commercial activities and R&D. The results were presented to our executive management in 2023 and were used to conduct a gap analysis. A new roadmap for BCP and a cross-functional steering committee have been established and will drive the creation and implementation of more effective plans throughout Teva.

### Guiding Documents

[Teva's Position on Enterprise Risk Management](#)

### Governance

Teva's Board of Directors, specifically its Audit Committee, maintains oversight of risk management and crisis management including reviewing performance, policies, operations, and business strategies.

Enterprise Risk Management (ERM) processes are governed by our Executive Management Team. Teva's Executive VP, Chief Financial Officer, who reports directly to the Chief Executive Officer, holds the dedicated responsibility of overseeing risk management.

Our SVP Chief Global Internal Auditor is responsible for auditing risk management performance across Teva's global operations.



### Crisis Management in Israel

In response to the state of war declared in Israel, Corporate Risk Management function supported the Israel Situation Room and set up a global Finance and IT Situation Room to identify potential issues that may impact business continuity. We utilized an early warning process mechanism that monitored, forecasted, and communicated impending risks as a result of the war, allowing us to prepare for its effect on our employees and operations.



### Cybersecurity Crisis Management

As part of our joined effort with IT security, in 2023, we reviewed and updated Teva's Corporate Cyber Crisis Management procedure. We focused on cyber tabletops, which test potential cyber threats through simulated, operational missions, across organization levels, including Executive Management, business units, countries, and local sites. We also prepared an action plan for maintaining cyber preparedness activities.



## Educating on Risks

We hold topic-specific sessions for our Executive Management and Board of Directors. In 2023, trainings covered cybersecurity, India's risk landscape and a global risk overview, presented by a leader from the World Economic Forum.

In 2023, we also held an annual ERM training to our risk community, focused on running a risk workshop, to improve risk identifications. In addition, we rolled out a company-wide risk management webinar to educate Teva's managers on risk management 'Bow-Tie' tool for analysis and presentation.

## 2023 Risk Portfolio

In 2023, we executed our ERM framework through the planning processes and updated our risk portfolio, identifying top risks to Teva and presenting them to Executive Management and Audit Committee. These risks will be further treated and evaluated in 2024.

Further details on our top risks are provided in the [Healthy Future Report Disclosures](#), as well in our [annual report](#).



*Teva employees, US*

# Quality Manufacturing

About 200 million patients rely on our products every day, and it is our responsibility to provide them with safe, high-quality medicines.

Quality is a primary focus at all 48 of our manufacturing facilities and across our entire business, and more than 5,000 employees across Teva are working to improve quality for the benefit of our patients. Quality plays a vital role across each pillar of our Pivot to Growth strategy—without it, we can't bring medicines to market.

## Building a Quality Culture

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. Teva management and each employee is responsible for ensuring the company meets all quality requirements, including that all activities are conducted with the highest level of quality and in accordance with Teva's QMS.

In 2023, we continued our focus on improving quality compliance. We've updated policies and standard operating procedures and overhauled our systems to ensure we are compliant with regulations. In practice, this means our approximately 77 billion tablets and capsules must pass the regulatory requirements of each of the 58 countries we provide them to, in addition to our own strict standards. These measures are critical to building a strong foundation that enables us to proactively address issues and mitigate problems. In 2023, we also continued to manage inspections, with over 75 routine inspections resulting in no critical outcomes or observations. These efforts have made our quality activities stronger, enabling us to continue delivering medicines of high quality.

### Guiding Documents

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

### Governance

Quality compliance is the responsibility of the Senior Vice President Global Quality and Chief Quality Officer, who ensures the design, implementation and continuous improvement of Teva's Quality Management System. This role reports directly to the Executive Vice President of Teva Global Operations.

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



*Teva employees, Germany*

## Managing Counterfeit Medicines

Counterfeit medicines can be harmful, as they may contain no active pharmaceutical ingredients (APIs), an incorrect amount of APIs and/or other contaminants, which means a patient may not receive the needed treatment or could be harmed. 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.



Teva's anti-counterfeiting internal policy mandates the establishment of a Global Anti-Counterfeiting Oversight Committee, which will review anti-counterfeit controls, counterfeit-related risks and mitigation plans. The Oversight Committee includes representatives from GCS, Global Quality Assurance (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.

