

The title "2023 Healthy Future Report" is centered in the upper half of the page. "2023" is in a green, sans-serif font. "Healthy Future" is in a larger, bold, green, sans-serif font. "Report" is in a green, sans-serif font, slightly smaller than "Healthy Future". A large, thin green arc curves over the text from the left side of the page to the right side.

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Global Reporting Initiative (GRI) Content Index

General Disclosures

GRI Indicator	Reference	Omissions	United Nations (UN) Sustainable Development Goals (SDGs)
GRI 1: Foundation (2021)			
2-1: Organizational details	<p>Teva Pharmaceutical Industries Ltd. is publicly traded on the New York Stock Exchange (NYSE: TEVA) and the Tel Aviv Stock Exchange (TASE: TEVA). For more details, see page 2 of Teva's 2023 Annual Report (Form 10-K).</p> <p>We operate worldwide, with headquarters in Israel and a significant presence in the United States, Europe and many other markets around the world. We have 48 manufacturing facilities and 20 R&D sites across 26 countries. Our products are sold in 58 countries. For more: https://www.tevapharm.com.</p>		
2-2: Entities included in the organization's sustainability reporting	This report covers all of Teva's owned and operated facilities around the world, covering all the entities included in Teva's financial reporting.		
2-3: Reporting period, frequency and contact point	The reporting period is for the 2023 calendar year. We report on an annual basis. Contact information can be found on page 64 of the 2023 Healthy Future Report .		
2-4: Restatements of information	All restated information is indicated in the notes of tables.		
2-5: External assurance	2023 Healthy Future Report , pages 65-70		
2-6: Activities, value chain, and other business relationships	There were no significant changes in Teva's operations in 2023. 2023 Healthy Future Report , page 6. For more: Teva's 2023 Annual Report (Form 10-K) , pages 2-17 and 114-117.		9, 12
2-7: Employees	2023 Healthy Future Report Disclosures, page 32		8
2-8: Workers who are not employees	2023 Healthy Future Report Disclosures, page 32		
2-9: Governance structure and composition	Teva's Board of Directors (BOD) is comprised of 11 members (10 of which are independent, aside from President and CEO). The average tenure for board members is 6.45 years. For more: Proxy Statement for Teva's 2024 Annual Shareholder Meeting .		16
2-10: Nomination and selection of the highest governance body	Proxy Statement for Teva's 2024 Annual Shareholder Meeting , page 8, "Election of Directors"; page 19, "Nominees for Directors"; and page 24, "Corporate Governance and Nominating Committee."		5, 16

2-11: Chair of the highest governance body	Proxy Statement for Teva's 2024 Annual Shareholder Meeting , page 8 and 12; Teva's non-executive chairman of the board is Dr. Sol Barer.	16
2-12: Role of the highest governance body in overseeing the management of impacts	Proxy Statement for Teva's 2024 Annual Shareholder Meeting , page 18, "Board Meetings" and "Board of Directors Role in Risk Oversight"; pages 23-25 for roles and responsibilities of various board committees under "Committees of the Board." For more information, please see our 2023 Healthy Future Report , page 13. The Compliance Committee oversees sustainability impacts, risks and opportunities.	16
2-13: Delegation of responsibility for managing impacts	2023 Healthy Future Report , page 13	
2-14: Role of the highest governance body in sustainability reporting	The Board of Directors acknowledges the report and Executive Management (EM) is responsible for reviewing and approving.	
2-15: Conflicts of interest	Proxy Statement for Teva's 2024 Annual Shareholder Meeting , page 105, "Related Party Transactions."	16
2-16: Communication of critical concerns	Proxy Statement for Teva's 2024 Annual Shareholder Meeting , page 28 "Shareholder Engagement"; page 28 "Human Capital Management"; Teva's Code of Conduct , page 39; Teva's Integrity Hotline Complaints Procedure .	
2-17: Collective knowledge of the highest governance body	Proxy Statement for Teva's 2024 Annual Shareholder Meeting , page 17, "Director Terms and Education." For more information, please see our 2023 Healthy Future Report , page 13.	
2-18: Evaluation of the performance of the highest governance body	Proxy Statement for Teva's 2024 Annual Shareholder Meeting , page 26, "Board Evaluation Process."	
2-19: Remuneration policies	Proxy Statement for Teva's 2024 Annual Shareholder Meeting , pages 20-22, "Non-Employee Director Compensation" (for director compensation); pages 39-96 for executive compensation; and the Chief Executive Officer's variable compensation according to predefined financial metrics and relative financial metrics (e.g., relative total shareholder return).	
2-20: Process to determine remuneration	Proxy Statement for Teva's 2024 Annual Shareholder Meeting , page 52, "Role of Independent Compensation Consultant"; page 28 and 45, "Shareholder Engagement."	
2-21: Annual total compensation ratio	The highest-paid individual, who joined Teva in 2023, did not receive any salary increase by the end of the year; therefore, the ratio of the percentage increase in annual total compensation for the CEO to the median percentage increase in annual total compensation for all employees cannot be calculated. See the CEO to employee compensation ratio here: Proxy Statement for Teva's 2024 Annual Shareholder Meeting , page 91.	
2-22: Statement on sustainable development strategy	2023 Healthy Future Report , pages 10-11	
2-23: Policy commitments	Teva Corporate Governance & Policy Documents and relevant policies are communicated to employees via trainings, written policies, handbooks and more. For policy commitments to respect	16

	human rights, please see the Human Rights and Sustainable Procurement chapters of the 2023 Healthy Future Report , pages 60-62, and the 2023 Healthy Future Report Disclosures, pages 89-92.	
2-24: Embedding policy commitments	Measures to embed each of its policy commitments are included in the 2023 Healthy Future Report , Healthy People page 18; Healthy Planet page 39; and Healthy Business, page 51.	
2-25: Processes to remediate negative impacts	Teva is committed to preventing and mitigating all significant negative impacts. The approach to manage each material impact is disclosed in the sections in the 2023 Healthy Future Report . Teva's Code of Conduct , page 39, includes our process to manage grievances from all stakeholders. Also see Teva's Integrity Hotline Complaints Procedure and 2023 Healthy Future Report Disclosures, pages 89-92.	
2-26: Mechanisms for seeking advice and raising concerns	2023 Healthy Future Report , pages 52-54, Teva's Code of Conduct , page 39. Also see Teva's Integrity Hotline Complaints Procedure .	16
2-27: Compliance with laws and regulations	2023 Healthy Future Report Disclosures, page 81	
2-28: Membership associations	Teva engages with several industry and trade associations at the local or national level to support responsible business practices and improve access to medicines and healthcare quality for patients. Notably, Teva is a member of the Pharmaceutical Supply Chain Initiative (PSCI), the Antimicrobial Resistance Industry Alliance (AMRIA), Biopharma Sustainability Roundtable (BSRT), Responsible Health Initiative (RHI), Pharmaceutical Environment Group (PEG), Medicines for Europe (MfE) (Board position), Association for Accessible Medicines (AAM), International Federation of Pharmaceutical Manufacturers and Associations (IFPMA), the European Federation of Pharmaceutical Industries and Associations (EFPIA) (Board position), Healthcare Distribution Alliance (HDA) and the Biosimilars Forum and European Fine Chemicals Group (EFCG). As part of the Supplier Diversity Program, Teva has a membership with the following organizations: New York New Jersey Minority Supplier Development Council (NYNJ MSDC), Women's Business Enterprise Council—New York (WBEC Metro NY), National Gay and Lesbian Chamber of Commerce (NGLCC) and Diversity Alliance for Science, Inc. (DA4S).	17
2-29: Approach to stakeholder engagement	2023 Healthy Future Report Disclosures, page 100	
2-30: Collective bargaining agreements	We respect the right of our employees to organize or join associations, and bargain collectively, if they choose to do so. We aim to engage collaboratively with employee representatives and reach agreements that serve both the needs of our employees and our business. As of 2023, 42% of our employees globally are covered by collective bargaining agreements and/or are members of a union. This information includes only employees where there is a signed CBA/Union agreement. Please note that there may be other situations in which employees are represented by collective organizations but there is no official agreement signed.	8
3-1: Process to determine material topics	2023 Healthy Future Report , pages 10-11 and 2023 Healthy Future Report Disclosures, pages 22-23	
3-2: List of material topics	2023 Healthy Future Report , pages 10-11 and 2023 Healthy Future Report Disclosures, pages 22-23	

Topic Disclosures

GRI Indicator	Topic Disclosures	Reference	Omissions	UN SDGs
Access to Health and Medicines*				
GRI 3: Management of material topics (2021)	3-3: Management of material topics (2021)	Teva's Position on Access to Medicines; 2023 Healthy Future Report , page 19		
Patient Safety*				
GRI 3: Management of material topics (2021)	3-3: Management of material topics	2023 Healthy Future Report Disclosures, page 30; 2023 Healthy Future Report , page 28; Teva's Position on Patient Safety .		3
GRI 416: Customer health and safety (2016)	416-1: Assessment of the health and safety impacts of product and service categories	100% of products (Teva portfolio and clinical trial pipeline) are continuously assessed for health impacts; 2023 Healthy Future Report Disclosures, page 30		3
	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	Teva did not receive any penalty, fine or warnings regarding non-compliance concerning the health and safety impacts of our medicines.		3
Ethics and Transparency in Clinical Trials				
GRI 3: Management of material topics (2021)	3-3: Management of material topics	2023 Healthy Future Report Disclosures, page 31; Teva's Policy on Clinical Trial Transparency		
Inclusion and Diversity				
GRI 3: Management of material topics (2021)	3-3: Management of material topics	Teva's Code of Conduct; Teva's Position on Diversity and Inclusion; 2023 Healthy Future Report , page 29; 2023 Healthy Future Report Disclosures, page 32		3, 8
GRI 405: Diversity and	405-1: Diversity of governance bodies and employees	2023 Healthy Future Report Disclosures, page 34		3, 8

equal opportunity (2016)	405-2: Ratio of Basic Salary and Remuneration of Women to Men	Ratio is presented with reference to base salary only, to ensure accuracy and a fair comparison across all Teva employees. This approach allows Teva to capture comprehensive and representative information for our entire workforce without various remuneration elements that might differ from one type of employee to another. 2023 Healthy Future Report Disclosures, page 37	3, 8
<i>Employee Health, Safety and Well-being*</i>			
GRI 3: Management of material topics (2021)	3-3: Management of material topics	Teva's Position on Occupational Health and Safety; 2023 Healthy Future Report , page 33 2023 Healthy Future Report Disclosures, page 39	3, 8
GRI 401: Employment (2016)	401-2: Benefits Provided	2023 Healthy Future Report Disclosures, page 45	3, 8
	401-3: Parental leave	2023 Healthy Future Report Disclosures, page 46	3, 8
GRI 403: Occupational health and safety (2018)	403-1: Occupational health and safety management system	2023 Healthy Future Report Disclosures, page 41	3, 8
	403-2: Hazard identification, risk assessment and incident investigation	2023 Healthy Future Report Disclosures, page 43	3, 8
	403-3: Occupational health services	2023 Healthy Future Report Disclosures, page 44	3, 8
	403-4: Worker participation, consultation and communication on occupational health and safety	2023 Healthy Future Report Disclosures, page 44	3, 8
	403-5: Worker training on occupational health and safety	2023 Healthy Future Report Disclosures, page 44	3, 8
	403-6: Promotion of worker health	2023 Healthy Future Report Disclosures, page 44	3, 8
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2023 Healthy Future Report Disclosures, page 45	3, 8
	403-8: Workers covered by an occupational health and safety management system	2023 Healthy Future Report Disclosures, page 42	3, 8

	403-9: Work-related injuries	2023 Healthy Future Report Disclosures, page 39	3, 8
	403-10: Work-related ill health	2023 Healthy Future Report Disclosures, page 39	3, 8

Talent Recruitment and Development

GRI 3: Management of material topics (2021)	3-3: Management of material topics	Teva's Code of Conduct ; 2023 Healthy Future Report Disclosures, page 46	3, 8
GRI 401: Employment (2016)	401-1: New employee hires and employee turnover	2023 Healthy Future Report Disclosures, page 46	3, 8
GRI 402: Labor/ management relations (2016)	402-1: Minimum notice periods regarding operational changes	<p>We follow the legal requirements in the countries or collective labor agreement, at the minimum. Typically, the notice period ranges from one month to several months, depending on the country or the collective labor agreement. Depending on the scenario, sometimes advance notice in addition to the notice period is provided to ensure employees have more time to find alternatives.</p> <p>We consult and provide notice to the unions based on the terms specific in the collective bargaining agreements.</p>	3, 8
GRI 404: Training and education (2016)	404-2: Programs for upgrading employee skills	2023 Healthy Future Report , page 30	4, 8
	404-3: Performance reviews	2023 Healthy Future Report Disclosures, page 52	4, 8

Employee Engagement

GRI 3: Management of material topics (2021)	3-3: Management of material topics	Teva's Code of Conduct ; Teva's Position on Talent Recruitment and Development ; 2023 Healthy Future Report Disclosures, page 53	5, 8
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Economic Impact

GRI 3: Management of material topics (2021)	3-3: Management of material topics	2023 Healthy Future Report , page 8; 2023 Healthy Future Report Disclosures, page 54	13
GRI 201: Economic performance (2016)	201-2: Financial implication and other risks and opportunities due to climate change	2023 Healthy Future Report Disclosures, page 58	13
GRI 203: Indirect economic impacts (2016)	203-1: Infrastructure investments and services supported	2023 Healthy Future Report Disclosures, page 29	13
	203-2: Significant indirect economic impacts	2023 Healthy Future Report , pages 8-9	1, 2, 3, 8, 10, 17
Human Rights			
GRI 3: Management of material topics (2021)	3-3: Management of material topics	2023 Healthy Future Report Disclosures, page 56	
Responsible Lobbying			
GRI 3: Management of material topics (2021)	3-3: Management of material topics	Teva's Position on Government Affairs ; 2023 Healthy Future Report Disclosures, page 97	16
GRI 415: Public policy (2016)	415-1: Political contributions	2023 Healthy Future Report Disclosures, page 97	16
Climate Action and Resilience*			
GRI 3: Management of material topics (2021)	3-3: Management of material topics	Teva's Position on Environmental Sustainability ; 2023 Healthy Future Report , page 42; 2023 Healthy Future Report Disclosures, page 57-77	7, 12, 13

GRI 302: Energy (2016)	302-1: Energy consumption within the organization	2023 Healthy Future Report Disclosures, page 63	7, 12, 13
	302-3: Energy intensity	2023 Healthy Future Report Disclosures, page 64	7, 12, 13
GRI 305: Emissions (2016)	305-1: Direct (scope 1) greenhouse gas (GHG) emissions	2023 Healthy Future Report Disclosures, page 64	13
	305-2: Energy indirect (scope 2) GHG emissions	2023 Healthy Future Report Disclosures, page 65	13
	305-3: Other indirect (scope 3) GHG emissions	2023 Healthy Future Report Disclosures, pages 64, 66	13

Pharmaceuticals in the Environment*

GRI 3: Management of material topics (2021)	3-3: Management of material topics	2023 Healthy Future Report , pages 45-46, 2023 Healthy Future Report Disclosures, page 67; Teva's Position on Antimicrobial Resistance .	
GRI 303: Water and effluents (2018)	303-2: Management of water discharge-related impacts	2023 Healthy Future Report Disclosures, page 67	

Waste*

GRI 3: Management of material topics (2021)	3-3: Management of material topics	2023 Healthy Future Report Disclosures, page 69	12
GRI 306: Waste (2020)	306-1: Waste generation and significant waste-related impacts	2023 Healthy Future Report Disclosures, page 68	12

306-2: Management of significant waste-related impacts	2023 Healthy Future Report Disclosures, page 68	12
306-3: Waste generated	2023 Healthy Future Report Disclosures, page 70	12
306-4: Waste diverted from disposal	2023 Healthy Future Report Disclosures, page 70	12
306-5: Waste directed to disposal	2023 Healthy Future Report Disclosures, page 70	12

Nature and Biodiversity

GRI 3: Management of material topics (2021)	3-3: Management of material topics Teva's Position on Environmental Sustainability; 2023 Healthy Future Report , page 49	12
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Water

GRI 3: Management of material topics (2021)	3-3: Management of material topics Teva's Position on Environmental Sustainability; Healthy Future Report Disclosures , page 72	
GRI 303: Water and effluents (2018)	303-1: Interactions with water as a shared resource	2023 Healthy Future Report Disclosures, page 72
	303-3: Water withdrawal	2023 Healthy Future Report Disclosures, page 72
	303-4: Water discharge	2023 Healthy Future Report Disclosures, page 74
	303-5: Water consumption	2023 Healthy Future Report Disclosures, page 73

Ethics and Integrity*

GRI 3: Management of material topics (2021)	3-3: Management of material topics	Teva's Global Prevention of Corruption Policy ; Teva's Code of Conduct ; 2023 Healthy Future Report , page 52; 2023 Healthy Future Report Disclosures , page 77	
GRI 205: Anti-corruption (2016)	205-1: Operations assessed for risks related to corruption	2023 Healthy Future Report Disclosures , page 77	16
	205-2: Communication and training about anti-corruption policies and procedures	2023 Healthy Future Report Disclosures , page 78	16
	205-3: Confirmed incidents of corruption and actions taken	2023 Healthy Future Report Disclosures , page 79	16
GRI 206: Anti-competitive behavior (2016)	206-1: Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Teva's 2023 Annual Report (Form 10-K) , pages 138-143	

Corporate Governance*

GRI 3: Management of material topics (2021)	3-3: Management of material topics	Statement of Corporate Governance Principles ; 2023 Healthy Future Report , page 55	16
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Risk Management*

GRI 3: Management of material topics (2021)	3-3: Management of material topics	Teva's Position on Enterprise Risk Management ; 2023 Healthy Future Report , page 56; 2023 Healthy Future Report Disclosures , page 84	
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Quality Manufacturing

GRI 3: Management of material topics (2021)	3-3: Management of material topics	Teva's Position on Quality Manufacturing ; 2023 Healthy Future Report , page 58; 2023 Healthy Future Report Disclosures , page 87	3
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Sustainable Procurement*

GRI 3: Management of material topics (2021)	3-3: Management of material topics	Teva's Position on Responsible Supply Chain; 2023 Healthy Future Report , page 60; 2023 Healthy Future Report Disclosures, page 89	12
GRI 308: Supplier environmental assessment (2016)	308-1: New suppliers that were screened using environmental criteria	All suppliers that participate in RFPs through the Global Procurement sourcing platform (Ariba) participate in disclosing information via Risk/ESG Questionnaire for Suppliers, which allows us to screen them on ESG topics related to sustainability performance, GHG emissions and compliance with the AMR Industry Alliance Common Antibiotic Manufacturing Framework. Additionally, Global Procurement engages suppliers in sustainability assessments conducted by EcoVadis and PSCI for EHS and Ethics and Labor audits. See Teva's Position on Responsible Supply Chain and Supplier Code of Conduct for more details.	12
	308-2: Negative environmental impacts in the supply chain and actions taken	2023 Healthy Future Report Disclosures, page 89	12
GRI 414: Supplier social assessment (2016)	414-1: New suppliers that were screened using social criteria	All requests for proposals conducted through Ariba include a Risk/ESG Questionnaire for Suppliers, which allows us to screen them on ESG topics related to sustainability performance. Additionally, Global Procurement engages suppliers in sustainability assessments conducted by EcoVadis and PSCI for EHS and Ethics and Labor audits. See Teva's Position on Responsible Supply Chain and Supplier Code of Conduct for more details.	12
	414-2: Negative social impacts in the supply chain and actions taken	2023 Healthy Future Report Disclosures, page 89	12
Data Privacy			
GRI 3: Management of material topics (2021)	3-3: Management of material topics	Teva Global Data Privacy Policy ; 2023 Healthy Future Report Disclosures, page 93	
GRI 418: Customer privacy (2016)	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Teva had 0 reportable substantiated complaints of data privacy breaches and 0 losses of personal data, including customer data. The Teva Legal and	

Compliance teams continue to be vigilant and partner with their IT counterparts to be proactive on this subject matter.

Cybersecurity and Information Security

GRI 3: Management of material topics (2021)	3-3: Management of material topics	2023 Healthy Future Report Disclosures, page 93
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Innovation

GRI 3: Management of material topics (2021)	3-3: Management of material topics	2023 Healthy Future Report Disclosures, page 94
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Animal Welfare

GRI 3: Management of material topics (2021)	3-3: Management of material topics	2023 Healthy Future Report Disclosures, page 96
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*Topics considered in focus or priority according to Teva's Healthy Future strategy are most material and are comprehensively disclosed.

Sustainability Accounting Standards Board (SASB) Content Index

Biotechnology and Pharmaceutical Standard

SASB Code	SASB Metric	Disclosure	UN SDGs
<i>Safety of Clinical Trial Participants</i>			
HC-BP-210a.1	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	2023 Healthy Future Report Disclosures, page 31	3, 9
HC-BP-210a.2	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	In 2023, there was one inspection of investigations related to clinical trials at a Teva internal clinic, which covered three generic studies, and three Pharmacovigilance FDA Sponsor Inspections. This did not result in Voluntary Action Indicated (VAI) or Official Action Indicated (OAI).	9
HC-BP-210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	None	
<i>Access to Medicines</i>			
HC-BP-240a.1	Description of actions and initiatives to promote access to healthcare products for priority diseases and in priority countries as defined by the Access to Medicine Index	2023 Healthy Future Report , page 20; 2023 Healthy Future Report Disclosures, pages 24-29.	3
HC-BP-240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	We do not have any medicines on the WHO List of Prequalified Medicinal Products.	
<i>Affordability and Pricing</i>			
HC-BP-240b.1	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	There were no Company settlements of any ANDA litigations in 2023 pertaining to this SASB Metric.	