Addressing the root cause of substandard and falsified medicines requires cooperation from the whole industry. We are members of:

- 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
  - In 2023, PSI's Disruption Special Project to protect the public by preventing the illicit online sale of counterfeit, substandard and/or unsafe medicines resulted in the removal of illicit sales of medicines and approximately 1,050 disabled websites, 2,800 removed marketplace listings and 3,673 deleted social media posts
- React, a not-for-profit organization with more than 30 years of experience and more than 315 business members across industries, providing support with customs protection, market monitoring and online enforcement to fight the trade of counterfeits

We also engage with various public health organizations (e.g., Global HOPE, Breast Care International) that help prevent illegal purchases of counterfeits among targeted populations.



*Teva employee, Germany*



In 2023, Teva held a national media campaign in Chile to drive awareness of risks associated with buying medicines through nonauthorized channels and counterfeit products sold at street markets and on the internet. The campaign highlighted the physical differences between counterfeit products and authentic products purchased through official pharmacies. It also involved local sanitary authorities to address the problem.

# Sustainable Procurement

Teva works with 44,971 suppliers, which means our impact on people and the planet extends far beyond our own company. Together with our suppliers and through collaborative industry initiatives, we accelerate sustainability performance across our supply chain, including progress toward our environmental targets (see more in the Healthy Planet section). Teva is updating our Supplier Code of Conduct, Human Rights Position and Sustainable Procurement Position to integrate our updated approach on sustainability risk management.

Our key areas of focus include:

1. Internal and external engagement, education and governance
2. Integration into sourcing processes
3. Regulation compliance
4. Industry participation

As of 2023, 60.2% of significant suppliers were assessed on sustainability topics and 32.5% of significant suppliers scored above 60 points (from 100 points available) in EcoVadis. We also collaborated with suppliers through the CDP Climate Reporting initiative, gaining feedback from over 170 suppliers on how to improve sustainability in supply chain operations.



## 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 Teva Global Operations (TGO), in alignment with Teva's Healthy Future Strategy. Teva's Chief Procurement Officer is responsible for sustainable procurement and reports to the Executive Vice President of Operations. All sustainable procurement commitments, strategies, policies, procedures and other businesses, including supplier relationships, are reported to, managed by and reviewed by the Global Procurement Sustainability Steering Committee.

Our TGO Sustainability Task Force monitors and coordinates initiatives that deliver on several targets, including those related to our procurement processes. This task force is made up of workstreams across Teva's business units including Environmental, Health, Safety and Sustainability (EHS&S), procurement, global engineering, global facilities management, global supply chain, manufacturing and information technology.

Targets		Progress	Status
Supplier Engagement and Development <sup>1</sup>	Evaluate 95% of significant suppliers <sup>2</sup> on sustainability topics by 2030	436 (60.2%) <sup>3</sup> of significant suppliers assessed (74 in 2023)	
	Achieve 70% of significant suppliers <sup>2</sup> scoring >60 points in EcoVadis by 2030	235 (32.5%) of significant suppliers have a score >60	

 In progress

<sup>1</sup>Previous targets related to the topic were substituted with new targets due to EcoVadis methodology changes and increased scope of significant suppliers. <sup>2</sup>Significant suppliers are identified based on a defined set of criteria, which include businesses with the highest spend, those responsible for over 60% of the scope 3 emission, those connected to antimicrobial resistance (AMR) and those targeted for sustainability initiatives based on a sustainability maturity model. <sup>3</sup>Teva's definition for valid assessment: <50pts score is valid for 12 months (annual re-assessment) and ≥50pts score is valid for 24 months (biannual re-assessment).



## Educating, Engaging and Managing Suppliers and Procurement Teams

### Suppliers

Our Letter of Intent for suppliers outlines expectations and details elements of our responsible supply chain and sustainability targets. To further communicate these expectations, we host an annual webinar to drive sustainability engagement and education—and in 2023, 132 third-party suppliers, totaling 25% of our significant suppliers, joined one of our sessions. The webinar emphasized our suppliers' role in achieving our sustainable procurement targets and reinforced our commitment to minimizing environmental impact and maintaining human rights across our supply chain.

### Procurement Teams

In 2023, Teva integrated sustainable procurement goals into Global Procurement annual objectives. We developed short-term goals for our sourcing professionals, including increasing the number of sustainability assessments of significant suppliers in EcoVadis and encouraging suppliers to submit commitment letters to SBTi. We require procurement managers to engage suppliers surrounding these objectives and support teams by providing ad hoc sustainability education to procurement leaders. Education topics include scope 3 greenhouse gas (GHG) emissions and human rights, and we conduct monthly meetings with procurement portfolio managers to monitor progress.