HC-BP-240b.2	Percentage change in: (1) average list price and (2) average net price across US product portfolio compared to previous year	2023 Healthy Future Report Disclosures, page 28	
HC-BP-240b.3	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	Not disclosed	
<i>Drug Safety</i>			
HC-BP-250a.1	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	MedWatch: The FDA Safety Information and Adverse Event Reporting Program	3
HC-BP-250a.2	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	Not disclosed	
HC-BP-250a.3	Number of recalls issued; total units recalled	2023 Healthy Future Report Disclosures, page 86	3
HC-BP-250a.4	Total amount of product accepted for takeback, reuse or disposal	2023 Healthy Future Report Disclosures, page 86 for total recalled products and page 69 for takeback schemes.	3
HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	2023 Healthy Future Report Disclosures, page 86	3
<i>Counterfeit Drugs</i>			
HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	2023 Healthy Future Report , page 59 2023 Healthy Future Report Disclosures, page 88	3
HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	2023 Healthy Future Report , page 59 2023 Healthy Future Report Disclosures, page 88	3
HC-BP-260a.3	Number of actions that led to raids, seizure, arrests and/or filing of criminal charges related to counterfeit products	2023 Healthy Future Report Disclosures, page 88	

Ethical Marketing

HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	None	
HC-BP-270a.2	Description of code of ethics governing promotion of off-label use of products	<p>Our promotional efforts to healthcare professionals must be “on-label” for approved products only. Everything a Teva sales representative or authorized contractor say as part of performing their jobs may be considered to be promotional. Therefore, sales representatives and our contractors who receive an inquiry about off-label use are obligated to refer the healthcare professional’s question(s), or questions from others to our medical affairs department, allowing medical professionals to communicate Teva medical information directly, and our sales representatives and contractors are not allowed to solicit or encourage in any way these types of requests.</p> <p>See more in Teva’s Code of Conduct, as well as the 2023 Healthy Future Report Disclosures, page 78 (training on the Code of Conduct), page 80 (OBI) and page 82 (internal audit).</p>	16

Employee Recruitment, Development and Retention

HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	<p>Teva engages in market mapping to assess industry trends and emerging areas in research and development and to identify talent. Our strategic partnerships with universities allow us to recruit young scientists. We also actively participate in industry conferences, networking events and thought leadership to connect with potential candidates.</p> <p>To increase retention, our R&D mentoring program, Momentum, teaches communication skills, change management, critical thinking and career planning. The program, which engaged 400 participants in 2023 and will expand to 700 participants in 2024, includes reverse mentorship initiatives to foster cross-generational knowledge. Young talent mentors experienced counterparts on social media, technology and more.</p> <p>Additionally, approximately 40% of our R&D leaders participate in annual leadership programs. Our Learn, Grow and Inspire portfolio and organizational development sessions ensure a continuous learning environment, fostering leadership skills and career advancement.</p> <p>We also craft retention and career development plans through our annual talent review process. We identify successors for senior leadership roles and define pivotal roles to ensure a robust leadership pipeline and job satisfaction.</p> <p>For more details, please see Teva’s Position on Talent Recruitment and Development and our 2023 Healthy Future Report Disclosures, pages 49-53,</p>	
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which further describe our retention efforts for all employees, including R&D employees.

HC-BP-330a.2 (1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others

	2021*		2022**		2023**
	Voluntary Turnover	Involuntary Turnover	Voluntary Turnover	Involuntary Turnover	Voluntary Turnover
Executives/senior managers	8.4%	4.9%	6.2%	4.9%	8.1%
Middle managers	8.8%	4.2%	8.1%	3.4%	3.5%
Junior managers	8.5%	4.8%	7.9%	3.0%	5.5%
Total management positions	8.4%	4.9%	7.9%	3.1%	5.1%
Professionals	8.5%	7.6%	8.8%	4.4%	7.0%
Entry-level positions	6.7%	10.0%	6.5%	8.4%	5.9%
Total non-management positions	7.8%	8.6%	7.9%	5.9%	6.6%
Total employees	8.0%	7.7%	7.9%	5.2%	6.2%

*0.6% attrition is related to other reasons, including death, health reasons and retirement.

**0.8% attrition is related to other reasons, including death, health reasons and retirement.

Supply Chain Management

HC-BP-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for integrity of supply chain and ingredients	2023 Healthy Future Report Disclosures, page 87	12
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Business Ethics

HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	None	16
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HC-BP-510a.2	Description of code of ethics governing interactions with healthcare professionals	Teva interacts appropriately with healthcare professionals by following applicable laws, industry codes of conduct, and internal governance documents, policies and procedures including Teva's Position on Marketing and Promotional Practices and Teva's Code of Conduct . We treat these interactions very seriously given the trust placed upon us by our health care partners, customers, patients and those regulating our industry. Teva trains relevant employees on responsible sales and marketing practices and is committed to compliant, ethical, and transparent practices. Teva promotional materials undergo a careful internal legal and regulatory review and approval prior to their use and are submitted to the FDA and other regulators as required at the time of their use. Our Code of Conduct also aligns with relevant pharmaceutical industry associations' codes of conduct, which govern interactions with healthcare professionals, healthcare organizations, patients, patient organizations, government officials, and third parties and which are important voluntary practices we embrace to remain true to our mission and premium on corporate integrity. When this Code is violated, we implement timely corrective actions, that may include as appropriate warnings, additional training, adjustment to our policies and procedures, and disciplinary actions that in extreme cases can lead to employee financial consequences and/or dismissal. Please see more about Teva's compliance and ethics training on page 78 and the office of business integrity on page 80.
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Activity Metrics

HC-BP-000.A	Number of patients treated	Nearly 200 million each day
HC-BP-000.B.2	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3) and (3) number of new entries for clinical pipeline	<ul style="list-style-type: none"> (1) More than 2,000 drugs in portfolio (2) As of January 2024, 16 biosimilar products are in development (nine in pre-clinical, five in Phase 3 and two in regulatory review), and 11 specialty products are in development (five in pre-clinical, two in Phase 1, two in Phase 2 and two in Phase 3). (3) One investigational new drug

UN Global Compact Principles

The United Nations Global Compact (UNGC) is a strategic policy initiative that encourages companies around the world to adhere to 10 principles of responsible business, relating to human rights, labor standards, environmental protection and anti-corruption. Teva has participated in the UNGC since 2010 and confirmed our signatory status in 2023.

Global Compact Principles	Our Position
1 Businesses should support and respect the protection of internationally proclaimed human rights.	2023 Healthy Future Report Disclosures, page 56
2 Businesses should make sure that they are not complicit in human rights abuses.	
3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	2023 Healthy Future Report Disclosures, page 5
4 Businesses should support the elimination of all forms of forced and compulsory labor.	2023 Healthy Future Report Disclosures, pages 56 and 90-91
5 Businesses should support the effective abolition of child labor.	
6 Businesses should support the elimination of discrimination in respect of employment and occupation.	2023 Healthy Future Report , pages 29-31; 2023 Healthy Future Report Disclosures, pages 32-38
7 Businesses should support a precautionary approach to environmental challenges.	
8 Businesses should undertake initiatives to promote greater environmental responsibility.	2023 Healthy Future Report , pages 41-50; 2023 Healthy Future Report Disclosures, pages 57-77
9 Businesses should encourage the development and diffusion of environmentally friendly technologies.	
10 Businesses should work against corruption in all its forms, including extortion and bribery.	2023 Healthy Future Report , pages 52-54; 2023 Healthy Future Report Disclosures, pages 78-82

Task Force on Climate-Related Financial Disclosures (TCFD)

Content Index

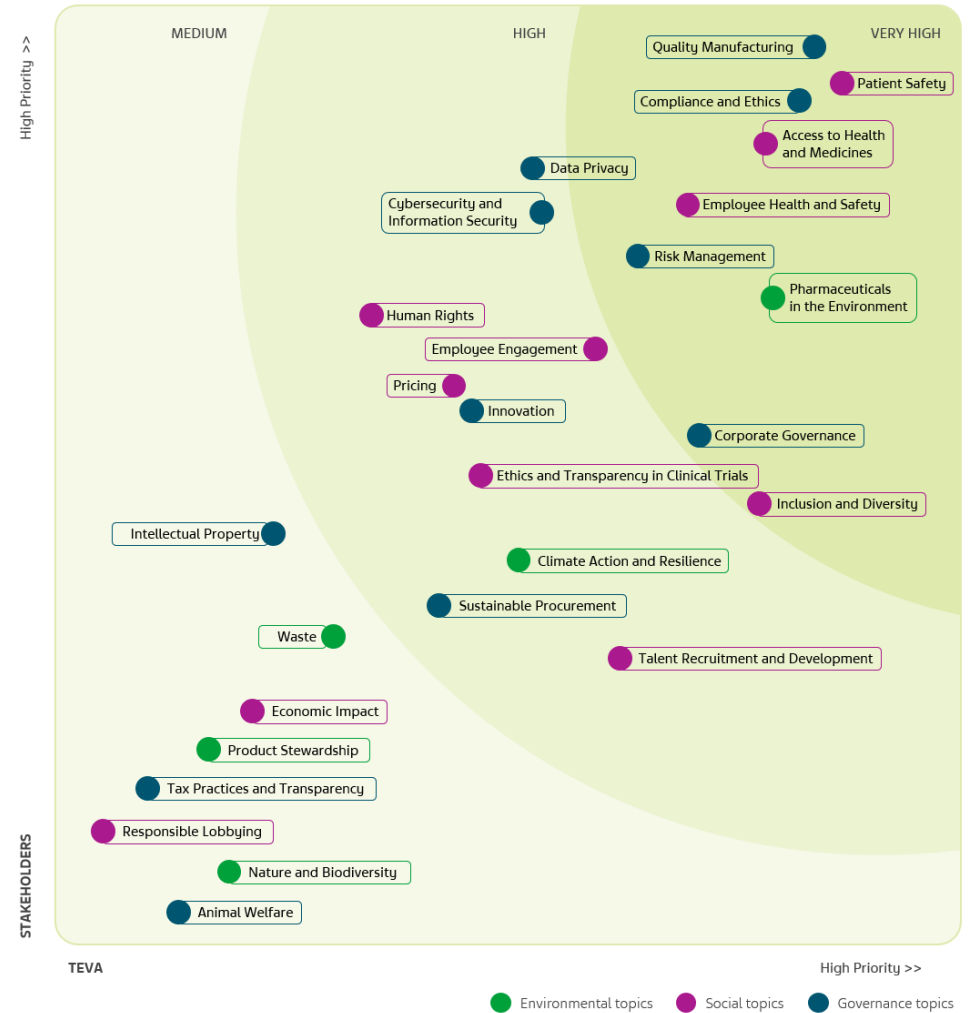
Core Element	Recommended Disclosure	Reference
Governance	a The Board's oversight of climate-related risks and opportunities	2023 Healthy Future Report Disclosures, page 57
	b Management's role in assessing and managing climate-related risks and opportunities	2023 Healthy Future Report Disclosures, page 57
Strategy	a Climate-related risks and opportunities Teva has identified over the short-, medium- and long-term	2023 Healthy Future Report Disclosures, pages 58-60
	b The impact of climate-related risks and opportunities on Teva's businesses, strategy and financial planning	2023 Healthy Future Report Disclosures, pages 58-60
	c The potential impact of different scenarios, including a 4°C, a 2°C and a 1.5°C scenario, on Teva's businesses, strategy and financial planning	2023 Healthy Future Report Disclosures, pages 58-60
Risk Management	a How processes for identifying, assessing and managing climate-related risks are integrated into Teva's overall risk management	2023 Healthy Future Report Disclosures, page 59
	b Teva's processes for identifying and assessing climate-related risks	2023 Healthy Future Report Disclosures, page 60-61
	c Teva's processes for managing climate-related risks	2023 Healthy Future Report Disclosures, pages 60-61
Metrics and Targets	a The metrics used to assess climate-related risks and opportunities in line with strategy and risk management process	2023 Healthy Future Report Disclosures, page 62
	b Scope 1, scope 2 and, if appropriate, scope 3 GHG emissions, and the related risks	2023 Healthy Future Report Disclosures, page 62
	c The targets used to manage climate-related risks and opportunities, including use of science-based targets and performance against these targets	2023 Healthy Future Report Disclosures, page 62

From the Materiality to Healthy Future Strategy

Materiality Assessment

Materiality assessments help us identify sustainability topics of greatest importance to our stakeholders and our business. We conducted our first materiality assessment in 2013, followed by one in 2020 and one in 2022, the last of which guided our Healthy Future strategy.

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



Healthy Future Strategy

The materiality assessment identified nine topics as “very high” in terms of the areas that Teva can cause impacts. After internal assessment, we identified two additional topics that impact Teva, which together with the “very high” material topics sum eleven priority areas to disclose comprehensively. Within these priority areas, we identified six areas in which we need to manage our performance by defining and working on targets and plans. The table below shows these topics and areas.

2022 Materiality (“Very High”) Topics	2023 Priority and Focus (*) Areas Incorporated in the Healthy Future Strategy
1. Access to Health and Medicines	1. Access to Medicines and Healthcare (*)
2. Patient Safety	2. Patient Safety
3. Quality Manufacturing	3. Quality Manufacturing
4. Employee Health and Safety	4. Employee, Health, Safety and Well-being
5. Inclusion and Diversity	5. Inclusion and Diversity (*)
6. Risk Management	6. Risk Management
7. Compliance and Ethics	7. Ethics and Integrity (*)
8. Corporate Governance	8. Corporate Governance
9. Pharmaceuticals in the Environment	9. Pharmaceuticals in the Environment (*)
	10. Sustainable Procurement (*)
	11. Climate Action and Resilience (*)

Note: We adjusted the names of some topics included in the materiality matrix due to changes in lexicon.

Healthy People Disclosures

Access to Health and Medicines

Regulatory Submissions in Low- and Middle-Income Countries (LMICs) of Products on the World Health Organization (WHO) Essential Medicines List (EML) Across Six Therapeutic Areas (TAs) in Teva International Markets [SLB KPI 1.a]

	Cumulative 2017-2020	2021	2022	2023	Cumulative Submission Between 2022-2023	Cumulative Target by 2025
Submissions in cardiovascular diseases	9	6	7	12	19	
Submissions in pediatric oncology	9	5	9	6	15	
Submissions in respiratory disease	7	3	4	2	6	
Submissions in diabetes	3	0	0	4	4	
Submissions in mental health	0	0	0	1	1	
Submissions in pain/palliative care	2	2	1	0	1	
Total number of regulatory submissions across six TAs LMICs	30	16	21	25	46	75

Note: Our sustainability-linked bonds (SLBs) are tied to three targets, including this KPI. The testing date to determine whether we have achieved each of these targets is December 31, 2025. Further information on our efforts toward achieving each target is available in the [2023 Healthy Future Report](#), page 41. Teva international markets include Central and South America, Africa, Asia-Pacific and part of Eastern Europe. The European countries in this region are the ones that were part of the former Soviet Union. LMICs include those designated by the World Bank in 2021 at the time of our debut SLB issuance, as referenced [here](#). 2021 submissions are not considered for the target.

Products Provided Through Access to Medicines Programs in LMICs on the WHO EML Across Six TAs in Teva International Markets (Total Annualized Volumes) between 2020 and 2023

	2020	2021	2022	2023
Amount of Medicine Provided (thousands of tablets/doses)	496	308	362	798

Products Provided Through Access to Medicines Programs in LMICs on the WHO EML Across Six TAs in Teva International Markets in 2023
[SLB KPI1.b]

Donation/Social Business Receivers	Type of Program	Therapeutic Areas	Number of Products	Amount of Medicine Provided (Tablets/Doses)	Value of Medicine Provided (Thousands \$)	Number of Patients Reached/Treated
Malawi, Uganda, Botswana and Tanzania	Donation	Pediatric oncology	17	217,314	6,917	1,000
Ghana	Donation	Breast cancer	10	581,006	1,830	400
Total			27	798,320	8,747	1,400

Note: Our sustainability-linked bond (SLB) is tied to three targets, including achieving 1.24M doses provided in 2025. The reported 2023 product amount should not be used as an indicator of our current trajectory or likelihood of achieving the 2025 target, as the target testing date is December 31, 2025. Determining whether Teva has achieved the target will be dependent on Teva's product amount performance in 2025 alone, as this is not a cumulative target. Further information on our effort toward achieving each target is available in the [2023 Healthy Future Report](#), page 41. Teva international markets include Central and South America, Africa, Asia-Pacific and part of Eastern Europe. The European countries in this region are the ones that were part of the former Soviet Union. LMICs include those designated by the World Bank in 2021 at the time of our debut SLB issuance and as referenced [here](#). The value of medicine provided is represented in wholesale acquisition cost (WAC).

Total Access to Medicines Programs in 2023

Receiver	Type of Program	Therapeutic Area	Number of Products	Amount of Medicine Provided (Tablets/Doses)	Value of Medicine Provided (Thousands \$)	Number of Patients Reached/Treated
Malawi, Uganda, Botswana and Tanzania*	Donations	Pediatric oncology	20	434,238	8,244	1,000
Ghana*	Donations	Breast cancer	11	597,206	1,893	400
Israel	Donations	Chronic disease medicines for migrants and asylum seekers	65	49,845	20	660
US	Donations	Mental health	46	17,747,460	11,312	20,868
France	Social Business	Chronic disease medicines for migrants and homeless people	136	1,996,152	81	100,000
Spain	Social Business	Chronic disease medicines	225	50,934	9	585
Global Health Tenders	Social Business	Central nervous system and immunosuppressants	7	92,203,700	1,686	NA
Total			510	113,079,535	23,4	123,513

Note: The value of medicine provided is represented in wholesale acquisition cost (WAC) or the local market equivalent.

*Part of the program volume meets the eligibility requirements to be counted towards Teva’s sustainability-linked bond key performance indicator to increase access to medicines program product volume by 150% in 2025 (vs. 2020) through four access to medicines programs in LMICs on the WHO EML Across Six TAs in Teva International Market Region.

Access Donations Playbook

Teva’s Access Playbook is a working document that outlines the systematic approach behind access program initiation, development and implementation. These processes were created in partnership with all relevant business units to guarantee that access programming receives the same priority as commercial operations. Medical products or drug donations are made based on WHO Guidelines for drug donations.

Local Capacity Building in 2023

Programs supported by Teva’s medicines include a strong direction to improve local capacities in countries in the scope of the Access to Medicines Index 2023, with the goal of improving access. While our contribution to these efforts is through product delivery, we do our utmost to partner with organizations who focus on local capacity building, community health promotion and health system strengthening to ensure maximum impact through our programs.

Name of Program, Partnership or Activity	Description of Local Capacity Improvement Initiatives
Global HOPE	The Global HOPE program was expanded from Malawi in 2020 to Uganda and Botswana in 2021 and to Tanzania in 2022. Our NGO partner, Direct Relief, ensured storage of the medicines in a safe way. In collaboration with Direct Relief and Texas Children’s Hospital, the Pediatric Hematology Oncology drug refrigerator at the Botswana site has been readied for Teva donations of cold-storage medications, including installation of refrigerator locks, configuration of the refrigerator temperature monitoring system and installation of data loggers. Direct Relief invested roughly \$1 billion in the construction of an advanced medicines storage center, where medicines are kept before they are transported to communities in need.
Global HOPE	As part of the overall program, led by Global HOPE, various other partners come together to support capacity-building activities. These activities include providing nurse training scholarships, which will include support for master’s degree training, workshops, conferences and healthcare worker exchanges. Courses for training medical officers are also provided. Through our Global HOPE partnership, we trained almost 1,000 healthcare workers in 2023.
Israel	In late 2023, Teva established Support the Soul (Metaplim BaNefesh) Program , a holistic, large-scale, long-term solution to support and care for Israel’s therapists so they can more effectively treat those impacted by the war. As part of this program, through 2024 we will be part of creating safe spaces for the professional caregiver, including support resilience centers (Ofakim and Ashkelon) and a virtual support network. In additional, we aim to fuel innovation by supporting development of technologies for trauma care.
Israel	As part of our ‘Support the Soul’ program, in late 2023 Teva, through a local partner, started to provide training for Professional Caregivers on caring for trauma and other mental health challenges. This includes fortifying competencies, conducting trauma treatment courses, and expanding the community of therapists. In additional, we will drive awareness of the need to care for mental health therapists.
US	In partnership with Direct Relief and the National Association of Free and Charitable Clinics , we launched a program in 2022 to advance access to mental health care for uninsured and underserved patients suffering from depression and anxiety. In 2023, as a result of our grant funding, clinics implemented or expanded activities, including depression, anxiety and adverse childhood experience screenings, culturally and linguistically relevant behavioral health resources and services, and community outreach events.

Pandemic Preparedness and Disaster Relief in 2023

Teva has partnered with Direct Relief since 2006. We work together to strategically provide medicines so when emergency situations arise, they can be transported to patients who need them.

Case	Donation Receivers	Number of Units Donated	Value of Products Donated to Support Disasters (Thousands \$)
Turkey earthquake	We supported relief efforts in Turkey in collaboration with Direct Relief. We donated medicines through our ongoing donation program to treat cardiovascular, mental health and gastroenterology disorders and provide antibiotics.	315,412	7,267
Ukraine	We have been supporting humanitarian relief effort in the context of the war in Ukraine since it broke out in early 2022.	83,159,633	139,333

Note: The value of medicine provided is represented in wholesale acquisition cost (WAC) or the local market equivalent.

Product Accessibility

To ensure a steady and uninterrupted supply of our products to our markets across the world, we work closely with our partners to ensure the integrity of our supply chain and reduce risk of shortages and expired products. We work with wholesalers to provide millions of doses each year to address shortages in Europe and Teva's International Markets region. In addition, to ensure our donations are maximized and reach those who need them, we are working on distribution models of reallocation of products. Some of the methods we adopt to increase product accessibility through planning and distribution include:

- **Improving Product Availability:** We implement various strategies to ensure continuous supply of our products and uphold quality standards, while making efforts to combat substandard and falsified medicines. We aim to maximize our global manufacturing capabilities to meet the supply needs of different countries and regions. For example, our sites in the Latin American and Asia-Pacific regions serve different LMICs markets. We also strive to simplify our network by creating clusters and specialized sites focusing on specific manufacturing technologies and products. This approach can help enhance efficiency in terms of lead times and cost optimization.
- **Demand Planning and Data Sharing:** We established an internal system for forecasting and demand planning, both for our regular supply activities and for new product launches. This system includes a 24-month forecast that is shared with our manufacturing sites during our annual operational plan and adjusted monthly. In certain circumstances, we collaborate with government agencies and authorities, disclosing information regarding stocks to fulfil local needs.
- **Delivery Performance:** We use a global logistics system to track the delivery of our finished goods, and we plan to extend the coverage to APIs and raw materials. We measure On Time in Full (OTIF) performance data for every delivery and aggregate performance results based on a monthly KPI, which is assessed globally. We have established last-mile tracking systems for product distribution within countries where delivery takes place.
- **Stockout and Shortage Mitigation:** We have multiple strategies to mitigate the risk of shortages and stockouts. We maintain buffer stocks of APIs, critical components and finished goods, alongside having a finished good stock policy in place. We conduct weekly and monthly regional audits to identify and mitigate out-of-stock risks. Additionally, we've developed a special software for optimizing global stocks and leverage our global network to meet supply needs in different locations. We implement a dual-sourcing policy in some cases, based on the risk profile and portfolio importance. We use a mix of global and local suppliers to promptly meet demand and take steps to maintain the availability of APIs. During the COVID-19 pandemic, we leveraged our API production and overall manufacturing capabilities to meet surges in demand. We also have a Critical Action Committee to address emergencies related to drug or API shortages. We developed a global platform that facilitates fulfilling product demand in case of emergency needs, allowing us to move available stock to other locations.

In 2023, more than 2 million units of medicine were supplied or initiated by Teva in Europe to address local drug shortages. More than 92 million units were supplied via tender to United Nations Organizations and aid agencies. Shortages of essential medicines in 2023, including antibiotics and oncology medicines, triggered public and political concern. By allocating stock from Europe to countries with unmet needs, we resolved 209 national shortages. We also helped resolve shortages by working with other Teva partners to provide stock to support patients in need and in territories where the product was in low supply or not registered.

Academic Collaborations

Teva partners in joint research projects with the largest Israeli institutes for early-stage drug discovery and development research. These include the Hebrew University of Jerusalem, Tel Aviv University, Ben Gurion University, Bar Ilan University, Israel Institute of Technology, Haifa University and the Weizmann Institute of Science. For biotechnology research, Teva works with medical centers, biobanks, start-ups, accelerators and universities.

Pricing

Teva regularly reviews prices in the context of market conditions, availability and production costs. Teva’s local subsidiaries set and reassess prices of medicines based on regional dynamics, including health authority, manufacturing costs, reimbursement and other applicable rules and regulations.

Teva US operates two cross-functional committees—the US Commercial Brand Pricing Committee, established in 2014, and the US Generic Drug Pricing Committee, established in 2016. These committees discuss and deliberate Teva’s pricing decisions, often going beyond legal or compliance requirements, and ensure potential price increases consider all relevant factors. The committees include representatives from Commercial, Finance, Legal, and Customer Operations. To learn more, see [Teva’s Position on Pricing](#).

HC-BP-240b.2 Percentage Change in: (1) Average List Price and (2) Average Net Price Across US Product Innovative Portfolio Compared to Previous Year

	2021	2022	2023
Change (%) in average list price across US innovative product portfolio compared to previous year	3.24	3.74	3.53
Change (%) in average net price across US innovative product portfolio compared to previous year	-0.32	1.07	-0.16

Donations

Teva is committed to improving the health and well-being of people in communities across the globe. We believe that investing in communities is not merely a choice, but our responsibility. Our community contributions are part of our Sustainability strategy and reflect our commitment to increasing access to healthcare, particularly for those in developing countries or crisis zones.

Teva’s Global Donations Policy and Procedure provides the standards for us to provide consistent and impactful donations. It establishes Teva’s decision-making and administration of donations, ensures it is in alignment with our Sustainability strategy and values, reduces risk and upholds compliant and ethical standards. Teva

provides donations to organizations for legitimate scientific, educational or philanthropic purposes and not to reward or influence prescriptions, purchases or recommendations of Teva products. Our donation activities independently address programmatic and educational gaps.

On December 15, 2022, we launched a donation policy training that applies to all Teva employees, including directors, executives, subsidiary and affiliated companies involved in making donations. The training consists of two elements—a document of overall procedural guidance and a video training about cash donation. Approximately 96% of employees assigned this training completed it in 2023. In 2023, we also implemented a software called Grants Connect to align global donations with our donation policy. The online platform brings all grantmaking into one place and makes it easier to execute, automate and assess the impact of using a global database. In 2024, Grants Connect will be a mandatory platform to use for cash donations throughout Teva.

Teva does everything possible to avoid, identify and disclose all conflicts of interest. Teva does not donate to organizations or programs that discriminate against individuals based on, but not limited to, gender, gender identity, sexual orientation, race, ethnicity, religion, disability, age or parental status. Teva is accurate and transparent in its books and records for all donations provided.

GRI 203-1: Infrastructure Investments and Services Supported

Million \$	2021	2022	2023
Cash contributions	2.060	2.392	2.501
Drug donations (Wholesale Acquisition Costs)	487	700	829

Volunteering

Teva Gives is a software platform launched in 2022 to support employee volunteering and giving back to our local communities. Through the Teva Gives online platform, employees are able to find Teva-organized activities, record volunteering hours, measure their impact and see how colleagues are making a difference.

Humanizing Health

Teva’s annual Humanizing Health Awards celebrate local healthcare initiatives that enhance patient experiences by adding a human touch. Teva employees vote for initiatives they feel best demonstrate humanity, and winners receive a monetary prize to help expand their activities. In 2023, this program was held in 12 countries (Portugal, Argentina, Brazil, Spain, Croatia, Hungary, Italy, Mexico, Greece, Chile and Bulgaria) and some awarded initiatives include:

- Association of Parents of Children with Kidney Diseases (Bulgaria): Provided free ultrasound examinations for 370 children, ages five to 10, in eight small villages with no specialized medical care, allowing increased diagnostics and monitoring of kidney problems. Children and families with established kidney diseases or disabilities received emotional, social and educational support to cope with treatment and stress.
- Croatian Federation of Multiple Sclerosis Societies (Croatia): Developed a mobile app with educational content for patients, guidelines for conversations with neurologists, advice on nutrition and exercise and opportunities for patients and family to exchange stories and experiences.
- Fundación Nuestros Hijos (Chile): Used virtual reality equipment to deliver children’s oncology rehabilitation.
- ANTA Italia Foundation (Italy): Provided assistance and emotional support to caregivers of loved ones with terminal illnesses through training courses on handling emotional challenges.

- Budapest Social Methodology Centre and Institution (Hungary): Gave gynecological care to homeless women in Hungary, specifically those who have experienced domestic violence and sexual abuse. The service used a safe, empathetic and trauma-sensitive approach to perform tests and interventions.

Patient Safety

Adverse Event Reports by Country

Number of Adverse Event Reports	2021	2022	2023
Top five countries from which adverse event reports originated			
United States	69,013	46,979	32,679
United Kingdom	20,388	10,487	19,654
Canada	26,564	20,962	18,441
France	-	10,958	11,751
Germany	16,282	11,553	8,934
Netherlands	9,784	-	-
Other Countries	52,815	48,029	47,447
Total number of adverse event reports (including top five countries and others)	194,846	148,968	138,906

Patient Safety Management System

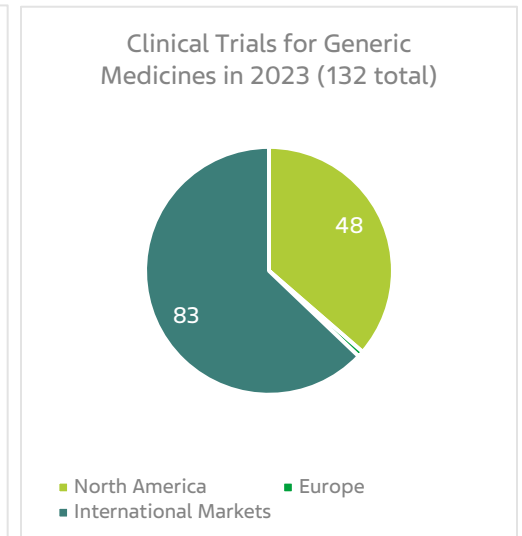
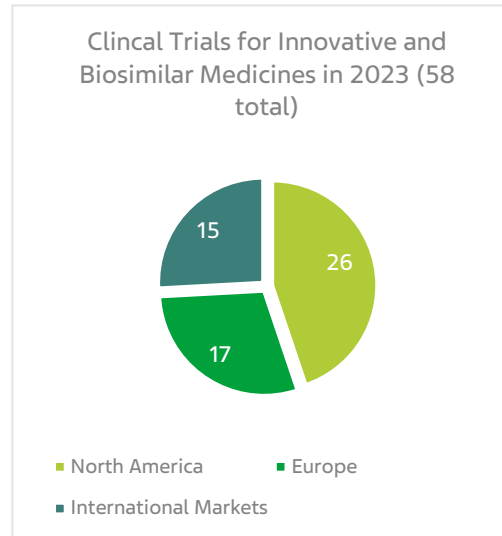
To ensure Teva fulfills our objectives and complies with the legal requirements on patient safety, Teva has implemented a robust Pharmacovigilance (PV) management system, which includes procedures, audits, deviation management, monitoring activities (metrics/governance) and training. It includes the following components:

- **Policy:** A Patient Safety Policy, approved by Teva's CEO, is applicable to all employees. The policy outlines PV responsibilities at Teva. There are defined PV system performance indicators which are regularly reviewed by senior experts and governance boards, enabling system oversight, early identification of trends and actions for further improvement.
- **Reducing Patient Risks:** Utilizing advanced IT systems and the review of expert physicians and pharmacists, our Global Patient Safety Network quickly identifies and mitigates any possible new safety signal, providing information on a potential new or on a known adverse event that may warrant further investigation. If a new safety signal is identified, this system ensures it is addressed in a timely manner to minimize patient risks. Case reports are reported to global health authorities for independent review and assessment, per legal requirements. The potential impact of new product technologies is assessed as part of the implemented product development assessments, in-licensing assessments, and/or post-launch market surveillance activities.

- PV System Monitoring and Audit:** Critical infrastructure and personnel for the PV system is tested regularly to confirm availability, including short response times in emergency situations. This includes the cloud-based PV global safety database offering high availability, reliability and security. PV processes are monitored for their compliance and performance on a regular basis through metrics and/or monitoring reports. A Global Good Vigilance Practice (GVP) audit program is prepared on a yearly basis using a defined risk-based approach. The program comprises internal audits and third-party (including vendor) audits and is conducted by qualified Teva auditors or by external consultants. During the audits, the PV system is reviewed and assessed for compliance with internal and external regulations.
- PV System Continued Improvement:** Deviations could be identified by individuals and/or managers executing the processes, and/or through the implemented systematic metrics, audits, governance bodies or via inspections. All deviations from PV procedures are documented, managed and tracked systematically, including the root cause of the deviation and definition, implementation, tracking and monitoring of the Corrective and Preventative Actions (CAPAs) to correct the deviation and prevent recurrence. These CAPAs include updates of corporate procedures as appropriate, to prevent recurrence.

Ethics and Transparency in Clinical Trials

Teva has a comprehensive set of procedures related to management of clinical studies and oversight of vendors. These procedures help maintain patients' safety and clinical trial data integrity in accordance with the global standard of Good Clinical Practice (GCP) and local regulations. In 2023, no clinical studies conducted by Teva or a Contract Research Organization (CRO) were terminated for failure to follow GCP. Teva conducts most phase 1 studies at internal clinics and CROs conduct most of the other clinical trials. The majority of clinical trials are performed in India and the US. We have a learning management system in place, and all employees involved in clinical trials are assigned relevant training curriculum. Their training compliance is monitored and tracked.



Monitoring

Our clinical studies are monitored on an ongoing basis to verify patients' safety and the quality of the study conduct. Interim monitoring and analysis of results are also conducted in several trials, as prespecified in the protocol, to ensure a favorable risk-benefit profile for trial participants. Teva-sponsored studies have either internal or independent data monitoring committees that review interim data and make recommendations on trial conduct in the interest of overseeing the welfare of trial participants, including the option of recommending continuation of the study as is or terminating it early. For our innovative medicine clinical studies, we also conduct ongoing oversight of our vendors and implement risk assessment management at study initiation and throughout.

Participant Protection

Teva obtains informed consent from all clinical trial participants in compliance with International Council for Harmonization (ICH) GCP, EU Directives, US Food and Drug Administration (FDA), Code of Federal Regulations (CFR) and the required local regulations. The process ensures the participant understands the study purpose, potential benefits and risks and alternative treatment options and includes ways for study participants to be in contact in case of need. It also helps them decide whether they want to participate in the study. Participants have an opportunity to ask questions about the study before deciding whether to participate. In addition, all clinical trial participants are monitored by the study doctor for safety information and health changes. An ethics committee or Institutional Review Board (IRB)

reviews study information and conduct to ensure appropriate procedures are followed. We also strive to ensure participant privacy, including personal data, is respected and protected during transparency and disclosure activities.

No monetary incentives are provided to study participants regardless of the participating country, unless they are healthy participants who can get paid for their participation in phase 1 trials, per regulations. This information is clearly outlined in the informed consent forms reviewed and approved by the Independent Ethics Committee (IEC) and IRB.

Registration

Teva registers and discloses a summary of results for all applicable clinical trials, including terminated ones, as required by the FDA, European Medicines Agency (EMA) and local regulations, on publicly available web sites. Phase 1-4 clinical trials are registered on ClinicalTrials.gov, ClinicalTrialsRegister.eu or a national register, as applicable per regulatory requirements. Our scientific communications teams ensure we adhere to established industry standards for scientific and medical publications, including, but not limited to, the International Committee of Medical Journal Editors (ICMJE) authorship criteria and current Good Publications Practice (GPP).

Teva registers expanded access studies on ClinicalTrials.gov, as available by product. Non-interventional post-authorization studies are registered on the EU PAS register, hosted on ENCePP.eu, if applicable. We also aim to register additional clinical trials using Teva innovative products in accordance with the [International Federation of Pharmaceutical Manufacturers and Associations \(IFPMA\) Joint Position on the Disclosure of Clinical Trial Information via Clinical Trial Registries and Databases](#).

Data Sharing

Teva is committed to sharing clinical trial data with qualified researchers for approved Teva innovative products that were approved in the US and Europe as of January 2014. We will also consider requests for clinical trial documents if needed to accompany data requests. Before deciding whether to share participant-level or study-level clinical trial data, Teva considers the scientific merit of the proposed research, protection of clinical trial participant information, results publication plan and protection of commercially confidential information and other relevant factors. Teva is also developing a process for publicly posting synopses of clinical study reports for clinical trials using Teva innovative products in accordance with our commitments under the [IFPMA](#) and [European Federation of Pharmaceutical Industries and Associations \(EFPIA\)](#) and the [Pharmaceutical Research and Manufacturers of America \(PhRMA\) Principles for Responsible Clinical Trial Data Sharing](#).

Inclusion and Diversity

GRI 2-7: Employees

GRI 2-8: Workers Who Are Not Employees

The following KPIs consider all active employees, which exclude those that are on personal leave (e.g., maternity leave, sick leave or other needs).

Global Workforce	2021	2022	2023
Permanent employee full-time equivalent (FTE)	35,531	34,848	35,929
Supervised workers FTE	1,506	1,672	1,297

Total workforce FTE	37,037	36,520	37,226
Permanent employee (headcount)	35,979	35,125	36,472
Supervised workers (headcount)	1,558	1,701	1,379
Total workforce (headcount)	37,537	36,826	37,851

Note: Precise data on the number of temporary workers is not available since definitions of temporary vary from region to region and according to legislations. Hiring temporary workers is not a common practice at Teva, and therefore, the number is considered not relevant compared to the total number of permanent employees disclosed. Using non-guaranteed-hour employees is also not a common practice for Teva. Teva uses two types of supervised workers: 1) Professional Consultant (individual who performs service requiring specialty and skills that are not available internally; used for a specific time and scoped project supporting Teva's business); and 2) Operational Outsourced (typically a long-term solution for noncore activity performed by a third-party).

Employees by Region (Headcount: Teva's Permanent Employees)		2021	2022	2023
Israel	Full-time	3,580	3,218	3,356
	Part-time	20	22	29
	Total	3,600	3,240	3,385
Europe	Full-time	16,906	16,760	17,196
	Part-time	1,216	1,074	1,406
	Total	18,122	17,834	18,602
North America	Full-time	6,290	6,081	6,304
	Part-time	12	18	26
	Total	6,302	6,099	6,330
International markets	Full-time	7,953	7,945	8,145
	Part-time	2	7	10
	Total	7,955	7,952	8,155

Note: Teva international markets include Central and South America, Africa, Asia-Pacific and part of Eastern Europe. The European countries in this region are the ones that were part of the former Soviet Union.

Employees by Type (Headcount: Teva's Permanent Employees)	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Full-time	15,541	19,170	34,711	15,303	18,701	34,004	16,076	18,925	35,001
Part-time	1,029	239	1,268	927	194	1,121	1,147	324	1,471
Total	16,570	19,409	35,979	16,230	18,895	35,125	17,223	19,249	36,472

	2022	2023
Number of R&D positions	4,090	4,250

GRI 405-1: Diversity of Governance Bodies and Employees

The following KPIs consider all active employees, which exclude those that are on personal leave (e.g., maternity leave, sick leave or other needs).

Employees by Gender (%)	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Executives/senior managers	29%	71%	27%	73%	29%	71%
Middle managers*	42%	58%	43%	57%	43%	57%
Junior managers*	50%	50%	50%	50%	51%	49%
Total management positions*	47%	53%	48%	52%	49%	51%
Professionals	51%	49%	51%	49%	52%	48%
Entry-level positions	37%	63%	37%	63%	39%	61%
Total non-management positions	45%	55%	46%	54%	47%	53%
Total employees	46%	54%	46%	54%	47%	53%

% of Women in Specific Areas	2021	2022	2023
Information technology (IT)	24%	24%	26%
Revenue-producing roles (sales)	53%	54%	53%
STEM-related positions (e.g., R&D, engineering, IT)	28%	29%	33%
Management positions in revenue-generating functions that are women (sales)	39%	39%	40%
Employees promoted during the fiscal year that were women	49%	47%	48%

Employees by Age Group (%)	2021			2022			2023		
	<Age 30	Age 30-50	>Age 50	<Age 30	Age 30-50	>Age 50	<Age 30	Age 30-50	>Age 50
Executives/senior managers	0%	39%	61%	0%	39%	61%	0%	38%	62%
Middle managers*	0%	56%	44%	0%	55%	45%	0%	54%	46%
Junior managers*	2%	70%	28%	2%	68%	30%	2%	68%	30%
Total management positions*	2%	66%	32%	2%	65%	33%	2%	64%	34%
Professionals	12%	64%	24%	13%	62%	25%	14%	61%	25%
Entry-level positions	16%	53%	31%	17%	52%	31%	20%	48%	32%
Total non-management positions	14%	59%	27%	15%	58%	27%	17%	56%	27%
Total employees	11%	61%	28%	11%	60%	29%	13%	58%	29%

Board of Directors by Gender (%)	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Directors	25%	75%	25%	75%	36%	64%

Board of Directors by Age (%)	2021			2022			2023		
	<Age 30	Age 30-50	>Age 50	<Age 30	Age 30-50	>Age 50	<Age 30	Age 30-50	>Age 50
Directors	0%	17%	83%	0%	0%	100%	0%	0%	100%

US Diversity Representation

	2022	2023
Employees by Ethnicity		
White	49%	49%
People of color	47%	49%
Undeclared	4%	2%
Employees by Gender		
Female	44%	46%
Male	53%	54%
Other	3%	0%

Equal Pay and Gender Pay Parity

The following pay gap KPIs consider all employees, including those that are on personal leave (e.g., maternity leave, sick leave or other needs).

Women Pay Gap	2022	2023
Considering level, function/profession and location	-0.4%	0.0%
Without considering level, function/profession and location	1.8%*	2.3%

Mean individual performance factor gap (considering same level, function/profession and location)**	0.8%	0.2%
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*Number restated using FTE instead of headcount.

**This shows the ratio comparing females to males of the actual bonus payouts as a percentage of the target bonus.

Pay Gap by Percentile

	2021	2022	2023
% of the company's top 10% compensated employees that are women	40%	43%	44%
% of the company's women in the top pay quartile globally	47%	48%	49%
% of the company's women in the upper middle pay quartile globally	51%	49%	50%
% of the company's women in the lower middle pay quartile globally	49%	51%	50%
% of the company's women in the lower pay quartile globally	41%	41%*	43%

*Number restated using FTE instead of headcount.

GRI 405-2: Ratio of Basic Salary and Remuneration of Women to Men

Salary Pay Ratio per Category	2022	2023
Executives/senior managers	87%*	86%
Middle managers	91%*	91%
Junior managers	93%*	96%
Total management positions	84%	86%
Professionals	99%	101%
Entry-level positions	103%	104%

Note: This assessment includes 100% of Teva's workforce. Gender pay differences can be attributed to a higher representation of males in the upper grade levels within the relevant category.

*Restated to enhance accuracy.

Supplier Diversity in the US

	2022				2023			
	Number	Percentage (of the Total US Suppliers)	Spend	Percentage (of the Total US Spend)	Number	Percentage (of the Total US Suppliers)	Spend	Percentage (of the Total US Spend)
Total number of small and diverse businesses engaged in US*	823	2.76%	\$135,451,325	11.58%	1383	4.35%	\$110,015,856	10.42%
Number of small, disadvantaged businesses engaged in US	176	0.59%	\$10,182,656	0.87%	331	1.04%	\$41,347,369	3.92%
Number of women-owned small businesses engaged in US	140	0.47%	\$41,691,146	3.56%	157	0.49%	\$51,776,902	4.90%
Number of veteran-owned small businesses engaged in US	39	0.14%	\$5,526,726	0.47%	45	0.14%	\$2,374,732	0.22%
Number of service-disabled, veteran-owned small businesses engaged in US	8	0.01%	\$26,967	0.00%	9	0.03%	\$2,066,892	0.20%
Number of HUBZone (Historically Underutilized Business) small businesses engaged in US	11	0.04%	\$3,843,732	0.33%	11	0.03%	\$6,938,606	0.66%

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

For our US supplier diversity program, we continuously engage with key external stakeholders, build partnerships and utilize our advocacy group memberships to help advance inclusion and diversity (I&D) initiatives related to supply chain and contractor risk evaluation and mitigation. In 2023, we engaged with the following key institutions that supported Teva in I&D efforts across our supply chain:

- New York & New Jersey Minority Supplier Development Council (NYNJ MSDC): Supports minority-owned businesses
- Women's Business Enterprise Council Metro New York (WBEC Metro NY): Promotes women-owned businesses
- National LGBT Chamber of Commerce (NGLCC): Supports LGBTQ+ businesses
- Diversity Alliance for Science (DA4S): Supports diverse suppliers in the life science industry
- Helix Forum: Benchmarking group to share best practices with life science companies with US Government contracts

Teva also identified eight supplier diversity champions from cross-functional categories, who serve as advocates for driving awareness and engagement across Teva while ensuring diverse supplier perspectives are incorporated in procurement processes. Moreover, Teva participated in eight diversity events and conferences, facilitating new partnerships with suppliers across IT, marketing, professional services, facilities management, third-party operations and R&D categories.