*Teva employees, Mexico*

## Undergoing Supplier Screenings and Assessments

In 2022, Teva initiated a screening process that evaluated the environmental, social and governance (ESG) risk exposure of suppliers. The assessment leveraged a real-time online artificial intelligence system that covers ESG risks of more than 170 geographies and 350 products and services, covering 38 topics related to labor (including human rights), health and safety, environment, business ethics and management systems. Source data included thousands of audits performed each year, media screening and public indices. In 2023, more than 5,000 suppliers' sites were screened to determine which segments of the supply chain provide the greatest opportunity to influence change, manage risk and drive impact. We will expand the system to assess other major suppliers globally in 2024.

Suppliers deemed as having "high-risk exposure" in screenings, which Teva has high influence on<sup>1</sup>, are prioritized to undergo EcoVadis assessments. Some are selected to undergo independent audits by a third party, according to the Pharmaceutical Supply Chain Initiative (PSCI) protocols, to further manage and mitigate risk. In 2023, 436 significant suppliers (which represent 60.2% of our significant suppliers) had valid assessments through EcoVadis. In addition, we completed third-party independent PSCI audits on four supplier manufacturing sites.

We also review suppliers country-by-country against common databases of sanctions. All Teva suppliers undergo sanctions screenings, covering topics such as bribery, corruption and human rights violations.



### 2023 Recognitions

- Achieved "A" score on the 2023 CDP Supplier Engagement Rating (vs. "D" score in 2022)
- Received recognition on the 2023 EcoVadis assessment as a top performer with a sustainable procurement score of 90 points (out of 100)
- Received Outstanding Case Study recognition from [Sustainable Purchasing Leadership Council](#), awarded to Teva's procurement team for their case study on ESG efforts over the last two years
- Earned Global Working Capital Awards nomination for Best ESG Working Capital Initiative for successful implementation of ESG-linked supply chain finance tool (SCF)<sup>2</sup>



Suppliers are required to abide by Teva's Supplier Code of Conduct and relevant positions to enter the sourcing process, and our ESG Toolkit for Suppliers further outlines expectations. All purchase orders include clauses that refer to our Supplier Code of Conduct.

## Engaging with the Industry

We are an active member of the PSCI and Responsible Health Initiative (RHI), which enables us to identify best practices, discuss issues and encourage coordination and education with other pharmaceutical companies and our supply chain.

We strengthened our RHI partnership, helping to drive education among its supplier network about the importance of collecting, identifying and sharing GHG emission metrics with member companies. RHI's supplier network grew 27% in 2023, and 39.5% of RHI suppliers disclosed GHG emissions metrics by the end of 2023, exceeding RHI's target of 10%.

<sup>1</sup>Influence is defined based on business relevance (volume of spending) and significant supplier list. <sup>2</sup>SCF is a financing tool offered by external providers to Teva's suppliers, in which suppliers receive better rates with higher EcoVadis ratings.

# 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 employees, Australia*

# About This Report

## 2023 Reporting

This report describes our key actions to advance sustainability in 2023. It complements information contained in our [2023 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, 2023, as well as some 2024 initiatives that were a result of efforts made in 2023. 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 fourth 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 65-70. External verification of greenhouse gas (GHG) emissions data was carried out for the ninth time. Teva 2023 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, Sustainability, with any feedback or suggestions at [HealthyFuture@teva.co.il](mailto:HealthyFuture@teva.co.il).



## Independent Assurance Statement



DNV-2024-ASR- C688439

DNV Business Assurance Italy S.r.l. ('DNV') has been commissioned by Teva Pharmaceutical Industries Ltd (hereafter referred to as 'Teva' or 'the Company') to undertake an independent assurance of a sub-set of data and information disclosed in the 2023 Healthy Future Report (hereafter referred as 'Report') for the year ended 31st December 2023.

### Assurance approach

This assurance engagement has been carried out in accordance with DNV's VeriSustain protocol, V6.0, which is based on our professional experience and international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited and reasonable assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 – Conformity assessment, whose general principles are requirements for validation and verification bodies. Accordingly, DNV maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We performed the activities applying a limited level of assurance, as described in the following sections.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less detailed than, those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our conclusion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Teva website for the current reporting period.



#### Reporting criteria for selected information

The selected information has been prepared by Teva in accordance with ("Reporting Criteria"):

- Global Reporting Initiative ("GRI") Sustainability Reporting Standards
- Teva's Sustainability Linked Financing Framework, published on Teva website
- Methodological background for Economic impact and drug savings' impact measurements for Teva, accessible through the link available in note at page 9 of the Report
- Task Force on Climate-related Financial Disclosures Recommendations.



#### Responsibilities of the Directors of Teva and of the assurance providers

The Management of Teva has sole responsibility for:

- Preparing and presenting the selected information;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the selected Information that is free from material misstatements;
- Measuring and reporting the selected information.