To enhance education and training, we have a learning module in our learning management system and a dedicated supplier diversity resource page for employees. The page defines supplier diversity, explains its significance within Teva, clarifies acronyms and industry-specific terminology and provides guidance on inclusive procurement procedures. The page also features supplier diversity events, success stories and external resource links.

Employee Health, Safety and Well-being

GRI 403-9: Work-Related Injuries & GRI 403-10: Work-Related Ill Health

Health and Safety: Teva Employees		2021	2022	2023
Number of recordable injuries		72	73	82
Recordable injury rate		1.12	1.16	1.27
Main type of work-related injury		Slip, trip, fall	Slip, trip, fall and overexertion	Slip, trip, fall, overexertion, struck by, contact with
Number of high-consequence injuries		2	6*	1
High-consequence injury rate		0.03	0.10*	0.02
Number of lost days		1,196	2,770*	857
Number of injuries resulting in lost days		52	51	42
Lost-time injury frequency rate (LTIFR)		0.81	0.81	0.65
Number of cases of recordable work-related ill health		1	1	0
Work-related ill health rate		0.02	0.02	0
Main types of work-related ill health		Repetitive strain injury	Repetitive strain injury	N/A
Number of fatalities because of work-related injury		0	0	0
Number of fatalities because of work-related ill health		0	0	0
Number of hours worked		64,057,503	62,751,988	64,804,685

*High-consequence injury is defined according to the number of sick leave days (180+ days). For this reason, some figures were restated in 2023 due to the identification of high-consequence injuries and lost days for injuries that happened by the end of 2022.

Note: Rate calculations are based on 1,000,000 hours worked. Data are relevant for recordable injuries (all employees) excluding COVID-19 cases.

Health and Safety: Contingent Workers		2021	2022	2023
Number of recordable injuries		6	4	5
Recordable injury rate		1.92	1.17	1.81
Main type of work-related injury		Slip, trip, fall	Slip, trip, fall and contact with objects and equipment	Slip, trip, fall, overexertion, contact with objects and equipment
Number of high-consequence injuries		0	0	0

High-consequence injury rate	0	0	0
Number of lost days	60	12	21
Number of injuries resulting in lost days	4	2	2
Lost-time injury frequency rate (LTIFR)	1.28	0.59	0.72
Number of cases of recordable work-related ill health	0	0	0
Work-related ill health rate	0	0	0
Main types of work-related ill health	N/A	N/A	N/A
Number of fatalities as a result of work-related injury	0	0	0
Number of fatalities as a result of work-related ill health	0	0	0
Number of hours worked	3,122,232	3,408,804	2,763,516

Note: Rate calculations are based on 1,000,000 hours worked.

Work-Related Hazards

Teva is involved in the manufacturing of active pharmaceutical ingredients and pharmaceutical products for patient use. Our industry is subject to a wide variety of hazards, some of which can result in high-consequence injuries if not managed correctly. Our Environmental, Health and Safety Management System (EHSMS) provides a comprehensive set of requirements and tools to enable site Environment, Health and Safety (EHS) professionals to identify, assess and manage all these hazards. All Teva sites maintain a site risk register, which summarizes the output of more detailed risk assessments, providing a ranking of relative risk. In 2023, the top risk categories identified were fire and explosion hazards, high risk work activities, chemical reaction hazards, employee exposure to chemical stressors and management of contractors. Other health risks managed by our management system include ergonomics and noise, radiation, vibration and exposure to physical biological hazards, including biohazardous materials.

Our Environmental, Health, Safety and Sustainability (EHS&S) internal audit program and event history indicate identified risks are ranked correctly. The hierarchy of control is embedded in our management system and reliable controls are used preferentially. The hierarchy of control is the preferable order of risk control, and includes elimination, substitution, engineering control, administrative control and personal protective equipment.

Teva has developed detailed engineering requirements on expectations of facility control and primary engineering control when handling highly hazardous drugs and materials and is investing in improving control standards.

An industrial hygiene project, which covers all chemical exposure risks, is ongoing with the objective of ensuring all baseline program components regarding all chemical exposure risks are in place and effective, including qualitative and quantitative risk assessment and verifying exposure is in control (less than national and in-house occupational exposure limits). Additional investment has also been made in ensuring adequate gas detection and alarms are in place where risk assessment indicates the potential for low oxygen concentrations and/or toxic gases.

GRI 403-1: Occupational Health and Safety Management System

Teva has a global EHSMS, which comprehensively deals with all aspects of occupational health and safety. The system is structured such that implementation enables Teva sites to ensure regulatory compliance and Teva expectations and, where desired, certification to external standards such as ISO 45001. The management system is applicable to all Teva employees, contingent workers and contractors and all locations are included in scope. To optimize our EHSMS for office coverage, a new office safety standard was deployed in 2023 and will be installed at all our office locations worldwide.

Additional EHSMS Effectiveness Assessment Key Performance Indicators (KPIs)	2021	2022	2023	2023 Target
Percentage of leadership engagement in the EHS process review	N/A	N/A	90%	95%
Percentage of on-time corrective and prevention actions closure	92%	96%	96%	95%
Percentage of non-critical global EHS&S audit findings	92%	95%	91%	90%
Regulatory non-conformities	92%	87%	94%	90%

All standards, specifications and operating procedures in Teva’s EHSMS outline mandatory requirements. External technical standards are regularly referenced within Teva standards, specifications and guidelines. Teva provides corporate access to a standards database where sites can easily access all applicable external technical standards. Our EHSMS has the following components, amongst others:

- Identification and Management of Requirements:** This standard requires a process to be developed that enables identification and management of all applicable legal, Teva and other requirements. Standard installation was 97.7% in 2023 and 100% installation is targeted for 2024. Tools are provided to assist with identification and management of requirements, including checklists which sites can evaluate and record if they comply with Teva standards. In addition, an electronic legal register tool is provided to all sites to facilitate easy identification of all applicable legal obligations. The tool provides regular updates in relation to regulatory changes, enabling all sites to keep abreast of changes before and as they become law. This tool is also used by the global EHS&S internal audit team to assess legal compliance. All locations must self-evaluate their compliance against obligations and report and correct identified deficiencies every year. The outcome of the annual review is an essential component of site management review.
- Risk Identification and Management:** Outlines the overarching procedure for risk assessment (detailed and site-level risk register). Other standards that cover EHS&S risk identification and management include responsible and inherently safer process and product design, EHS&S integration into technology transfer and EHS&S by design.
- Development and Management of EHS&S Plans:** The document outlines the expectations and focus areas for the coming year, including objectives and targets. Sites are expected to develop annual local implementation plans, related to goals and objectives, specific to the opportunities and challenges of the location.
- Performance Measurement, Monitoring and Reporting:** Stipulates the KPIs, method of KPI calculation and frequency of reporting. Leading KPIs, which measure proactive EHS&S activity (e.g., leadership engagement, verification of standards) and lagging KPIs, which measure events that have already occurred (e.g., total recordable injury rate) are tracked. It also outlines detailed expectations for internal reporting. All Teva locations are required to report externally according to local legal obligations.

- **Management of Audits and Workplace Inspections:** Stipulates the expectations around preparation, execution, management and reporting of Global EHS&S Audits (audit of sites by the Global EHS&S function) and also expectations for regular site self-inspection (all operational and service areas are expected to be inspected monthly, lower risk office/administrative areas, every 3 months). Internal audits are performed every 3 years at each facility on average.
- **Management of Non-Conformities, Incidents and Regulatory Inspections:** This standard requires all CAPAs related to the requirement on non-compliance and risk management identified during investigations of events, audits, inspections, non-conformities and internal reviews are tracked to closure within our electronic reporting system, Enablon. CAPAs are tracked by the corporate or local offices, depending on the severity of the issue.
- **Emergency Preparedness and Response:** Outlines obligations in relation to planning for and being adequately prepared for foreseeable emergency situations which may arise, including emergency simulations.
- **Community Impact and Engagement:** Covers open dialogue and proactive communications with the community, including mechanisms to receive, investigate and respond to community concerns and complaints. It also covers mitigation of community EHS&S concerns, and development and/or collaboration with local stakeholders in EHS&S-related activities and/or projects. It also includes participation, as appropriate, in local community forums.
- **EHS&S Management System Industry-Specific Topics:** Includes standards such as management of employee exposure, bio-risk, radioactive materials, laboratory safety, ergonomics, process safety, fire and explosion prevention, personal protective equipment, occupational health and medical surveillance and control of high-risk work.

67% of employees are located at sites that have had their EHSMS internally audited in the last three years. 10 of our manufacturing facilities hold either ISO 45001. The sites that hold certifications at the end of 2023 include the following:

Site	Country	Date of Certification (dd/mm/yy)	End of Certification (dd/mm/yy)
Dupnitsa	Bulgaria	07/03/23	24/11/25
Opava (TAPI & Pharma)	Czech Republic	08/04/22	07/04/25
Gajraula	India	13/03/23	20/02/26
Waterford	Ireland	05/11/21	02/11/24
Krakow	Poland	15/03/22	14/03/25
Harlow	United Kingdom	17/05/23	16/05/26
Ridings Point	United Kingdom	17/05/23	16/05/26

GRI 403-8: Workers Covered by an Occupational Health and Safety Management System

	2021				2022				2023			
	Teva Employees		Supervised		Teva Employees		Supervised		Teva Employees		Supervised	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Workers covered by Teva's Occupational Health and Safety (OHS) system	35,979	100%	1,558	100%	35,125	100%	1,701	100%	36,472	100%	1,379	100%

Workers covered by Teva's OHS system that have been internally audited*	28,986	81%		31,091	89%**		25,184	69%	
Workers covered by Teva's OHS system that have been audited or certified by an external party	4,920	14%		12,638*	36%**		16,592	45%	

*Internal Global EHS Audit in the last three years (2021-2023). The system includes Environmental and Sustainability aspects.

** Restated to enhance accuracy.

GRI 403-2: Hazard Identification, Risk Assessment and Incident Investigation

Risk assessment is a foundational element of Teva's EHSMS to meet legal and Teva global requirements. Risk assessments are expected to cover normal operation, non-routine operation and foreseeable emergency. It includes the following program elements:

- Inventory of applicable areas/equipment/materials
- Documented risk assessments for each item on the inventory using a standardized risk matrix and improvement plans for risks (including for new processes, equipment and/or facilities) that exceed predetermined thresholds
- Periodic program effectiveness and risk assessment reviews with associated action planning for identified improvement opportunities
- Definition of standard hazard control expectations
- Identification of safeguards and integration into site preventative maintenance programs

All Teva sites operate EHS&S Observations, a simple accessible system that anyone on-site can use to report hazards, concerns, work frustrations and surprises, all representing improvement opportunities. Employees are always advised to speak to their immediate manager at the time or prior to an EHS Observation. Workers may decide to report anonymously and also have the option to report serious concerns to the Office of Business Integrity (OBI)—see more [here](#). Teva will not tolerate any form of retaliation for making a good faith report of a potential violation, whichever system is used to make a report. Teva is committed to learning and understands the value of open, honest communication.

Teva has established a standardized approach in every site to investigate each EHS event, which includes accidents or incidents, work-related illnesses, unintended spills or release to the environment, near-miss, non-conformity of permit limits, complaints or community action. Our investigations have to be conducted by an individual and/or team with the appropriate level of skill and understanding of the circumstances surrounding the event using effective investigation techniques. To ensure the quality and completeness of investigations for significant EHS events, these are required to be approved by Regional EHS&S leaders through the EHSMS. In addition, Teva Global EHS&S assigns a subject matter expert to lead or support local facility investigations for material EHS events or severe events as appropriate. Following the investigation, each facility identifies appropriate corrective and preventive actions and communicates findings and corrective actions, including changes to programs, procedures, work instructions, risk assessments or training programs, to all affected persons. All elements are documented and retained in compliance with our management system and regulatory requirements.

Hazardous Materials

Use of substitute materials and other highly hazardous materials begins in research and development, where our scientists follow industry and regulatory green chemistry approaches to identify substitutes for hazardous materials. Teva's Responsible and Inherently Safer Process and Product Design requires that substitution of highly hazardous materials is carefully considered as part of all new process and product design efforts.

GRI 403-3: Occupational Health Services

Our internal standard on occupational health and medical surveillance requires medical services to be provided for staff, including contingent workers, to support the following programs: fitness for duty, return to work, medical surveillance, health promotion, injury and illness prevention, care and management. Depending on the location, health services are provided by Teva employees and/or third parties. Occupational health and medical surveillance providers are familiar with the site they support. They are consulted on significant changes and specific recommendations for controls and informed of the results of workplace measurements (e.g., chemical exposure monitoring, noise monitoring). Recommendations from healthcare providers as a result of their work are implemented to further reduce site risk. We remain committed to supporting employees who experience injuries or illness at work and to learning as much as possible from these events to minimize the potential for similar events in the future.

GRI 403-4: Worker Participation, Consultation and Communication on Occupational Health and Safety

Teva requires all facilities to encourage active participation in the EHS&S program by employees of all levels and their elected labor representatives. Minimally, this includes appropriate participation in implementation and continuous improvement of hazard assessments, procedure development, operational readiness reviews inspections, incident investigations and training evaluations. Most sites have EHS councils, especially if required by local regulation.

GRI 403-5: Worker Training on Occupational Health and Safety

Appropriate training is essential to preventing injuries and other workplace health and safety risks. Across the organization, training is offered on topics such as hazard awareness, risk assessment, use of personal protective equipment, job-specific risks and control measures.

Our global learning management system (Studium) includes mandatory training modules on our EHSMS standards for all EHS professionals across the company. Site EHS leaders are responsible for assigning their EHS team members, as well as other site contacts, to select modules as appropriate for their responsibilities. In addition to the mandatory training modules, a selection of voluntary modules has been added to Studium so interested parties can self-assign topics of interest. The EHSMS training modules represent only the high-level EHS standards and expectations. Each site has a detailed training plan, whereby all regulatory and job-specific EHS aspects are fully addressed to the needed level of detail. In 2023, 48 training programs were implemented on occupational health and safety and 37,851 participants were trained. Approximately 92% of all active employees were trained on our updated EHS&S policy.

Over the past year a competency framework has been developed to ensure specific roles within the organization meet minimum levels of competence in certain areas, including process safety, industrial hygiene and leadership in EHS&S. In 2024, this competency framework will start to be deployed.

Local training systems are used at the sites to manage and track local training and this information is not rolled up globally.

GRI 403-6: Promotion of Worker Health

Teva offers a wide range of programs and activities related to non-occupational health, such as comprehensive medical, dental and vision insurance; access to virtual and telehealth services for physicals, counseling from psychologists and therapists; life insurance with option for employees to purchase additional coverage; voluntary/employee-paid supplemental insurance for accidents; voluntary long-term disability coverage and a well-being program to encourage healthy habits, including access to Weight Watchers, health coaching, tobacco cessation programs and more.

These programs vary from country to country. In some, they are provided as part of the existing insurance coverage, and in others, they are part of a robust well-being platform. Globally, Teva encourages sites to hold health promotion sessions by including them in Teva's annual EHS&S Week or Teva's global well-being month. Our programs are mainly offered to employees and not contingent workers.

GRI 403-7: Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships

[Teva's Supplier Code of Conduct](#) specifies that suppliers shall abide by Teva's Position on Occupational Health and Safety and conduct activities with adequate regard for the safety and health of their employees and the general public.

In addition, we have strong governance processes and management systems to protect our contingent workers (directly supervised by Teva) and contractors (not directly supervised by Teva). Contingent workers are treated, from a safety and health perspective, as if they are direct employees and therefore are afforded the same protection as employees, abide by the same rules, follow the same standards and receive the same instruction and training.

While contractors' occupational health and safety (OHS) is primarily the responsibility of their direct employer, as a host employer, Teva provides a safe and healthy workplace. Our contractor management standard governs expectations around management of contractors. All contractors receive site orientation training, information on risks inherent to the areas in which they work and detailed expectations and responsibilities for contractor safety at our sites. All contractors are required to sign and acknowledge their understanding of all site safety rules and procedures. Incidents must be reported to the Teva contractor representative for appropriate follow-up. Notified incidents are recorded in our electronic reporting system and tracked to closure.

Contractor qualification is performed prior to award of work and thereafter at intervals not exceeding three years. Contractors involved in work typically considered as high risk must complete a documented EHS plan before beginning work and on-site orientation and induction is provided. High-risk work will also be covered under safe work permits, which is periodically inspected over the duration and at the end of work. Those who do not meet Teva's minimum standards are not allowed to work at our sites.

Benefits Provided

Teva offers a wide range of benefits programs that differ by country and adhere to local practice, market conditions and governmental and economic environments. We offer life insurance plans and medical programs for all full-time and part-time employees. In the majority of countries, we offer long-term savings and pension programs to ensure financial well-being of our employees, welfare activities for employees and their families, car allowance and car lease services, medical check-ups, canteen services or food coupon, holiday gifts and more. In some countries, we also subsidize summer camps for children of employees.

Teva offers mental health support through our Employee Assistance Program (EAP) to 82% of our employees. In 2024, we plan to expand our EAP to additional countries. Eighty percent of Teva employees are eligible for a short-term incentive benefit (bonus or sales incentive). Non-eligibility is related to union and/or collective labor agreements. Our long-term incentive program below executive management covers 9% of Teva's employees and is granted in the form of restricted stock units (RSUs). Employees at director level and above are eligible. In North America, a certain percentage of employees at mid-manager level are also eligible to align with local market practice. The equity vests over a four-year period.

GRI 401-2: Benefits Provided to Full-time Employees That Are Not Provided to Temporary or Part-time Employees

Country/Region	Life Insurance	Disability and Invalidity Coverage	Retirement Provision	Healthcare
Israel	There is no separate offering dependent on the time spent at work/contract type unless stipulated by law.			Not provided to temporary employees.
Europe	Teva is compliant with legal requirements for each country and local market. There is no separate offering dependent on the time spent at work/contract type unless stipulated by law.			
North America	Not provided to part-time employees who are scheduled to work less than 30 hours per week, nor to temporary employees.		None	Not provided to part-time employees who are scheduled to work less than 20 hours per week nor to temporary employees.

International Markets Teva is compliant with legal requirements for each country and local market. There is no separate offering dependent on the time spent at work/contract type unless stipulated by law.

GRI 401-3: Parental Leave

Global Parental Leave	2021	2022	2023
Percentage of women who returned from parental leave during previous fiscal year and remained employed by the company 12 months after their return	88%	79%	89%
Minimum number of weeks of fully paid primary parental leave offered by the company	8	12	12

In the US, we offer:

- Maternity leave: 12 weeks paid 100% by Teva
- Parental leave: 4 weeks paid 100% by Teva
- Family and Medical Leave Act: 12 weeks paid, depending on state laws

Caregiver Program

Globally, we have rolled out a caregiver program to support individuals caring for family members with long-term illnesses. The program offers additional time off, flexible working hours and adaptable shifts. Country policies may vary per local laws and requirements.

Talent Recruitment and Development

GRI 401-1: New Employee Hires and Employee Turnover

New Hires and Leavers by Gender	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
New hires (FTE)	1,710	1,878	3,588	2,165	2,431	4,596	2,690	2,550	5,240
Leavers (FTE)	2,477	3,507	5,984	2,153	2,751	4,904	1,889	2,322	4,210
Hires rate*	10%	10%	10%	13%	13%	13%	16%	13%	15%
Turnover rate*	15%	18%	16%	13%	14%	14%	11%	12%	12%

*Rates are based on yearly FTE average.

New Hires and Leavers by Age	2021			2022			2023		
	<Age 30	Age 30–50	>Age 50	<Age 30	Age 30–50	>Age 50	<Age 30	Age 30–50	>Age 50
New hires (FTE)	1,243	1,990	355	1,597	2,414	585	1,981	2,694	565
Leavers (FTE)	1,048	3,609	1,327	828	2,862	1,214	887	2,334	990
Hires rate*	32%	9%	3%	41%	11%**	6%	43%	13%	5%
Turnover rate*	29%	16%	12%	21%	14%	12%	19%	11%	9%

*Rates are based on yearly FTE average.

**Number restated due to rounding.

New Hires and Leavers by Region	2021				2022				2023			
	Israel	Europe	North America	International Markets	Israel	Europe	North America	International Markets	Israel	Europe	North America	International Markets
New hires (FTE)	225	1,447	671	1,245	359	1,963	1,082	1,193	321	2,305	1,136	1,477
Leavers (FTE)	310	1,869	1,303	2,502	684	1,930	1,181	1,109	202	1,789	985	1,234
Hires rate	6%	8%	11%	16%	11%	11%	17%	15%	10%	13%	18%	18%
Turnover rate	9%	10%	20%	30%	21%	11%	19%	14%	6%	10%	16%	15%

Note: Teva international markets include Central and South America, Africa, Asia-Pacific and part of Eastern Europe. The European countries in this region are the ones that were part of the former Soviet Union. Rate calculations use the average number of employees. Rates are based on yearly FTE average.

		Executives/Senior Managers	Middle Managers	Junior Managers	Total management positions	Professional	Entry-level positions	Total non-management positions
2021	New Hires (FTE)	8	135	685	828	1,810	950	2,760
	Leavers (FTE)	40	269	936	1,245	2,724	2,013	4,737
	Hires rate*	3%	7%	10%	9%	11%	8%	10%
	Turnover rate*	17%	14%	14%	14%	17%	18%	17%
2022	New Hires (FTE)	7	118	649	774	2,131	1,691	3,822

	Leavers (FTE)	28	243	786	1,057	2,219	1,629	3,848
	Hires rate*	3%	6%	9%	9%	13%	16%	15%
	Turnover rate*	13%	12%	11%	12%	14%	16%	15%
2023	New Hires (FTE)	20	126	772	918	2,438	1,884	4,322
	Leavers (FTE)	38	167	663	868	1,924	1,419	3,343
	Hires rate*	9%	6%	11%	10%	15%	19%	16%
	Turnover rate*	17%	8%	9%	9%	12%	14%	13%

*Rates are based on yearly FTE average.

Since 2019, there were no major layoffs. In case of layoffs, Teva offers adequate severance payments and ensures compliance with legal requirements. Outplacement services are typically provided.

Young Workers

	2021	2022	2023
Minimum employee age	16	16.5	16.5
Number of employees between 15 and 18 years old	17	8	36
Location and context of young workers*	Interns/apprentices in Germany and Ireland who work in operations in part-time jobs	Interns/apprentices in Germany and Ireland who work in operations in part-time jobs	Interns/apprentices in Germany and Bulgaria who work in operations in part-time jobs

*Interns/apprentices are coached and are not exposed to work that by its nature or circumstances is likely to harm the health, safety or morals of young workers.

Career Mobility

	2021	2022	2023
Positions filled by internal candidates	2,106	2,286	2,265
Percentage of open positions filled by internal candidates	38%	33%	30%
Percentage of VP+ positions fulfilled by internal candidates*	-	-	55%
Percentage of positions fulfilled by identified successors	-	60%	65%

*New KPI substituted the previous KPI, which covered just critical positions.

We are committed to fostering career mobility and internal growth opportunities. This ensures our internal talent pool has ample time to review and apply for opportunities that align with their professional development goals. Our commitment to internal talent mobility reflects our dedication to nurturing our employees' professional journeys and ensuring a fulfilling and progressive work environment. To incentivize internal recruitment, we post every open position internally for a minimum of five consecutive business days. This ensures that our talented workforce is aware of and has access to relevant opportunities within the organization. In addition, employees within specific business functions are proactively alerted to openings that align with their skills and career aspirations. In 2023, more than 30% of all our opened positions were filled by internal candidates.

In parallel, we hold a robust talent review and succession planning for Vice President (VP) positions and above. The process includes identification of critical positions and a comprehensive review of successors for positions to strengthen Teva's pipeline and promote growth from within. We ensure development planning for all successors, with a specific focus on ensuring women are equally prepared. The process takes place over several months and includes talent reviews within each business unit as well as cross-business units. Criteria for critical positions and successors' potential and readiness are being used consistently across Teva. In addition, we are introducing our new Business Pivotal Roles (BPR) approach to ensure we identify leaders/experts that hold unique intellectual and social capital that must be retained at Teva to drive business value.

Proactive Measures to Prevent Discrimination During Recruitment

We have implemented the following measures:

- **Interview Toolkit for Hiring Managers:** Our organization empowers hiring managers with an innovative Interview Toolkit designed to align the interview process with Teva's business objectives and inclusive culture. This toolkit allows hiring managers to create interview templates that ensure objectivity and fairness throughout the evaluation process.
- **Diversity and Inclusion Training:** All stakeholders involved in recruitment undergo comprehensive diversity and inclusion training. This training equips our team, including hiring managers, with the skills and awareness necessary to identify and mitigate potential biases during the recruitment process.
- **Implementation of Digital Assessment Tools:** Teva introduced a digital assessment tool tailored for managerial roles. This assessment tool ensures a consistent and fair evaluation process, emphasizing fairness and impartiality in hiring decisions. Each candidate for a managerial role goes through the same assessment process. In-depth research conducted in order to examine and validate the tool showed minimal subgroup differences based on ethnicity, gender and age.
- **Regular Audits and Reviews:** Internal audit; the global talent acquisition team and leaders of the recruitment process outsourcing audit teams conduct regular audits and reviews of our recruitment procedures, including the use of the Interview Toolkit. These evaluations ensure our hiring processes continue to align with our commitment to inclusion and diversity, allowing us to make informed adjustments and improvements as needed.

Recruiting People with Different Abilities

At Teva, we are committed to fostering diversity and inclusivity within our workforce, including individuals with different abilities. We maintain close collaboration with local groups and organizations dedicated to advancing the employment of individuals with disabilities. In the United States, we collaborate with Integrate Advisors, an organization dedicated to supporting the placement of neurodivergent individuals. In Israel, we work with prominent organizations such as the Israeli Center for Supported Employment and the National Institute of Neuropsychological Rehabilitation to broaden our outreach and create opportunities for candidates with diverse abilities. These partnerships reinforce our commitment to making our opportunities accessible to all individuals.

Remediation for Cases of Discrimination and Measures to Prevent Discrimination

On a global level, Teva institutes policies and positions to prevent harassment and discrimination, and also offers remediation measures. In the US, our Harassment, Discrimination and Retaliation Prevention and Reporting Policy provides prompt and effective investigation of harassment, discrimination and retaliation reports. Teva has adopted a no-tolerance policy against harassment, discrimination, and retaliation, including sexual harassment prohibited by this policy.

Anti-Harassment

Inclusive Culture	2022	2023
% of assigned employees that completed anti-harassment training (“Harassment: From Awareness to Action”)	99.8%	98.0%

Note: the training includes anti-sexual harassment content and is not a global course, it is assigned to all Teva employees except shop floor employees and some additional select groups.

Teva requires employees to complete anti-harassment training, which is managed by Human Resources (HR). HR rolls out this training on an annual basis. New employees are required to complete a course that’s part of the Onboarding Foundational Training curriculum that covers harassment. It was also covered in our 2022 Code of Conduct recertification training.

Employee Resource Groups (ERGs)

Our ERGs are established in select countries across the world and connect like-minded employees through networking opportunities, mentorships and leadership training while providing a platform for employees to act and express themselves. In Europe and Israel, we have ERGs that focus on Pride. 2023 highlights from our US ERGs are below.

Employee Resource Group	2023 Activities
Black Heritage	<ul style="list-style-type: none"> Hosted a Teva Talk during Black History Month with writer, commentator and Dean of Columbia Journalism School, Jelani Cobb, who discussed the African American experience from slavery, reconstruction, Jim Crow and the northern migration to the present day Provided ongoing support for economically disadvantaged youth in Pennsylvania through partnership with Young Men and Women in Charge Foundation (YMWIC) of West Chester
Women	<ul style="list-style-type: none"> Sponsored several professional development and well-being events and initiatives, including “Paving Paths,” a video series exploring a day in the life of women at Teva
Abilities (for those working with disabilities)	<ul style="list-style-type: none"> Held webinars to advance awareness of neurodiversity in the workplace, encourage disability allyship and support those caring for a loved one with a disability Hosted a mock interview event in partnership with Integrate Advisors to support and mentor neurodivergent students in preparation for interviews
Asian	<ul style="list-style-type: none"> Hosted events throughout the year to celebrate Asian heritage, including an Asian American Pacific Islander Heritage Month Arts & Culture Talent Show, which included representation of employees from across the US

Latinx	<ul style="list-style-type: none"> • Sponsored an Authenticity at Work event with an interactive presentation from former tech executive, Pabel Martinez, challenging social norms around professionalism and emphasizing the power of representation in the workplace
Pride	<ul style="list-style-type: none"> • Initiated Teva's support in signing the Human Rights Campaign (HRC) Count Us In pledge, which offers visible allyship, affirmation and commitment to full LGBTQ+ equality
Vets	<ul style="list-style-type: none"> • Sponsored a conversation on career transitions from military to business, raising awareness of the unique skills veterans bring to the corporate world • Hosted a webinar on Teva's role in protecting the military against adenoviruses
Working Families	<ul style="list-style-type: none"> • Hosted sessions to support employees navigating estate planning, fertility or their child's college application process

Transparent and Inclusive Recruitment at Teva

To ensure a transparent recruitment process is communicated clearly and formally to all candidates, Teva's Global Talent Acquisition policy is designed with visibility, fairness and accountability in mind. Our internal Global Recruitment policy serves as a formal guide for all hiring managers, ensuring consistent and transparent practices across the organization. This commitment to clear communication and transparency aligns with Teva's core leadership standards, fostering an open and equitable recruitment environment for all candidates.

In addition to our policies, our global careers site serves as a comprehensive resource for all candidates, providing detailed information about Teva, our purpose and an easily accessible search function for all available opportunities. The "How We Hire" section on our site further enhances transparency by offering insights into our hiring process, providing tips for preparation and setting clear expectations for potential candidates.

Teva's talent acquisition (TA) approach is designed to attract and secure top-tier and diverse talent in alignment with the company's values and culture. Our management approach encompasses the following components:

- **Strategic Leadership Collaboration:** We foster collaboration among regional Talent Acquisition leadership, HR representatives and key stakeholders, ensuring a collective and strategic approach to recruitment efforts.
- **Continuous Strategy and Process Review:** Our team regularly reviews recruitment strategies and processes, ensuring adaptability to changing business needs and industry dynamics.
- **Key Performance Indicator Monitoring:** Meticulous tracking of key performance indicators (KPIs) such as time-to-fill, cost-per-hire and diversity metrics allows us to assess the effectiveness of our recruitment initiatives, facilitating informed decision-making.
- **Periodic Audits:** Our governance framework includes periodic audits of recruitment processes, ensuring adherence to legal and ethical standards. This proactive measure underscores our commitment to upholding the highest standards in talent acquisition.
- **Reporting and Recommendations:** We provide regular reports and recommendations to the leadership team, offering insights derived from KPIs, audit findings and ongoing assessments. This collaborative approach ensures that our recruitment strategies align with broader organizational goals. This flexible approach reflects Teva's dedication to maintaining a recruitment process that identifies top talent while upholding principles of integrity, compliance and diversity. Through these measures, we continually enhance our approach to talent acquisition, contributing to the overall success and sustainability of Teva's workforce.

To cultivate a diverse workforce, we provide hiring managers with a diverse pool of candidates for open positions at all levels of our organization. All employees involved in recruitment undergo comprehensive I&D training, equipping them with the skills and awareness to identify and mitigate potential biases. In 2023, we

implemented designated inclusion and diversity (I&D) trainings—on our I&D approach and reducing bias—for our human resources (HR) personnel, who play an important role in recruitment and the experience of our team members.

Local sites also implement initiatives to ensure candidate diversity. For example, Teva India is recruiting and supporting the career development of young talent directly from universities via its HERO program.

GRI 404-3: Performance Reviews

Teva conducts appraisal reviews to formally assess employee performance, discuss aspirations and identify opportunities and career options. Two performance reviews are conducted each year—a mid-year review in July and a comprehensive annual review in November/December, called the Connect process.

In 2023, 100% of eligible, active employees received feedback.

The Connect process involves two-way discussions between employees and managers focused on feedback, remuneration, setting performance development goals and discussing working conditions (e.g., benefits and well-being). The formal feedback includes:

1. Employees' self-evaluation.
2. Managers' evaluation and performance rating. In 2023, we added and emphasized peer feedback to provide a broader and more comprehensive assessment.
3. At the end of the process, managers and employees have a meaningful feedback dialogue and discuss next year's goals.

In 2023, we introduced a manager feedback survey, where employees rated their managers at the end of the Connect process based on various attributes related to their managerial style. This survey served as an effective tool for managers, aiding in the development of their capabilities.

In addition to the formal process, managers are also encouraged to conduct regular check-ins and provide consistent feedback to support the growth and development of their team members.

We also have a 360-degree feedback tool as part of both first-line manager (FLM) and senior-line manager (SLM) programs. Annual coverage of these programs is 25% for the FLM program and 20% for the SLM.

People Analytics

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

We also use People Analytics (PA) to monitor our hires, attrition, promotion and I&D. In 2024, we will also add compensation information that will assist in workforce planning. In addition, finance is developing an improved solution for the calculation of the cost of labor information that will assist in accurate long-term workforce planning. All our PA solutions covered the entire Teva population (100%).

Employee Development

We aim to help leaders grow professionally and personally to be able to perform successfully. In 2023, 1,252 managers participated in 74 development programs targeted to various leadership levels. The coverage is in line with our annual target of 20-25% of Teva's manager population that will take part in these programs. These leadership development programs are designed internally, based on identified focus areas and leadership capabilities to provide leaders opportunities to grow and develop. These programs include topics such as leading change, shared leadership, cultivating a culture of innovation, networking and collaboration. In 2023, we invested \$661 on training and development per full-time equivalent employee.

In partnership with The Wharton School of the University of Pennsylvania, US, we launched the Leadership Acceleration Program (LEAP) to provide leaders with business excellence, practice and leadership skills. Two business units (TGO and Finance) implemented LEAP in 2023, covering 150 leaders. In 2023, we continued developing critical segments of leaders through LEAP, Teva's leadership development programs and a dedicated program for Teva's Global Operations (TGO) supervisors who work across different sites.

Teva Grow is our global employee enhancement program designed to develop employees' cross-functional essential skills. In 2023, 14,700 employees engaged in several digital learning activities through our Teva Grow program and LinkedIn Learning. This includes:

- **Ways of Working:** Approximately 12,300 employees accessed the program to work on improving essential skills (e.g., collaboration, adaptability, interpersonal skills) on topics related to business, technology and soft skills.
- **Go Global:** Approximately 6,700 employees engaged in training on cultural agility (i.e., how to successfully communicate and act in a global and digitally connected setting). The main skills included English proficiency and cross-cultural and digital capabilities. In 2023, we expanded our English learning offering to include both digital learning and 1:1 conversational classes.
- **My Ecosystem:** Approximately 2,350 employees participated in strengthening core knowledge and understanding of Teva's unique business environment and market orientation.

Training and Development Inputs

	2022	2023
Total Amount (thousand \$) spent per FTE on Training and Development in the Last Fiscal Year	25,745	23,745
Total # of full-time equivalent	34,848	35,929
Average amount (\$) spent per FTE on training and development	739	661

Employee Engagement

Trend of Employee Engagement

Teva's Organizational Health Surveys cover many metrics, including care and respect (e.g., being able to freely express views), purpose and values (e.g., company's positive impact on society and communities), personal experience (e.g., feeling stressed or overwhelmed) and leadership (e.g., having trust and confidence in senior leaders). Survey results are communicated to employees through global communications and town halls and shared with the Board of Directors. All Teva business units review survey results to determine areas for improvement and develop action plans.

	2021	2022	2023
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Participation/Coverage	86%	83%	86%
Engagement and connection to Teva	72%	72%	74%
Connection to Teva's purpose and values	82%	83%	85%
Enablement and support to perform job (satisfaction)	73%	73%	74%
Internal motivation to go beyond job responsibilities	72%	71%	74%
Inclusion and diversity	79%	81%	82%
Manageable stress	-	62%	64%

Recognition Program

Teva's Global Recognition Platform (Teva Stars) enables employees to give different types of recognition for their colleagues' contributions. Available to every Teva employee, the program is widely used throughout the global organization, with about 63% of Teva employees actively participating in the system.

Economic Impact

		2021*	2022*	2023
Savings From Teva's Generic Medicines (\$B)*	N/A	40.1	40.9	
US savings From Teva's Generic Medicines (\$B)*		32.7	36.3	
Economic Impact				
Direct jobs (FTE)	33,038.87	32,790.70	32,400.44	
Spillover Jobs (FTE)	265,347.81	204,312.06	207,919.18	
Total Jobs (FTE)	298,386.68	237,102.76	240,319.62	
Direct GDP contribution (\$M)	6,217.63	5,066.28	5,371.31	
Spillover GDP contribution (\$M)	14,042.94	12,065.61	11,866.95	
Total GDP contribution (\$M)**	20,260.57	17,131.89	17,184.27	
Direct labor income (\$M)**	2,782.44	2,573.14	2,828.08	
Spillover labor income (\$M)**	6,628.04	5,658.41	5,663.32	

Total labor income (\$M)**9,410.48****8,231.55****8,491.40**

Definitions: Jobs – Created by and as a result of Teva’s activities around the world; Gross Domestic Product (GDP) Contribution – Economic value added by and generated as a result of Teva’s activities (commercial, production and R&D) around the world; Labor income – Sum of wages and salaries generated from and as a result of Teva’s activities around the world. Note: 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 2021, 2022 and 2023 generic medicines savings are not available for India, Ireland and Israel and 2023 data for UK was also unavailable. In 2022, UK Generic Saving accounted for \$2.9B. The scope of Teva’s economic footprint includes the economic impact of all activities (e.g., manufacturing, commercial and R&D), as well as domestic and foreign supply chain effects around the world. The global model used for spillover calculations includes 188 countries and 56 industries.

* 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 were restated to reflect actuals rather than estimates.

**Teva’s direct GDP contribution (direct and spillover) for the business years 2021 and 2022 have been revised to enhance accuracy, addressing discrepancies identified within the input data, thus ensuring its reliability.

Total GDP contribution per country*	2022	2023
Bulgaria	234	206
Canada	639	296
Chile	143	192
China	15	26
Croatia	438	585
Czech Republic	489	473
Denmark	20	17
France	204	146
Germany	1018	997
Hungary	531	548
India	417	423
Ireland	557	545
Israel	3544	3546
Italy	515	322
Mexico	128	176
Netherlands	557	730
Poland	303	338

Russia	115	152
Spain	454	400
Sweden	14	13
Switzerland	569	460
Ukraine	17	22
United Kingdom	463	544
United States	5748	6027

* Teva's direct GDP contribution (direct and spillover) for the business year 2022 has been revised to enhance accuracy, addressing discrepancies identified within the input data, thus ensuring its reliability. The generic medications savings for 2021 and 2022 have been amended as compared versus the published report.

Human Rights

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

In 2023, Teva developed our systematic management approach on Human Rights, which includes the documented expectations for different functions and a revised Human Rights Position, expected to be published in 2024, which summarizes Teva's approach. This approach includes key commitments, roles and responsibilities, risk assessment, preventive measures, remedial measures and effectiveness assessments.

Teva's Human Rights risk assessment evaluates the risk exposure of our operations and suppliers. The assessment leverages a real-time online artificial intelligence system that covers risks of more than 170 geographies and 350 products and services regarding 38 sustainability topics, including risks related to labor (e.g., children's rights, gender inequality, slavery, workers' rights, migrant workers, Freedom of association, humane treatment, wages, working hours and contractors) health and safety (e.g., life expectancy, sanitation & drinking water, building safety, machine safety, fire safety, hygiene and sanitation, injuries, chemical and emergency evacuation), environment (e.g., air quality and emission, carbon intensity, waste and wastewater management, tree cover loss, flood risk, storm risk and water stress and environment permits), business ethics (e.g., corporate governance, business integrity and transparency) and management systems (e.g. regulatory quality). Source data includes thousands of audits performed each year, media screening results and public indices. At least annually, Teva performs a risk assessment, ensuring that the list of suppliers and Teva's own sites are updated in the platform. In 2023, more than 5,000 of our suppliers and Teva's operations were screened and rated according to their risk exposure level (low, medium, high and extreme) for the various Human Rights and Environmental topics. In addition, the analysis classified suppliers and operations according to Teva's influence rating (low, medium, high and extreme), which considers business relevance (volume of business) and list of significant suppliers (see more in the [Sustainable Procurement section](#)). Risk and influence ratings are plotted on a matrix to help determine the suppliers and operations where further due diligence action may be warranted. Key management implications and recommendations are outlined for each segment of the matrix. The assessment matrix can also be integrated into other assessment results, such as a self-assessment (EcoVadis score) and third-party audits (PSCI).

Healthy Planet Disclosures

Climate Action and Resilience

Task Force on Climate-Related Financial Disclosures

This represents Teva's fourth annual report that provides information according to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

Governance

Climate-Related Risks and Opportunities Governance and Management

Board Oversight:

Teva's Board of Directors provides strategic guidance and direction for Teva's Healthy Future (sustainability) strategy, which includes the Climate Action and Resilience topic area. The Board Compliance Committee has been delegated primary responsibility for the sustainability strategy, targets and performance and is chaired by our Sustainability Board Ambassador. Teva's new net zero target was endorsed by the Board of Directors in January 2024. Climate change was also covered in various sessions of the board in 2023 relating to the ESG regulatory landscape, their implications for Teva and Teva's targets and performance. Topics related to sustainability and climate change are discussed in various board committees as follows:

- **Compliance Committee:** Reviews emerging best practices, trends and key issues related to sustainability, oversees sustainability strategy and receives periodic updates from the sustainability team. Progress against our climate action targets is presented quarterly.
- **Audit Committee:** Receives updates on sustainability reporting trends and oversees our Enterprise Risk Management (ERM) process. The committee reviews the company's short-term risk management matrix twice a year and long-term risk matrix annually. Climate change is a risk topic that has been monitored since 2021 and for the past two years, has appeared on our risk map and been shared with this committee. However, at present, climate change is not considered a high-risk topic (see additional information in the Risk Management section, page 82).
- **Finance Committee:** Receives updates on sustainable finance instruments and approves financial transactions linked to sustainability, including climate change. This committee approved our sustainability-linked bonds (SLBs), which are tied to our scope 1 and 2 greenhouse gas (GHG) emission reduction targets.
- **Human Resources (HR) and Compensation Committee:** Oversees sustainability-linked remuneration, including related to climate change. Since 2020, we have tied executive compensation to sustainability performance for executives; as of 2022 all executive officers have sustainability-linked remuneration. Sustainability targets, including climate-related targets, were included in individual performance goals, which represented 25% of the variable bonus performance achievement.

Management Oversight:

Climate change risks and opportunities are overseen by various roles and committees:

- Teva's Sustainability Steering Committee, chaired quarterly by the President and CEO, and Teva's Sustainability Forum, chaired quarterly by the Head of Sustainability, monitor climate change projects such as climate risk assessments, decarbonization commitments and performance. Teva's climate risk and opportunity results were shared with the ESG Steering Committee in 2022. In January 2024, the Sustainability Steering Committee and the Sustainability Forum approved Teva's new net zero target.