DNV's responsibility is to plan and perform the work to obtain assurance about whether the selected information has been prepared with reference to the reporting requirements and to report to Teva in the form of an independent assurance conclusion, based on the work performed and the evidence obtained.

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.



### Scope of assurance

The scope of our engagement includes the disclosures ('Selected information') listed in the Appendix, which cover the following disclosure areas:

- Materiality and stakeholder engagement
- Reporting practice
- Employee information and diversity
- Water and effluents
- Waste
- Scope 3 GHG emissions
- Occupational Health & Safety
- Access to medicines
- Economic contribution data
- Sustainable procurement
- Pay gap
- TCFD Disclosures<sup>1</sup>

## Inherent limitations

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and are free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected.

The engagement excludes the sustainability management, performance, and reporting practices of the Company's suppliers, contractors, and any third parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement.

We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement.

The assessment is limited to data and information in scope within the defined reporting period. Any data outside this period is not considered within the scope of assurance.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

## Our competence, independence and quality control

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.

Our multi-disciplinary team consisted of professionals with a combination of sustainability assurance experiences.

<sup>1</sup>For TCFD, the scope of assurance does not cover environmental information relating to Scope 1 and 2 GHG emissions, which have been subject to limited assurance in accordance with ISO 14064-3:2006 by SGS, as explained in section "About this Report" of the Report.

## Basis of our conclusions

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of Teva. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. Our limited assurance procedures included, but were not limited to, 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;
- Understanding of the key systems, processes and controls for collecting, managing and reporting disclosures and KPIs in the Report;
- Walk-through of key data sets. Understanding and testing, on a sample basis, of the processes used to adhere to and evaluate adherence to the reporting requirements;
- Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles and requirements;
- Review of the disclosures according to reporting requirements and 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;
- Interviews with Subject Matter Experts and senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data consolidation and reporting of the selected information;
- Remote audits for Teva Group Head Office (Tel Aviv, Israel) and three sites (Hood Road, Canada; Be'er Sheva, Israel; Ulm, Germany). Sample based assessment of site-specific data disclosures was carried out. We chose the sites based on their contribution to Water & Effluents, Safety and Water KPIs disclosed in Teva's Healthy Future Report, their location, and previous engagement in assurance activities.

## Our conclusions

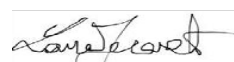
On the basis of the work undertaken, nothing came to our attention to suggest that the Selected Information as described in 'Scope of assurance' is not fairly stated and has not been prepared, in all material respects, in accordance with the Reporting Criteria specified in this Statement.

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For and on behalf of DNV Business Assurance Italy S.r.l.  
Vimercate (MB), Italy  
30<sup>th</sup> April 2024



**Alessia Segalini**  
Lead Verifier



**Laura Ierardi**  
Reviewer

## Appendix: Selected information

The scope and boundary of our work is restricted to the Selected Information, which have been disclosed in the Report and in the 2023 Healthy Future Report Disclosures, which is an attachment to 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

### Waste:

- 306-1 Waste generation and significant waste-related impacts
- 306-2 Management of significant waste-related impacts
- 306-3 Waste generated
- 306-4 Waste diverted from disposal
- 306-5 Waste directed to disposal

### GHG emissions:

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

### Access to medicine:

- 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



**Economic contribution data:**

- Teva's economic contribution data (direct and spillover):
  - supported jobs
  - contribution to Gross Domestic Product (economic output)
  - labor income generated
- Generic Drug Savings Analyses: savings attributable to Teva at the national level and global level

**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 Workers covered by an occupational health and safety management system
- GRI 403-9 Work related injuries
- GRI 403-10 Work related ill health

**Sustainable Procurement :**

- GRI 2-6-b-ii Suppliers' data:
  - Total Tier-1 suppliers
  - Significant Tier-1 suppliers
  - % of spend on Tier-1 significant suppliers
- Supplier screening:
  - Screened suppliers' sites for ESG risks in Environmental Impact Quotient (EiQ)
- GRI 308-2-a/b; GRI 414-2-a/b Assessment:
  - #/% of significant suppliers assessed in EcoVadis
  - # of suppliers audited (Human Rights, Labor and Environment Audits - PSCI audits)
  - #/% of significant suppliers identified as having significant actual and potential negative ESG impacts (one or more of the four themes evaluated by EcoVadis scored < 45)
  - #/% of significant suppliers identified as having significant actual and potential negative environmental impacts (<45 points in "Environment" EcoVadis theme)
  - #/% of significant suppliers identified as having significant actual and potential negative social impacts in Ecovadis (<45 points in the Labor and Human Rights rating EcoVadis themes)
  - #/% of significant suppliers with valid assessment that improved ESG performance in 2023 compared to the previous EcoVadis assessment % of suppliers identified as having significant actual and potential negative ESG impacts (< 45 score) with Corrective Action Plans sent by Teva
- Suppliers Code of Conduct:
  - % of suppliers that received communication regarding supply chain codes of conduct
  - % of targeted suppliers with contracts that include clauses on environmental, labor and human rights requirements
  - GRI 2-24-iv #/% of significant suppliers for which Teva provided training regarding supply chain code of conduct, sustainability and human rights