- Teva's Chief Financial Officer (CFO) holds the dedicated responsibility for ERM, along with Executive Management and other risk leaders, who review Teva's top risks and report to the Board and Audit Committee twice a year, including on risk trends and main mitigation actions in addition to related initiatives.
- Teva's Executive Vice President (EVP) of Global Operations reports directly to the President and CEO and is responsible for Teva's Environmental, Health, Safety and Sustainability (EHS&S) Policy and is the executive sponsor for all EHS&S matters, including those related to climate change.
- Teva's Corporate EHS&S Committee, chaired quarterly by the EVP of Global Operations, assesses climate-related risks and opportunities and provides management, oversight and direction on EHS&S (including climate change) policies and targets and coordinates Teva's EHS&S team's implementation of relevant programs. This committee is composed of senior-level executives from key business units and is responsible for EHS&S and climate change—operational related strategy, compliance and performance, public policy and trends, communications and establishing technical advisory committees, as required. They escalate any specific material matters and/or issues to Teva's Executive Management for further action. The EHS&S Committee formally reviews company EHS&S and climate change matters and performance with the EVP and Teva's Global Operations on a regular basis (minimum quarterly). The Corporate EHS&S Steering Committee reviewed the results of Teva's climate risk and opportunities assessment in 2022 and, in 2023, gave their endorsement for Teva's net zero target.
- Teva's Global Environmental Sustainability Task Force, composed of EHS&S, ESG, Global Engineering, Global Procurement, Finance and Global Facilities Management, coordinates the dissemination of Teva's energy and GHG emission-related targets throughout the business and develops the framework for their execution.

Strategy

Climate-Related Risks and Opportunities

Climate change risks and opportunities assessments are a collaborative effort managed by Teva's Sustainability, Corporate Risk Management, EHS&S and Finance teams. In 2021, we conducted a physical climate risk screening assessment covering 80 of Teva's key facilities, seven key climate change physical hazards (flood, water stress, heat wave, cold wave, hurricane, sea-level rise and wildfire) and three climate scenarios (Representative Concentration Pathway [RCP]: 2.6, 4.5 and 8.5) across short-, medium- and long-term horizons (2020, 2030 and 2050). Results indicated Teva's composite risk is "Moderate," with insignificant change at the composite level in the risk across the various scenarios and time horizons assessed. Yet, efforts are taken to reduce certain climate risks, as warranted.

Between 2021 and 2022, Teva extended the previous work and conducted an additional assessment project covering physical and transition financial risks and opportunities. For physical risks, it considers the same time horizons and scenarios as the previous project and for transitional risks and opportunities, Paris aligned 1.5°C scenario, nationally determined contributions (NDC; 2.5°C) OF¹ and business-as-usual 3°C climate scenarios, projected to 2030 and 2050 time horizons. This project was overseen by a dedicated steering committee with input from various functions and endorsement from senior leaders. Teva is integrating learnings from this exercise into the business and addressing risks identified.

Our latest physical climate risk assessment covered 10 key manufacturing sites—responsible for approximately 30% of Teva's 2021 revenue. We evaluated and quantified nine physical risks (coastal inundation, soil subsidence, surface water flood, riverine flood, extreme wind, forest fire, extreme heat, freeze-thaw and water stress). This quantitative assessment was supplemented by qualitative interviews with site leadership to contextualize potential risks.

To identify transition risks and opportunities, Teva used the TCFD taxonomy as a starting point, utilizing input from interviews with internal stakeholders and industry reviews that resulted in the identification of 30 climate risks and opportunities. Through a short-listing process using pre-defined criteria, these were reduced to three transition risks and three opportunities that have a potential impact on Teva and for which data were readily available. Climate scenario analysis and financial quantification of these risks and opportunities were modeled with the use of robust climate scenario datasets (e.g., Network for Greening the Financial System and International Energy Agency IEA SDS and IEA STEPS). The summary of risks and opportunities identified as part of the above assessment is outlined below.

¹ Scenario used for "increased operating costs due to the introduction of carbon pricing schemes" risk.

Risk/Opportunity Description	Potential Impact	Management Approach
Physical Climate Risks		
Site damage and business interruption	Findings from the assessment indicate the assessed sites may show a low-to-moderate exposure to physical hazards assessed across all three scenarios for site damage and business interruption. None of the 10 sites assessed demonstrated high exposure to any assessed physical risks. The cumulative financial impact by 2030 could be up to \$8 million for site damage and \$39 million* cumulative for business interruptions under the worst-case scenario assessed, not considering adaptation measures.	Extreme weather risks, such as hurricane and flood, are evaluated and managed as part of Teva's loss prevention processes and are considered during sites' contingency and business continuity planning, while water stress is managed through Teva's Environmental Health and Safety Management System (EHSMS).
Transition Climate Risks		
Increased operating costs due to introduction of carbon pricing schemes	Some of Teva's European sites are subject to the European Union (EU) Emissions Trading Scheme (ETS) due to their energy consumption. As such, they are exposed to carbon pricing. Teva recognizes other carbon pricing instruments and regulations could impact other regions where Teva operates and markets products. Additionally, carbon prices are expected to rise, particularly under a Paris-aligned 1.5°C scenario. By 2030, costs related to carbon pricing schemes on scopes 1 and 2 GHG emissions could range from \$12 to \$67 million per year in the NDC 2.5°C and Paris aligned 1.5°C scenarios, respectively. Currently, we are not considering the impact of carbon pricing on scope 3 GHG emissions since it is unclear if or how such costs may be passed on to Teva.	Teva's net zero target and actions to reduce GHG emissions across Teva's operations are a key component of managing this risk.
Increased operating costs related to propellant-based inhalers	Teva's current propellant-based inhaler portfolio could be exposed to a range of potential regulatory changes, including carbon pricing and tax on propellant gas procurement. Teva's propellant-based inhaler portfolio constitutes a scope 3 emissions hotspot.	Teva's net zero target and research and development of a "low-carbon" inhaler are key strategies to manage this risk.
Changing costs of raw materials in response to the low-carbon transition	Teva could be exposed to increasing costs of raw materials. This is due to volatile supply and demand caused by climate change or other passed-on costs from climate change measures and policies. The price of three assessed key raw materials—lactose, aluminum and methanol—could rise in a Paris-aligned 1.5°C scenario, increasing costs by 2050 compared to Teva's base procurement growth on a fixed price.	We manage this risk through Teva's net zero target and accompanying supplier engagement program (incorporating our Supplier Code of Conduct, ESG assessments of critical suppliers and encouraging our suppliers to set Science Based Targets initiative (SBTi) targets and join the Energize renewable electricity program) and through our multiple supplier sourcing network.
Transition Climate Opportunities		
Cost savings related to low-carbon transportation	Fossil fuel prices are anticipated to rise, which could increase costs related to in-house and third-party logistics. In this context, the transition to low-carbon transportation, such as electrified fleets, could be an opportunity for Teva to avoid potential increased costs with, in particular, third-party logistics suppliers, which are a main contributor to Teva's transportation emissions.	To facilitate this opportunity, our efforts to transition to low-carbon fleets and other sustainable logistic practices (e.g., load, routes and freight-mode optimization) are expected to reduce costs in the future.

Cost savings due to transition to low-emission sources of energy

Renewable energy costs are expected to decrease as compared to fossil fuels. In this context, transitioning to renewable energy across Teva's business could be an opportunity for Teva to reduce potential electricity costs.

Teva's updated target to source 100% renewable electricity will support us to realize this opportunity. Teva is actively implementing measures to increase the proportion of electricity procured or generated from renewable sources for its operations. We continue to expand our use of renewable electricity across markets where we operate, currently including most of our sites in Europe, our site in Chile and our site soon to be in Israel following an agreement signed in 2023 to source renewable electricity for our 5 sites.

Cost savings due to low-carbon inhaler

While increasing regulation related to Teva's propellant-based inhaler portfolio could be a risk, investing in an alternative low-carbon inhaler could reduce potential costs. The assessment analyzed the substitution of current propellant gas with two alternatives and showed savings could range from \$10 to \$121 million per year by 2030, depending on the propellant used and climate change scenario selected (business-as-usual and Paris aligned, respectively).

Teva's scope 3 science-based target and research and development of a "low-carbon" inhaler are key strategies to realize this opportunity.

* The business interruption figure has been restated in 2023 and is based on an extrapolation of the 2021 climate risk assessment data for the 2023-2030 cumulative risk.

Risk Management

Teva's Processes for Identifying, Assessing and Managing Climate-Related Risks

Teva's risk management processes are integrated into a multidisciplinary, company-wide ERM program focused on direct operations, as outlined in our [ERM Position](#). Each Teva business unit (BU) identifies risks by performing risk assessments at operating locations based on a standard risk assessment framework, which can include some climate-related risks when they are identified. Identified risks are assessed by aggregating them at the corporate level. Risks are prioritized for materiality according to a standard framework approach, which includes, among other aspects, probability, impact and preparedness level.

To provide response to certain physical risks (e.g., extreme weather impacts like hurricanes and floods), which are identified through loss prevention surveys and emergency response planning and preparedness measures, these are integrated into the risk evaluations performed by our sites as part of their risk register, which is a component of our integrated EHSMS. Relevant risks raised are considered during contingency and business continuity planning. Teva's EHSMS is installed across more than 99% of Teva facilities (excluding commercial offices). Mitigating factors, such as having adequate site emergency risk plans, emergency power generation capacity (relevant in case of natural disasters) or ensuring building roofs, materials and equipment are adequately secured and anchored in hurricane-prone areas, are put in place, where warranted, to reduce the risk of impact to manufacturing operations.

Physical risks are also considered in Teva's supplier management processes, with mitigating factors put in place such as multiple supplier networks and systems to manage internal supply. Other mitigating factors include a broader property loss prevention program (including provision of physical protections, backup services and business continuity planning) and a Supplier Code of Conduct, which requires suppliers to operate in an environmentally responsible manner and have emergency preparedness and response measures. Teva conducts sustainability assessments of suppliers through EcoVadis, and currently, 59.5% of our significant suppliers (which in part are selected due to their contribution to our scope 3 GHG emissions) assessed through EcoVadis have carbon management system actions in place. We also use the EcoVadis assessments to drive improvements in sustainability measures through corrective and preventive actions. We also engage suppliers to set Science Based Targets (37% of our significant suppliers are committed to or have set SBTi targets) and to participate in Climate Disclosure Project (CDP) (23% participated in our CDP supply chain campaign). Moreover, Teva is a sponsor and a member of the Energize program—a collaboration between 20 global pharmaceutical companies to

engage hundreds of suppliers in climate action and decarbonization of the pharmaceutical value chain—and is one of only a few Energize sponsors to join a virtual power purchase agreement cohort. In 2023, 113 of Teva's significant suppliers were registered in the Energize program, an increase of 59 (110%) suppliers compared to 2022.

Regarding transition risks and opportunities (which we consider as policy and legal, reputational, market and technological risks related to our direct and indirect emissions), all process and product development, capital or technology transfer projects include an assessment of EHS&S to reduce negative impacts and ensure sustainable operations. This integrates elements of green chemistry, such as design for energy efficiency. In 2023 a new risk category was added to Teva's EHS&S risk register, to enable Teva facilities to assess the risk of insufficient operational GHG emission reductions to meet their targets. Teva's EHS&S Risk Matrix was also updated to include a new severity category to enhance the evaluation of business interruption risks associated with physical climate risks and other natural catastrophes.

In 2023, Teva initiated actions with the support of an external consultant to further strengthen its climate-risk processes and capabilities, including:

- **Develop a process and define climate risk materiality for disclosure purposes:** by the beginning of 2024, two options for determining climate risk materiality for disclosure purposes have been defined, with a preferred option having been selected during a workshop with key stakeholders from Finance, Legal, ERM, Sustainability and EHS&S, which is to be further reviewed, refined and approved.
- **Define a process to further integrate climate risks into Teva's ERM and EHS&S risk processes:** by the beginning of 2024, existing risk processes have been assessed and a suggestion to enhance the integration of climate risks is underway.
- **Map potential software to enable climate risk assessment to be performed continually:** by the beginning of 2024, system criteria have been defined and mapping and evaluation of solutions are underway.
- **Build competency among senior leaders and relevant employees on climate risks and opportunities:** by the beginning of 2024, over 100 employees across key business units and functions (Teva Global Operation, Research and Development, Finance, Legal and Commercial) attended workshops to improve their awareness of climate risks and to guide them on how to identify, escalate and manage climate risks. A follow-on workshop is scheduled for Teva's Executive Management.

The activities outlined above are expected to be finalized by Q2 2024.

Scope 1 and 2 Decarbonization Plan and Roadmap

Our decarbonization plan and roadmap were established to support us in achieving our scope 1 and 2 GHG emission reduction targets. It is overseen by our Sustainability Task Force and disseminated through the organization to various business functions and teams by applying specific year-over-year GHG reduction targets, along with potential actions and initiatives that could achieve required GHG reductions.

Our scope 1 and 2 decarbonization plan is based on three key levers: energy and process efficiencies, renewable electricity generation and procurement and network optimization.

In 2022, our Global Environmental Sustainability Task Force launched an Energy Champions community. Each facility has a nominated Energy Champion with clearly defined roles and responsibilities to manage energy consumption and lead decarbonization efforts with periodic reporting to site management. A training roadmap and a knowledge-sharing portal of tools with education and competencies on their duties are available.

Several of Teva's sites participated in a globally coordinated program to perform detailed energy inspections, audits and surveys to identify and evaluate energy and GHG reduction opportunities and projects; some of the sites from previous phases of this project have already realized significant energy reductions. Teva provides capital investment for energy reduction, conservation and decarbonization projects based on feasibility assessments, and in 2023, we provided \$3.25 million for such initiatives. Overall, in 2023, approximately 95 individual energy projects were implemented resulting in \$11.2 million in energy reduction savings. Various decarbonization projects implemented at Teva in 2023 were funded through alternative financing models (e.g., an energy service company). In 2023, Teva signed a long-term renewable electricity supply agreement (to commence in 2024) to cover the load of all of Teva's Israel facilities from dedicated renewable electricity installations and continued to further identify and explore renewable electricity supply approaches in North America, Europe and India.

Metrics and Targets

In January 2024, we shared renewed environmental targets as part of our Healthy Future strategy which complement and demonstrate an increased level of ambition to those previously set in 2021.

As validated by the SBTi in 2022, our near-term 2030 scope 1 & 2 and our scope 3 GHG reduction targets are aligned with international efforts to achieve 1.5°C, and well below 2°C, respectively. These targets were approved by Teva's Executive Management and the Board of Directors and are part of the Executive Management variable remuneration. We also commit to achieving net zero by 2045 and expect to make a formal commitment to the SBTi against their net zero standard by end of 2025.

The table below outlines our main targets and KPIs according to physical and transition risks and opportunities.

Target	KPI	Performance
Transition Risks		
Achieve net zero emissions² across our operations and value chain by 2045	Scope 1, 2 and 3 GHG emissions	<ul style="list-style-type: none"> See below for Scope 1, 2 and 3 emissions performance
Reduce absolute scope 1 and 2 GHG emissions by 25% by 2025 and by 46% by 2030 (vs. 2019) ³	Scope 1 and 2 GHG emissions	<ul style="list-style-type: none"> 2023 scope 1 emissions: 242,056 2023 scope 2 emissions, market-based: 229,007 Total 2023 scope 1 and 2 emissions: 471,063 2023 reduction relative to baseline (2019): 27%
Reduce absolute scope 3 GHG emissions by 25% by 2030 (vs. 2020)	Scope 3 GHG emissions	<ul style="list-style-type: none"> 2023 scope 3 emissions: 6,066,355 2023 reduction relative to baseline (2020): -12%
Engage with significant suppliers to get 80% committed or approved by the SBTi by 2030	Significant suppliers with commitment to set or approved target by SBTi	<ul style="list-style-type: none"> 270 (37%) of significant suppliers with a commitment to set or approve SBTi targets, of them 83 (11%) were new in 2023
Achieve 100% ⁴ use of renewable electricity by 2035 ⁵	% electricity purchased or generated from renewable sources	<ul style="list-style-type: none"> 2023 electricity purchased or generated from renewable sources: 43%

In some instances, these targets are supplemented by additional division/regional level targets covering specific topics and initiatives. Teva scope 1 and 2 GHG emissions are verified in accordance with the GHG Protocol and ISO 14064-3:2006 standard by Société Générale de Surveillance, to a limited assurance level. The full verification statement can be found [here](#). Teva's scope 3 GHG emissions are verified in accordance with International Standard on Assurance Engagement (ISAE) 3000 standard by DNV, with limited assurance. The full verification statement can be found [here \(pages 65-70\)](#). See [Teva's CDP Climate Change disclosure](#) for further information.

² According to the SBTi net zero standard (Teva intends to make official SBTi net zero commitment by the end of 2025).

³ Sustainability-linked bond target (2030 target has been validated by SBTi as meeting their near-term standard).

⁴ According to RE100 standard (Teva intends to make official RE100 commitment by the end of 2025).

⁵ Previous target was substituted with new, more ambitious target.

Forward Looking Statements Disclaimer:

This document 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: changes in climatic, economic, operational, sectoral, political or other circumstances; new or amended legislative or regulatory requirements relating to environmental or climate change or climate risk-related laws or the interpretation thereof; our ability to successfully compete in the marketplace; our substantial indebtedness; our business and operations in general; the effects of reforms in healthcare regulation; compliance, regulatory and litigation matters, including environmental and climate risks and the impact of ESG issues including climate change; other financial and economic risks; and other factors discussed in this document in our Quarterly Report on Form 10-Q for the first quarter of 2024 and our [Annual Report on Form 10-K](#) for the year ending December 31, 2023, including in the sections titled "Risk Factors" and "Forward Looking Statements." Forward looking statements speak only as of the date on which they are made, and we assume no obligation to update or revise any forward looking statements or other information contained herein, whether as a result of new information, future events or otherwise. You are cautioned not to put undue reliance on these forward looking statements.

GRI 302-1: Energy Consumption Within the Organization

Energy Consumption (MWh)	2021	2022	2023
Natural gas (scope 1)	1,077,990	932,081	851,310
Fuel oil (scope 1)	55,233	44,649	14,686
Diesel fuel (scope 1)	21,841	24,437	57,861
Liquefied petroleum gas (scope 1)	41,678	43,102	44,817
Propane (scope 1)	11,372	14,923	13,419
Petrol: Mobile (scope 1)	76,706	76,576	64,615
Liquified natural gas: Mobile (scope 1)	1,018	761	555
Diesel: Mobile (scope 1)	51,338	45,540	42,328
Renewable electricity produced (scope 1)	1,193	1,619	7,189
Electricity purchased from grid (scope 2)*	627,430	529,498	521,670
Heating purchased (scope 2)	15,405	16,385	17,846
Steam purchased (scope 2)	80,855	67,947	66,313
Renewable electricity purchased (scope 2)	313,660	377,888	390,819
Scope 1—Nonrenewable energy	1,337,176	1,182,070	1,089,590
Scope 1—Renewable energy	1,194	1,619	7,189

Scope 1—% of renewable energy	0	0	1%
Scope 2—Nonrenewable energy	723,690	613,830	605,829
Scope 2—Renewable energy	313,660	377,888	390,819
Scope 2—% of renewable energy	30%	38%	39%
Total energy consumption (scopes 1 and 2)	2,375,719	2,175,407	2,093,427
Total non-renewable consumption (Scope 1 and 2)	2,060,866	1,795,900	1,695,419
Total renewable energy (scopes 1 and 2)	314,853	379,507	398,008
Scopes 1 and 2—% of renewable energy	13%	17%	19%
% of renewable electricity**	33%	41%	43%

* Excluding purchased renewable electricity.

** The indicator relating to renewable electricity purchased and generated as a proportion of the total is calculated based on electricity purchased and generated prior to accounting for structural changes (e.g., divestments) that may have occurred in that given year.

Note: 2021-2023 energy data have been readjusted for emission comparison in accordance with the GHG Protocol and to account for network changes and data accuracy adjustments. The exclusion of biomass energy is due to the divestment of the only site that was previously operating a biomass boiler.

GRI 302-3: Energy Intensity

	Unit	2021	2022	2023
Energy intensity	kWh/revenue (USD)	0.146	0.139	0.126
Change in intensity	%	-6%	-5%	-10%

Note: Energy consumption data relates only to facilities (i.e., excludes transportation). Energy consumption data used for intensity calculations differ from the published data as they include the energy consumption of divested sites. This is to provide a fair comparison, as the published energy consumption data have been adjusted to consider business divestments, while the published revenue data (our denominator) has not.

GRI 305-1: Direct (Scope 1) GHG Emissions; GRI 305-2: Energy Indirect (Scope 2) GHG Emissions & GRI 305-3: Other Indirect (Scope 3) GHG Emissions

GHG Emissions	Units	2019	2020	2021	2022	2023
Scope 1 emissions	tons CO ₂ e	299,146	290,471	282,044	253,306	242,056
Scope 2 emissions (location based)	tons CO ₂ e	–	–	–	–	349,378
Scope 2 emissions (market based)	tons CO ₂ e	348,354	332,751	282,753	237,815	229,007

Total GHG emissions (scopes 1 and 2 [market based])	tons CO ₂ e	647,500	623,222	564,797	491,121	471,063
Scope 1 and 2 (market based) GHG emissions cumulative change from baseline 2019* (SLB SPT #2a)	%	-	-4%	-13%	-24%	-27%
Scope 3 emissions	tons CO ₂ e	-	6,915,858	6,568,881	6,112,490	6,066,355

* Emissions are counted towards Teva's sustainability-linked bond key performance indicator to reduce absolute scope 1 and 2 GHG emissions by 25% by 2025 and by 46% by 2030 (vs. 2019).

Note: 2019-2022 scope 1 and 2 have been readjusted for emission comparison in accordance with the GHG Protocol and to account for network changes and data accuracy adjustments. The exclusion of biogenic emissions is due to the divestment of the only site that was previously operating a biomass boiler.

Teva applies the operational control approach for its GHG data. The source of emissions factors used includes:

- Scope 1: UK DEFRA (2023), IPPC AR6 (2023).
- Scope 2: IEA (2023, year 2021), US EPA eGRID 2023 (year 2021), UK DEFRA (2023) and Final Rule (40 CFD 98) and energy suppliers (market-based emission factors).

The emissions data refers to the total amount of emissions resulting from various sources, including energy consumption (which accounts for approximately 90% of Teva's GHG emissions) and other sources, including but not limited to, process and fugitive emissions (which account for the remaining approximately 10%).

2023 represents the ninth consecutive year Teva's scope 1 and 2 GHG emission data have undergone external assurance, and the third year for our full scope 3 emissions. The level of assurance for all three scopes is classed as "limited." The GHG emission inventory that is presented for external assurance accounts for 100% of Teva's known GHG emissions across the entire business, operations and value chain. Our scope 1 and 2 external assurers typically assess between 70% and 80% of the source data as part of their process. The scope of our external assurance also includes verification of our performance against our GHG emission reduction targets, as compared to our stated baseline and its readjustment. Teva scope 1 and 2 GHG emissions are verified against the GHG Protocol according to the ISO 14064-3:2006 standard by SGS. Teva's scope 3 GHG emissions are verified in accordance with ISAE 3000 standard by DNV.

Emission by Source (tons CO ₂ e): Scope 1 & 2 (Market Based)	2019	2020	2021	2022	2023
Stationary emissions (facility energy)	589,495	568,064	510,488	437,905	418,662
Transportation emissions	43,918	34,540	31,689	30,261	30,434
Refrigerants/fugitive emissions/process emissions	14,087	20,618	22,619	22,955	21,967

Direct (Scope 1) GHG Emissions

Emission by Gas (tons CO ₂ e)	2023
CO ₂	219,557
CH ₄	262
N ₂ O	270
HFCs	21,967

GRI 305-3: Indirect (Scope 3) GHG Emissions

GHG Emissions	Units	2021	2022	2023
Scope 3 emissions	tons CO ₂ e	6,568,881	6,112,490	6,066,355
Category 1: Purchased goods and services	tons CO ₂ e	5,037,791	4,394,074	4,308,401
Category 2: Capital goods	tons CO ₂ e	338,865	351,137	333,777
Category 3: Fuel- and energy-related activities (not incl. in scope 1 or 2)	tons CO ₂ e	196,457	178,495	174,487
Category 4: Upstream transportation and distribution	tons CO ₂ e	205,891	205,946	253,998
Category 5: Waste generated in operations*	tons CO ₂ e	49,836	65,563	18,949
Category 6: Business travel	tons CO ₂ e	4,257	10,027	16,328
Category 7: Employee commuting	tons CO ₂ e	20,400	20,400	20,400
Category 8: Upstream leased assets	tons CO ₂ e	Reported in scope 1 and 2 data emissions	Reported in scope 1 and 2 data emissions	Reported in scope 1 and 2 data emissions
Category 9: Downstream transportation and distribution	tons CO ₂ e	24,765	21,182	40,078
Category 10: Processing of sold products	tons CO ₂ e	369	331	331
Category 11: Use of sold products	tons CO ₂ e	589,453	762,873	799,945
Category 12: End-of-life treatment sold products	tons CO ₂ e	240	264	257
Category 13: Downstream leased assets	tons CO ₂ e	54,105	59,267	57,652
Category 14: Franchises	tons CO ₂ e	Do not apply to Teva	Do not apply to Teva	Do not apply to Teva
Category 15: Investments	tons CO ₂ e	46,455	42,922	41,752
Scope 3 GHG emissions cumulative from baseline 2020**	%	-5%	-12%	-12%

Note: Scope 3 categories are according to the GHG Protocol. Our calculation methodology is based on the hybrid approach, meaning a spend-based-method in line with the GHG Protocol for categories 1, 2, 4, 7, 9, 10, 12, 13 and 15, for which we utilized the PSCI (Pharmaceutical Supply Chain Initiative) emission factors, primary data from suppliers for specific activities collected through our CDP supply chain efforts and inventory approach for categories 3, 5, 6 and 11. Methodology used for inventory approach: Category 3 is based on energy consumption (emission factors - DEFRA and IEA); Category 5 is based on waste and wastewater generated in operations data (emission factors - DEFRA)*; Category 6 is based on distance traveled (emission factors - DEFRA); Category 11 is based on volume of gas inserted in inhalers (GWP - IPCC); Category 14 is not applicable for Teva. For categories 10, 12, 13 and 15, 2021 data have been used and weighted according to 2023 total Scope 3 emissions.

* Category 5 was previously calculated based on spend. The change has not caused an update for the baseline due to lack of materiality.

** Included in Teva's finance framework.

Pharmaceuticals in the Environment

GRI 303-2: Management of Water Discharge-Related Impacts

Teva is fully committed to complying with all applicable regulatory requirements, including those related to local, state, regional and national effluent discharge quality. Each of our sites has an Environmental Health and Safety Management System (EHSMS) in place, aligned with Teva's global EHSMS, which provides standards and specifications for identifying and complying with all regulatory and internal Environment Health and Safety (EHS) requirements. EHS standards are reviewed and updated every three years.

Most Teva sites discharge to a publicly operated wastewater treatment facility. Off-site treatments are conducted by the operator of facilities and would typically include monitoring at Teva sites to assure pre-treatment limits are met.

Teva standards for on-site wastewater treatment depend on the level of risk posed by the discharge and regulatory standards and requirements. Sites are required to conduct risk assessments to determine controls needed for wastewater units and pipes to meet minimum requirements. Teva's Environmental, Health, Safety and Sustainability (EHS&S) standards prescribe minimum engineering requirements for specific types of above- and below-ground wastewater treatment units and piping. Nearly all Teva sites have primary treatment to adjust pH levels. As necessary, sites use secondary treatment, involving biological processes, and tertiary treatment, involving membrane separation, carbon beds or other technologies. Teva dictates wastewater monitoring through regulatory requirements, which may include conventional standards such as pH, biological oxygen demand (BOD) and total suspended solids (TSS).

Teva determines safe discharge levels through an environmental risk assessment, in which predicted environmental concentration (PEC) values are divided by predicted no-effect concentration (PNEC) values to determine the risk quotient (RQ). An $RQ > 1$ indicates potential risk, suggesting the chemical concentration exceeds predicted safe levels.

For entities with an RQ above 1, Teva implements further actions to reduce active pharmaceutical ingredients (APIs) in wastewater. These actions could include the dry cleaning of process equipment, or the collection of equipment wash waters for off-site waste treatment. At many sites, on-site wastewater treatment is used to reduce APIs in wastewater, and this could include the use of biological treatment, membrane separation, advanced chemical oxidation and/or carbon absorption. These actions help lower sites' RQs, and we will continue to implement additional actions, as needed, to reduce API levels at sites with $RQ > 1$.

Antimicrobial Resistance

We currently have $RQ < 1$ for 17 of the 26 sites that currently manufacture antibiotics. We consider the predicted no-effect concentration (PNEC) established by the AMR Industry Alliance (AMRIA) to protect against resistance in bacteria and fungi and apply the PNEC with the lower value for our assessments (conservative approach). PNEC consideration helps protect ecological species such as algae, crustaceans and fish.

Teva is an active member of the AMRIA Access Working Group and the Manufacturing Working Group. Through our participation in the Manufacturing Working Group, we helped establish the Manufacturing Discharge Standard (MDS) for antibiotics in 2022 and the establishment of British Standards Institution's Certification Program for the MDS in 2023. Teva is committed to meeting the AMRIA Manufacturing Discharge Standard at all sites that manufacture antibiotics.

In 2023, Teva also began assessing its Tier 1 antibiotics suppliers. Of approximately 20 suppliers that provided details of their antibiotic wastewater discharge management program, eight suppliers provided data indicating that they have systems in place to achieve the AMRIA manufacturing discharge standard. In 2024, we will continue to seek information from these suppliers to confirm they are meeting the AMRIA standard and assess the wastewater management status of our other Tier 1 antibiotic suppliers.

Priority Active Pharmaceutical Ingredients

We assess sites that manufacture priority APIs or final products that use priority APIs to determine discharge levels, with an API discharge target to have an RQ<1. We currently have RQ<1 for 9 of 13 sites that manufacture or use antibiotics priority APIs.

Teva also applies a PNEC for the API that has been developed following the generally accepted industry approach or the PNEC developed by a regulatory agency. For APIs that do not have a published PNEC, Teva works with environmental toxicologists to derive one following recognized industry and regulatory procedures. We also carefully assess receiving waterbodies and consider their profile to understand low-flow conditions and estimate the predicted environmental concentration of the API based on worst-case low-flow conditions following the "Responsible Manufacturing Effluent Management Technical Guidance Document" from the European Federation of Pharmaceutical Industries and Associations (EFPIA), Association of the European Self-Care Industry (AESGP) and Medicines for Europe (MfE).

Incidents of Noncompliance with Discharge Limits

In 2023, there were no incidents of wastewater effluent limits exceeded that resulted in fines or penalties.

Waste

GRI 306-1: Waste Generation and Significant Waste-Related Impacts

As a large manufacturer and supplier of pharmaceutical products, material inputs to our business include various raw materials required to produce drug substances and drug products, packaging materials and materials required for facility maintenance and operations. Outputs from production, research and distribution processes are predominantly the same materials in waste format, either processed or in their original format if unutilized.

GRI 306-2: Management of Significant Waste-Related Impacts

Teva's facilities are responsible for ensuring compliance with all required regulations and Teva's standards related to waste management, as required by our Environmental, Health and Safety Management System (EHSMS). Teva's EHSMS includes a waste minimization and management standard, which sets expectations for how our facilities and business handle and manage waste. This includes, but is not limited to, adopting a waste hierarchy by identifying opportunities to reduce, reuse, recycle, recover and safely dispose of residual waste, in addition to setting reduction goals to ensure waste is managed in accordance with Teva's minimum expectations. Waste data are provided from each of the assigned facilities to global Environmental, Health, Safety and Sustainability (EHS&S), where they are analyzed, consolidated and validated.

Standards also include contractual provisions for waste management vendors and details on how they are to be assessed. We are continuing efforts to increase the robustness of our waste vendor approval process to provide an additional level of oversight.

Teva's EHSMS also has specifications for research and development (R&D) activities and provides guidance for our R&D colleagues in employing green chemistry techniques during the development process. Our EHSMS specifies requirements for new operations and major modifications to evaluate opportunities to minimize the generation of waste.

Hazardous Waste

Teva expects all sites to comply with the various regulations around the world for labeling, storing, handling and transporting hazardous waste. Teva's EHSMS establishes standards and specifications for sites to minimize waste generated by operations, and many sites recycle organic solvents generated as waste from processes for reuse.

Packaging Waste

Teva has a global sustainability packaging program to reduce product packaging waste. For upstream benefits in our value chain, the program focuses on reducing weight and increasing recycled content of secondary packaging to lessen use of virgin materials and pressures on nonrenewable and stressed renewable resources and carbon emissions. Downstream, the program lowers carbon emissions associated with product transport and waste generated from end users of Teva products. Because primary packaging is highly regulated by drug regulatory agencies, we primarily focus on secondary packaging.

Take-Back Schemes

Teva supports medicine take-back programs that have been established across the world. Many of the take-back programs are managed by the commercial organization.

In the Netherlands, Teva Retourbox provides a collection box at pharmacies and hospitals for customers to drop off unused medicines. This program is managed by our commercial team out of the Haarlem site in collaboration with pharmacists, wholesalers, the Institute for Responsible Medication Use, Renewi and MediSchoon. Through this initiative, Teva is the first pharmaceutical company to offer pharmacies, hospitals and consumers practical support in drug waste collection. It is implemented in approximately 25% of all pharmacies. In 2023, one hospital placed Teva's Retourbox in out-patient traffic, increasing the program's reach.

Teva Canada is a member of Health Products Stewardship Association (HPSA), which operates free take-back programs to safely dispose of unwanted medications and used sharps in several Canadian provinces. Similar initiatives are ongoing in Spain through the SIGRE program, a nongovernmental organization (NGO) that supports medicine take-back efforts in Spain. In the US, Teva is a member of the Pharmaceutical Product Stewardship Working Group (PPWSG) that coordinates the pharmaceutical industry's efforts to respond to household pharmaceutical products and sharps take-back laws.

GRI 306-3: Waste Generated; GRI 306-4: Waste Diverted from Disposal

Waste by Composition, in Metric Tons									
Waste composition	2021			2022			2023		
	Waste generated	Waste diverted from disposal (recovery treatment types)	Waste directed to disposal (disposal treatment types)	Waste generated	Waste diverted from disposal (recovery treatment types)	Waste directed to disposal (disposal treatment types)	Waste generated	Waste diverted from disposal (recovery treatment types)	Waste directed to disposal (disposal treatment types)
Hazardous	87,055	30,521	56,535	68,593	26,578	42,014	61,552	20,131	41,421
Nonhazardous	63,649	27,705	35,944	42,601	22,411	20,191	44,835	24,182	20,653
Total	150,705	58,226	92,478	111,194	48,989	62,205	106,387	44,313	62,074
% diverted from disposal and disposed	–	39%	61%	–	44%	56%	–	42%	58%

GRI 306-5: Waste Directed to Disposal

Waste by Composition, in Metric Tons										
Units	2021			2022			2023			
	On-site	Off-site	Total	On-site	Off-site	Total	On-site	Off-site	Total	
<i>Waste diverted from disposal by recovery treatment types</i>										
Hazardous waste										
Preparation for reuse	Metric tons	–	71	71	–	2,080	2,080	–	88	88
Recycling	Metric tons	7,869	22,581	30,450	5,562	18,937	24,499	5,696	14,347	20,043
Total	Metric tons	7,869	22,652	30,521	5,562	21,017	26,579	5,696	14,435	20,131
Nonhazardous waste										
Preparation for reuse	Metric tons	47	1,083	1,130	231	1,023	1,254	37	2,243	2,281
Recycling	Metric tons	1	26,575	26,576	1	21,156	21,157	–	21,901	21,901

Total	Metric tons	48	27,658	27,705	232	22,179	22,411	37	24,144	24,182
Waste directed to disposal by treatment type										
Hazardous waste										
Incineration (with energy recovery)	Metric tons	-	3,630	3,630	-	4,213	4,213	-	4,133	4,133
Incineration (without energy recovery)	Metric tons	-	23,573	23,573	-	16,684	16,684	-	17,618	17,618
Landfilling	Metric tons	-	3,848	3,848	-	2,560	2,560	-	2,761	2,761
Other disposal operations	Metric tons	40	25,444	25,484	-	18,557	18,557	-	16,909	16,909
Total	Metric tons	40	56,495	56,535	-	42,014	42,014	-	41,421	41,421
Nonhazardous waste										
Incineration (with energy recovery)	Metric tons	-	5,534	5,534	-	5,505	5,505	-	6,218	6,218
Incineration (without energy recovery)	Metric tons	-	1,392	1,392	-	1,006	1,006	-	1,299	1,299
Landfilling	Metric tons	-	16,334	16,334	-	5,870	5,870	-	5,683	5,683
Other disposal operations	Metric tons	-	12,684	12,684	-	7,810	7,810	-	7,452	7,452
Total	Metric tons	-	35,944	35,944	-	20,191	20,191	-	20,652	20,652

Waste Intensity	2021	2022	2023
Nonhazardous total waste intensity (per revenue in millions of US \$)	4.01	2.85	2.82
Hazardous total waste intensity (per revenue in millions of US \$)	5.48	4.60	3.88
Total waste intensity (per revenue in millions of US \$)	9.49	7.45	6.70

Water

GRI 303-1: Interactions with Water as a Shared Resource

Access to clean and reliable water supplies is essential to Teva's continued business. By and large, water is withdrawn from third-party water suppliers, such as municipality-owned water networks. The remainder is sourced from on-site bore wells and surface water where available and permitted. Most of the water usage at our manufacturing facilities occurs during drug substance and product manufacturing, with a significant proportion of this usage associated with the utilities and auxiliary equipment needed to create the right production environments.

Teva's Environmental, Health and Safety Management System (EHSMS) includes a Water Conservation and Management Standard that outlines a strategic and systematic approach to promoting the efficient use and management of water. This standard involves various expectations, such as maintaining a water balance and creating plans to reduce and eliminate the unnecessary use of water.

GRI 303-3: Water Withdrawal

Water Withdrawal		2021		2022		2023	
	Units	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Surface water (Total)	ML	391	0	377	0	364	0
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML	391	0	377	0	364	0
Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML	0	0	0	0	0	0
Groundwater (Total)	ML	1,675	406	1,411	355	1,262	313
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML	1,460	364	1,206	327	1,106	288
Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML	215	42	205	28	156	25
Third-party water (Total)	ML	4,623	1,494	4,517	1,308	4,161	1,110
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML	4,623	1,494	4,517	1,308	4,161	1,110
Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML	0	0	0	0	0	0
Total third-party water withdrawal by withdrawal source across areas with water stress							
Surface water	ML		857		807		759
Groundwater	ML		373		266		142
Seawater	ML		264		234		209

Water withdrawal total	ML	6,689	1,900	6,305	1,663	5,788	1,423
Water withdrawal total among areas projected to be in water stress	ML		1,483		1,338		1,138

Note: Teva does not withdraw water from seawater. Figures are affected by rounding adjustments and slight discrepancies might be present between total values and the sum.

GRI 303-5: Water Consumption

Water Consumption		2021		2022		2023	
	Units	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Water consumption (with evaporated pond)	ML	1,509	759	1,394	686	1,264	612
Water consumption (without evaporated pond)	ML	1,636	759	1,541	833	1,401	749
Water intensity consumption (with evaporated pond)	ML/revenue (in billions of US \$)	95		93		80	
Water intensity consumption (without evaporated pond)	ML/revenue (in billions of US \$)	103		93		88	

Note: Figures are affected by rounding adjustments and slight discrepancies might be present between total values and the sum.

GRI 303-4: Water Discharge

Wastewater Discharge			2021		2022		2023	
	Units	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress	
Wastewater discharge by destination	Surface water	ML	1,661		1642		1,500	
	Groundwater	ML	350		240		210	
	Evaporation pond	ML	128		149		137	
	Seawater	ML	0		0		0.00	
	Third-party water (Total)	ML	3,040		2,880		2,677	
	Third-party water sent for use to other organizations	ML	2		1		0.00	
Wastewater discharge by freshwater and other water	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML	2,603	713	2,253	562	2,099	429
	Other water ($> 1,000$ mg/L Total Dissolved Solids)*	ML	2,576	428	2,658	416	2,425	382
Total wastewater discharge	Surface water + groundwater + seawater + third-party water + evaporation ponds	ML	5,180	1,141	4,911	977	4,524	811
Total wastewater discharge (excluding evaporation pond)		ML	5,051	1,141	4,762	830	4,387	674

Note: Figures are affected by rounding adjustments and slight discrepancies might be present between total values and the sum.

Product Stewardship

Substances of Concern

Teva's sites are surveyed to determine their registration status and to determine content of products with substances of very high concern (SVHC) under Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation. Priority substances are also defined by the regulatory authorities in the jurisdictions in which we operate. In alignment with the Globally Harmonized System (GHS), labels are created and updated appropriately for all Teva products. If required, safety data sheets disclose the presence of SVHCs or other hazardous substances.

In 2023, we developed a process to better assess suppliers and address REACH issues. We leverage EcoVadis assessments to understand suppliers' REACH performance.

Life Cycle Assessments

Due to Teva's large product portfolio and the resources needed to develop life cycle assessments, we conduct life cycle assessments only for key products. These assessments would typically be cradle to grave as to evaluate the upstream and downstream environmental impacts of materials used for the product as well as the final disposal of the product. We have completed two life cycle assessments so far on one of our migraine products and our inhaler portfolio.

Green Chemistry: Environmental Criteria in the Development of New Products

All process and product development, capital or technology transfer projects include an Environmental, Health, Safety & Sustainability (EHS&S) assessment to reduce negative impacts and ensure sustainable operations.

We seek opportunities to integrate sustainable concepts in all product development, including at the earliest stages. Using techniques outlined in our green chemistry guidance, we substitute hazardous substances used as source materials, design chemical processes that reduce waste and limit use of finite resources and employ processes that are more energy and resource efficient.

Other Environmental Topics

Teva's Environmental Management System

Teva's global Environmental, Health and Safety Management System (EHSMS) was developed in line with recognized international standards (e.g., ISO 14001) to support third-party certification. Our EHSMS includes an internal audit program that uses technical experts from within our global Environmental, Health, Safety and Sustainability (EHS&S) team to verify that expectations are met. Individual corporate Environmental, Health, Safety (EHS) standards that are a part of Teva's EHSMS are reviewed on a periodic cycle and updated as needed to address changes in EHS risk and to incorporate lessons learned. Sixty-seven percent of employees are located at sites that have had their EHSMS internally audited in the last three years. Ten of our manufacturing facilities hold either ISO 14001 or European Eco-Management and Audit Scheme (EMAS) certification. The sites that hold certifications at the end of 2023 include the following:

Site	Country	2023 Certification	Date of Certification (dd/mm/yy)	End of Certification (dd/mm/yy)
Dupnitsa	Bulgaria	ISO 14001	26/11/22	24/11/25, 25/11/25
Opava (TAPI & Pharma)	Czech Republic	ISO 14001	08/04/22	07/04/25
Gajraula	India	ISO 14001	13/03/23	20/02/26
Waterford	Ireland	ISO 14001	05/11/21	02/11/24
Krakow	Poland	ISO 45001	15/03/22	14/03/25
Harlow	United Kingdom	ISO 14001	17/05/23	16/05/26
Ridings Point	United Kingdom	ISO 14001	17/05/23	16/05/26
Munro	Argentina	ISO 14001	14/10/21	21/04/24
Ulm - Weiler (Ulm - Distribution)	Germany	ISO 14001, EMAS	06/10/23	08/10/26
Bulebel	Matla	ISO 14001	12/01/24	12/01/27

Additional EHSMS Effectiveness Assessment Key Performance Indicators	2021	2022	2023	2023 Target
Percentage of leadership engagement in the EHS process review	NA	NA	90%	95%
Percentage of on-time corrective and prevention actions closure	92%	96%	96%	95%
Percentage of noncritical global EHS&S audit findings	92%	95%	91%	90%
Environmental event rate (number of environmental events *200,000/number of employee hours worked)	0.07	0.05	0.04	NA
Regulatory nonconformities	92%	87%	94%	90%

Hazardous Materials

Transport of hazardous materials is handled on an operational level. Teva's internal standard for dangerous goods classification and transportation requires sites to establish programs for proper chemical classification and labeling of hazardous materials applicable under global frameworks and local law and regulations. Checklists for loading and unloading operations are developed on a site level but shared through regional and global meetings. The internal standard establishes requirements for employee training programs and for a legal registry to identify transport of hazardous material regulatory requirements.

Actions to Reduce the Potential for Local Pollution

Teva's EHSMS includes standards and specifications that apply to all sites to prevent spills and accidental releases and to properly manage and report events. All sites are required to prepare detailed response plans in the event of a spill or release of a hazardous material to minimize any impact. We require sites to promptly make required notifications to regulatory agencies and to the global EHS&S team. Global EHS&S supports the sites in situations when the spill or release has impacted or can potentially impact the environment. In these rare situations, Teva's EHSMS standards require the spill or release to be fully investigated (e.g., soil, groundwater sampling) to determine the actual impact and, if necessary, remediation to meet recognized regulatory standards.