**Pay gap:**

- GRI 405-2 Ratio of basic salary and remuneration of women to men
- Women pay gap (without considering level, function/profession, and location)

### Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

#### TCFD elements

#### Recommended disclosures

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Governance</li> </ul>            | <ul style="list-style-type: none"> <li>• Describe the board's oversight of climate-related risks and opportunities.</li> <li>• Describe management's role in assessing and managing climate-related risks and opportunities.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Strategy</li> </ul>              | <ul style="list-style-type: none"> <li>• Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</li> <li>• Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</li> <li>• Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</li> </ul> |
| <ul style="list-style-type: none"> <li>• Risk Management</li> </ul>       | <ul style="list-style-type: none"> <li>• Describe the organization's processes for identifying and assessing climate-related risks.</li> <li>• Describe the organization's processes for managing climate-related risks.</li> <li>• Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Metrics &amp; Targets</li> </ul> | <ul style="list-style-type: none"> <li>• Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</li> <li>• Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</li> <li>• Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</li> </ul>                   |

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This 2023 Healthy Future Sustainability 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 sustainability, 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 select sustainability-related disclosure frameworks that seek to align with various reporting standards which may change from time to time; our ability to collect, measure and report sustainability information and metrics, which is subject to evolving reporting standards; our ability to satisfy the targets set forth in our sustainability-linked senior notes, our sustainability-linked revolving credit facility and in other sustainability-linked financing instruments that we may issue; the impact of sustainability issues and other environmental risks 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; our ability to develop and commercialize biopharmaceutical products; competition for our innovative medicines; our ability to achieve expected results from investments in our product pipeline; our ability to develop and commercialize additional pharmaceutical products; our ability to successfully execute our Pivot to Growth strategy, including to expand our innovative and biosimilar medicines pipeline and profitably commercialize the innovative medicines and biosimilar portfolio, whether organically or through business development, and to sustain and focus our portfolio of generics medicines; and the effectiveness of our patents and other measures to protect our intellectual property rights, including any potential challenges to our Orange Book patent listings in the U.S.;
- our substantial indebtedness, which may limit our ability to incur additional indebtedness, engage in additional transactions or make new investments, may result in a future 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; interruptions in our supply chain or problems with internal or third party manufacturing; disruptions of information technology systems; breaches of our data security; challenges associated with conducting business globally, including political or economic instability, major hostilities or terrorism, such as the ongoing conflict between Russia and Ukraine and the state of war declared in Israel; costs and delays resulting from the extensive pharmaceutical regulation to which we are subject; 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 or business units and close or divest plants and facilities, as well as our ability to successfully and cost-effectively consummate such sales and divestitures, including our planned divestiture of our API business;
- compliance, regulatory and litigation matters, including: failure to comply with complex legal and regulatory environments; the effects of governmental and civil proceedings and litigation which we are, or in the future become, party to; the effects of reforms in healthcare regulation and reductions in pharmaceutical pricing, reimbursement and coverage; increased legal and regulatory action in connection with public concern over the abuse of opioid medications; our ability to timely make payments required under our nationwide opioids settlement agreement and provide our generic version of Narcan® (naloxone hydrochloride nasal spray) in the amounts and at the times required under the terms of such agreement; scrutiny from competition and pricing authorities around the world, including our ability to comply with and operate under our deferred prosecution agreement with the U.S. Department of Justice; potential liability for intellectual property right infringement; product liability claims; failure to comply with complex Medicare, Medicaid and other governmental programs reporting and payment obligations; compliance with anti-corruption, sanctions and trade control laws;
- the impact of the state of war declared in Israel and the military activity in the region, including the risk of disruptions to our operations and facilities, such as our manufacturing and R&D facilities, located in Israel, the impact of our employees who are military reservists being called to active military duty, and the impact of the war on the economic, social and political stability of Israel;
- 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 state of war declared in Israel and the conflict between Russia and Ukraine; potential significant increases in tax liabilities; 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 our ability to remediate any material weaknesses; and other factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2023, 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 U.S. 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.