Many jurisdictions where Teva sites are located have regulatory requirements to minimize noise and odor from operations to specific acceptable levels. In jurisdictions that do not establish limits on noise or odor, the EHS&S standard requires sites to identify potential EHS operating risks, including odor, noise, dust and particles, and if they present a meaningful risk to colleagues or the community, to control these appropriately.

Non-GHG Emissions

Teva's Emissions Management Standard requires our operating sites to inventory sources of non-GHG air pollutants, including volatile organic compounds (VOCs), halogenated compounds, NOx and SOx. Sites are required to identify all regulatory monitoring requirements related to each air emission source and incorporate requirements in compliance calendars. Sites report internally to global EHS&S, annual emissions of certain air pollutants, including halogenated and nonhalogenated VOCs, and ozone depleting substances to global EHS&S, and annual site comparisons identify opportunities to reduce pollutants. Sites are also required to conduct impact assessments for hazardous emissions to confirm they do not have an adverse impact on the environment and public health. Sites assess opportunities to reduce air emissions through combinations of administrative and engineering controls to further decrease risk. Based on these assessments, sites are required to assess the need for emission control equipment, which could for example include thermal oxidizers for VOC and halogenated compound control, scrubbers for acid gas and particulate control, adsorption systems for VOC control and biofilters.

Local Highlights in Healthy Planet

Sites and operating functions look for specific opportunities to reduce environmental impacts. Some local 2023 initiatives included:

- **Teva India** minimized the consumption of natural resources in producing four major products in Malanpur, leading to a 65,000L reduction in raw water consumption, a 75 metric ton reduction in steam consumption and a 2,200kWh reduction in power consumption. Teva's Gajraula site achieved an 11% reduction in water consumption compared to 2022 by reusing a reverse osmosis permeate for utility and enhancing steam condensate recovery by 5%.
- **Teva Croatia** increased its condensate return rate to achieve a reduction per year in freshwater usage of 625m³ in its boiler room—a 0.22% decrease in annual water consumption.
- **Teva Poland** saved water during cleaning processes, leading to savings in water and compressed air. Since their implementation, processes led to savings of approximately 47% of annual tap water consumption and reduced annual cleaning time by an average of 43%.
- **Teva UK** gained external certifications to ISO 50001 and ISO 14001, providing a robust framework for optimizing energy efficiency, reducing environmental risks and monitoring impact on the environment.

Healthy Business Disclosures

Ethics and Integrity

GRI 205-1: Operations Assessed for Risks Related to Corruption

Teva conducts a formal annual compliance risk assessment as part of its compliance monitoring program. We do this for 100% of business units having touchpoints with members of the external healthcare community and government officials, including Commercial Operations, Teva Global Operations (TGO) and R&D. Risk sources include regulatory guidance, policies, and requirements, new or changed legislation, internal and external audit reports, Office of Business Integrity hotline reporting, business monitoring analyses, advice from internal and external legal colleagues, results of employee and compliance surveys, and benchmarking data on risk and best practices supplied by external consulting firms. We continue to assess our risks, and make adjustments as needed, throughout the year. Teva uses monitoring results and our own business experiences and third-party interactions to determine risks and trends, advise business colleagues, recommend process improvements and remediations, and guide and develop subsequent risk assessments and monitoring plans.

Our highest risks for 2023 are described as follows:

Commercial	Teva Global Operations	R&D
Top 5 activity types with highest average risk ranges: (1) Political party contributions/lobbying, (2) Teva product discounts and rebates, (3) interactions with and use of third-party representatives, (4) market research, and (5) government and other public tenders	Top 5 activity types with highest average risk ranges: (1) Customs clearance and logistics, (2) destruction or scrap (of Teva product, samples, materials, and assets), and regulatory and customer interactions, including (3) direct, (4) third-party representatives, and (5) fee-for-service engagements	Top 5 activity types with highest average risk ranges: (1) Investigator-sponsored and/or initiated studies, (2) interactions with third-party representatives, (3) providing research grants, (4) use of non-promotional materials and responding to unsolicited, spontaneous off-label or preapproval product inquiries and questions, and (5) market research

GRI 205-2: Communication and Training About Anti-Corruption Policies and Procedures

Teva's Global Compliance and Ethics team communicates about compliance in many forums:

- At meetings with business colleagues, senior management, and the Board of Directors
- In local, regional, and global compliance committees
- In daily advice and guidance to Teva employees, contractors and colleagues in our normal course of business

In 2023, Teva's compliance training campaigns covered the following topics:

- Part 1: Deeper Look Into the Office of Business Integrity, Accurate Books and Records and Pharmacovigilance Annual Refresher Training
- Part 2: Trade Sanctions, Thoughtful Communications
- Part 3: Conflicts of Interest, Prevention of Corruption, Fair Competition

The percentages in the table below include results from above-mentioned compliance training campaigns:

Employees		2022		2023	
Global Compliance and Ethics Training Campaigns	Assigned #	Completed % *	Assigned #	Completed % *	
Part 1	30,653	99.62%	31,654	99.79%	
Part 2	32,371	99.57%	20,267	99.83%	
Part 3	20,611	99.41%	31,288	98.28%	

*Considers employees active at the time of the campaigns and at the end of the year. Note: Teva training goals for each campaign are 95% completion by the end of the campaign, and 100% by the end of the year (within -1% for those on leave); percentage calculated as average of all Our Way campaigns.

Coverage of Code of Conduct Training

	2021	2022	2023
Coverage (%)	100% of new employees	100% of employees	100% of new employees
Training With Digital Acknowledgment (%)	97.9%	99.6%	98.7%

Note: Teva targets 100% of active employees to recertify on the Code of Conduct every two years (within -1% for employees on leave). This last recertification occurred in Part 2 of the 2022 compliance training campaign. Code of Conduct training contains prevention of corruption policies as well as other relevant compliance topics.

Coverage of Prevention of Corruption and Bribery Policy

Prior to 2022, prevention of corruption recertification training occurred every three years. Starting in 2022, Teva began annual recertification on prevention of corruption as part of our "Our Way" training campaigns.

2022		2023	
Coverage (%)	Training With Digital Acknowledgment (number, % of assigned employees)	Coverage (%)	Training With Digital Acknowledgment (number, % of assigned employees)
100% of employees	20,611, * 99.41%	100% of employees	31,288**, 98.28%

*All employees assigned, except to shopfloor employees

** All employees assigned

GRI 205-3: Confirmed Incidents of Corruption and Actions Taken

Any confirmed reports cited have been resolved appropriately or continue to be investigated and remediated by the Company in a timely, proactive, and appropriate manner. See the Note at bottom of Table for additional context.

Office of Business Integrity	2021		2022		2023	
	Received	Substantiated	Received	Substantiated	Received	Substantiated
Business integrity (corruption, bribery, fraud)	43	12	72	22	91	15
Employee relations (bullying, harassment, discrimination)	82	26	109	35	139	26
Conflicts of interest (non-business integrity)	12	1	13	2	24	8
Money laundering or insider trading	0	0	0	0	1	0
Customer privacy data	0	0	0	0	2	0
Off-label promotion	2	1	0	0	0	0
Environment	1	0	0	0	0	0
Human rights	0	0	0	0	0	0
Other (e.g. quality, protection of property, information breaches)	42	8	66	14	79	13
Total	182	48	260	65	336	62
Percent confirmed		26%		25%		18%

Note: Minor adjustments to total number of cases by classification for previous years may occur as cases that are still open at the end of one year are not counted as confirmed until they are fully investigated and resolved; therefore, they may be closed in ensuing years. In addition, the investigation may have been opened under one classification (e.g., employee relations), but in the course of investigation, it was determined that the case was actually related to another classification (e.g., business integrity).

Approximately 18% of all reports made to the Office of Business Integrity (OBI) in 2023 were substantiated. Of substantiated cases, 100% resulted in one or more corrective actions, including:

- Terminations of employment (45% of the cases)
- Targeted coaching (37% of the cases)
- Disciplinary warnings (19% of the cases)

- Policy reviews (10% of the cases)
- Retraining of employees and/or contractors (5% of the cases)
- Vendor disengagements (2% of the cases)

Executive bonuses can be reduced for unethical or noncompliant behavior in applicable circumstances. Executives are subject to a compliance modifier for their compensation as described in our Proxy Statement, which states: “Strong individual goal performance by the CEO and other executives, as measured by the various components, is fully rewarded only if there are no substantial compliance events. Performance achievement of individual goals may be decreased by the supervisor or the company up to 100% if there is a confirmed substantial compliance event” that would warrant this action. In addition, Teva maintains claw back provisions to recoup cash compensation and equity-based incentives paid to executive officers based on erroneously prepared financial statements or other confirmed misconduct. The Chief Legal Officer has a formal key performance indicator regarding completion of required compliance training, and, as of 2024, so do all Executive Management.

GRI 2-27: Compliance With Laws and Regulations

	2021	2022	2023
Total monetary value of significant fines with environmental laws and/or regulations	\$1.4M* 0	0	

*Under appeal. See our [Quarterly Contingencies](#) for further detail. We did not have any fines as a result of legal proceedings associated with clinical trials, false marketing claims, corruption and bribery and social issues.

In addition, and with regard to other kinds of laws besides protecting the environment, for 2023 Teva had one (1) significant instance of non-compliance with applicable laws and regulations. On August 21, 2023, Teva USA entered into a three-year deferred prosecution agreement (DPA) with the United States Department of Justice which was related to compliance with anticompetition laws. Under the terms of the DPA, Teva USA: (i) admitted to noncompliance with the Sherman Antitrust Act by one of its employees in three instances between 2013 and 2015 involving pravastatin, clotrimazole, and tobramycin;; (ii) agreed to divest the pravastatin that it sells in the United States to a third-party buyer; (iii) agreed to donate \$50 million worth of clotrimazole and tobramycin to humanitarian organizations over five years; and (iv) agreed to pay a fine to the US Government in the amount of \$225 million over five years, with \$22.5 million due each year from 2024 through 2027, and \$135 million due in 2028.

For any complaints or allegations entailing government-initiated investigations or litigation, tracking is undertaken by the Teva legal department, and any such matters, and their resolutions, which are material are disclosed in our required quarterly (or other) securities filings. This information is available on [Teva’s Investor Relations page](#).

Compliance and Ethics Program

Teva has an established Global Compliance & Ethics (GC&E) program led by a Chief Compliance Officer (CCO) who has unrestricted access to Executive Management and the Board of Directors. The CCO leads a global team of approximately 75 Teva compliance professionals to partner with the business and legal team and to manage Teva's GC&E program throughout the organization. As reviewed by an external law firm in 2023, the GC&E program continues to operate in a timely, proactive and robust fashion, while aligning to standard elements of an effective compliance program as set forth by the Office of the Inspector General of the US Department of Justice. The following are specific measures used by the CCO and her team to support the overall program and deter non-compliance and reduce exposure to unethical opportunities by the company and its authorized representatives.

- **Compliance systems to manage risk**
 - A global activity approval system to submit, review, approve, and document high-risk company activities, including interactions with government officials and members of the healthcare community
 - A risk assessment and monitoring system to identify, evaluate, and monitor company activities
 - Data analytics for early identification of emerging company risks
- **Compliance and ethics in the supply chain**
 - Inclusion of Compliance & Ethics principles and expectations in Teva's Supplier Code of Conduct
 - Compliance requirements in procurement and finance systems to ensure Teva has evaluated third-party representatives (TPRs) before formally engaging with them and also provides any necessary training of the TPRs
 - Internal audit function to audit TPRs, as well as include compliance and ethics standards in internal audits
 - Inclusion of meaningful contract clauses regarding anti-bribery/anti-corruption, trade sanctions, and data privacy company expectations
 - Third-party trade sanctions screening using industry standard tools
 - Use of an industry standard data privacy platform to process and protect personal data of Company employees, contractors and those other external parties we do business with
- **Resources to support ethical conduct**
 - Due diligence guidance for business development, which addresses business development activities that include joint ventures (including sales and marketing), licensing counterparties, divestitures, acquisitions, partnerships and other alliance initiatives
 - A training dashboard to track compliance and ethics training across our company
 - Centralized policy repository and governance and OBI case studies developed for training and awareness purposes

Internal Audit Activities

Number of Audits and Operations Assessed per Year

Topic	Scope	2021	2022	2023
Compliance and financial controls (including anti-	<ul style="list-style-type: none"> • Audits and reviews of Teva's compliance and financial control environments, including data analytics reviews, which 	87 audits/reviews: 32 compliance and financial audits/reviews, 42 data	92 audits/reviews: 35 compliance and financial audits/reviews, 44 data	111 audits/reviews: 31 compliance and financial

corruption and anti-bribery)	<ul style="list-style-type: none"> provide additional coverage for some of the financial and compliance controls Third-Party Representatives (TPR) audits/reviews of the compliance environment and its control effectiveness regarding a unique TPR or a distributor of Teva 	analytics and 13 TPR audits/reviews; conducted in 88 sites/units in 58 countries	analytics, 12 TPRs audits/reviews and 1 advisory conducted in 48 countries	audits/reviews, 24 self-assessments, 46 data analytics, 10 TPRs audits/reviews conducted in 30 countries
Cybersecurity and privacy (IT aspects)	<ul style="list-style-type: none"> Audits and reviews of Teva's IT control environment focusing on cybersecurity risk; may include review of privacy aspects of Teva's systems 	34 audits/reviews conducted in 30 sites in 11 countries, 40 systems	28 audits/reviews conducted in 10 countries, 21 systems	33 audits/reviews conducted in 9 countries, 43 systems

Our Global Internal Audit (GIA) function is designed to enhance and protect organizational value by providing objective, risk-based assurance, advice and insight. With a systematic, disciplined approach, GIA evaluates and improves the effectiveness of governance, risk management and control processes. These activities include information gathering, review, analysis, evaluation, appraisal and testing for compliance and the adequacy of managerial systems and controls to mitigate risks. The audits, reviews, data analytics, countries, sites and units are selected for audit based on ongoing risk assessments, which include interviews with key stakeholders, meetings with executive management, fraud risk assessment, past years' audit results and benchmarks. In addition, ad hoc audits and reviews are performed based on identified emerging risks or management requests. As a result of the audit/review, GIA reports on observations and recommend improvements. The annual audit plan is focused on compliance (anti-bribery/anti-corruption), finance (financial control and books and records) and IT (cyber and information security and IT governance). In 2023, GIA also performed an audit on Sustainability matters, including selected KPIs and the associated governance processes, systems, controls and management.

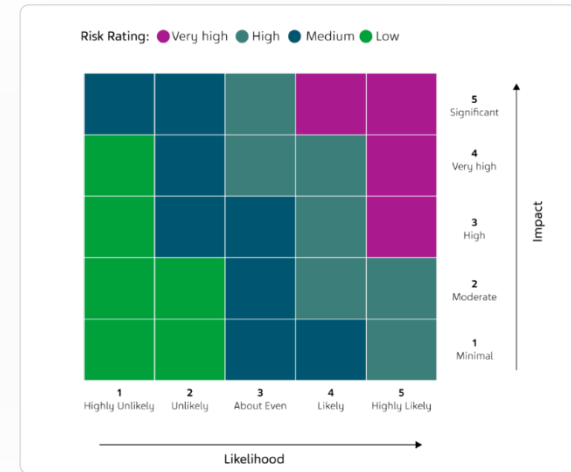
Teva's internal audit practices are designed to be consistent with elements of the Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF), including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing and the Definition of Internal Auditing.

According to Teva's Articles of Association, the organizational superiors of the Chief Internal Auditor are the CEO jointly with the Chairman of the Board of Directors. The Chief Internal Auditor also reports to the Chairman of the Audit Committee. The Internal Audit Department is objective and free from any and all conditions that might threaten the ability of its internal auditors to carry out their responsibilities in an unbiased, professional and independent manner, including matters of audit selection, scope, procedures, frequency, timing and report content. GIA's auditors are free to review and appraise any policies, plans, procedures and transactions.

The Chief Internal Auditor confirms to the Audit Committee, annually, the organizational independence of the Internal Audit activity. The internal audit team consists of professional and expert auditors in finance, compliance and IT. In addition, the team includes experts in accounting, data analytics, cyber, fraud risk, investigation and risk management.

Risk Management

All Teva top risks are plotted in a matrix of likelihood and impact. The tables below set out the top three risks in focus and two emerging risks from our 2023 risk assessment.



Risk Rating	Top 3 risks in Focus	Context	Action	Risk Trend
●	<p>Macroeconomics Developments Global economic conditions (Inflation, increasing interest rates & currency volatility) may negatively affect us and magnify certain risks that affect our business</p>	<p>In recent years, the global economy has been impacted by fluctuating foreign exchange rates. Approximately 47% of our revenues are denominated in currencies other than the US dollar and we manufacture our products largely outside of the United States. Fluctuations in the US dollar versus other currencies in which we operate may materially impact our revenues, results of operations, profits and cash flows. Additionally, high levels of inflation have recently resulted in significant economic volatility and monetary tightening by central banks through increasing interest rates.</p>	<p>We have implemented certain measures in response to macroeconomic pressures and are continually considering various initiatives, including price adjustments where we are not restricted contractually or regulatorily, enhanced inventory management, alternative sourcing strategies for our raw material supply and backup production plans for key products, to allow us to partially mitigate and offset the impact of these macroeconomic factors.</p>	↔
●	<p>Major Cyber Incident Cyber security breaches could adversely affect our business and reputation</p>	<p>Our business processes rely on intricate and interconnected IT systems. We recognize the potential impact of cyberattacks, which could result in critical system unavailability, disrupting our operations and compromising sensitive information.</p>	<p>We maintain an ISO 27001-based information protection system, employing harmonized security controls based on international standards. We are constantly strengthening our cyber defenses and resilience, modernizing IT infrastructure and expanding employee training.</p>	↔

IT Disruptions and Vulnerabilities
 Significant disruptions of our information technology systems could adversely affect our business

Teva has a diverse range of IT systems, platforms and applications. Failure of a critical system could lead to disruptions in day-to-day operations. Aging systems may contribute to cyber risk.

We are modernizing our IT infrastructure and systems, implementing strategic applications for efficiency and aligning hardware and operating systems upgrades based on infrastructure health checks.
 We are also decommissioning systems for improved solutions and technological advancement.



Risk Rating: ● Very high ● High ● Medium ● Low

Risk Trend: ↔ No change expected ↑ Risk expected to increase

Emerging Risks	Context	Risk Trend
Geo-political escalations	Our operation may be adversely affected by political, major hostilities or acts of terrorism, which exposes us to risks and challenges associated with conducting business internationally (China-Taiwan tension, Russia-Ukraine war, state of war in Israel, Houthis red sea attacks).	↑
Potential effect of Inflation Reduction Act	There is uncertainty about how new legislation in US will impact the value of our Portfolio and pipeline (pricing penalties and Medicare redesign). As the IRA was only recently enacted, we cannot accurately predict the impact it will have on the profitability of our products or our research and development initiatives.	↑

Quality Manufacturing

SASB HC-BP-250a.3: Number of Recalls Issued; Total Units Recalled

	2022	2023
US-FDA recalls		
Number of Class I recalls	2	0
Number of Class II recalls	8	3
Number of Class III recalls	3	3
Total US recalls	13	6
Number of recalls in non-US markets	43	37
Total recalls (US and non-US)	56	43
Total batches subject to a recall	350	265

Note: Teva has not been requested or mandated to take recall action in the US; all US recalls were initiated voluntarily. 92% of non-US recalls were initiated voluntarily and 8% were mandated by HA market withdrawal. No notable recalls such as those that affected a significant number of units of one product or those related to serious injury or fatality occurred in 2023.

SASB HC-BP-250a.5: Number of US FDA Enforcement Actions Taken in Response to Violations of Current Good Manufacturing Practices (cGMP), by Type

	2021	2022	2023
Number of regulatory agency inspections*	56	81	75
Number of Form 483 observations (or equivalent)	193	199	181**
Number of FDA warning letters (or equivalent)	0	0	0
Number of seizures	-	0	0
Number of consent decrees	-	0	0

*There were no critical inspection observations.

**Reported by the sites as of January 25th, 2024.

Quality Management

Every day, people around the world rely on Teva to provide high quality medicines and treatments. Teva is committed to quality and implements a comprehensive set of global quality policies to assure our products meet or exceed all applicable regulatory requirements. To achieve this, Teva has a Quality Management System (QMS), which includes global quality policies, guidelines and standards that provide the tools to ensure the quality, safety and efficacy of products in line with the requirements of multi-national healthcare regulations. Teva regularly reviews, refines and continuously improves its QMS, to systematically monitor product quality, analyze trends and promptly respond to evolving site, business and company performance indicators. Teva's senior management has the ultimate responsibility to ensure an effective Quality Management System is in place and is operating effectively to achieve quality objectives. Management controls provide strong and visible support for the QMS and ensure that performance indicators, which measure quality objectives, are monitored and managed. This enables us to continuously meet the needs of our patients and customers and to remain current with industry guidance and expectations.

The Quality organization is structured to ensure its necessary independence, objectivity and authority to perform its functions effectively and in compliance with legal and regulatory requirements. Teva uses laboratories with a broad set of analytical expertise, equipment and methodologies. Teva's testing capability is inclusive over the full product life cycle. For medical devices, Teva does engage accredited entities to evaluate/certify the related aspect of its QMS for ISO-13485, as required.

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

Teva's certification program is also used to qualify vendors of Good Practice (GxP) of goods and services, which can include contract manufacturers, packagers, finished raw material suppliers, finished active pharmaceutical ingredient (API) suppliers, finished materials and components for suppliers, warehouses and distribution centers. These suppliers and service providers are evaluated by multiple factors, such as a completed vendor questionnaire, acceptable standing with local regulator(s), material performance and analytical test results, as well as Teva GxP audit outcomes that also include evaluation of suppliers' vendor qualification programs.

Teva is an active member of the Rx-360 International Pharmaceutical Supply Chain Consortium. Most of our audits related to integrity of supply chain and ingredients are performed by Teva Global Quality Audit (GQA). We also utilize the Rx-360 International Pharmaceutical Supply Chain Consortium audit program for supply chain and ingredients. Teva GQA group performed 36 internal audits in Teva's manufacturing operations in 2023, which represents approximately 65% of Teva's manufacturing facilities. Every three years, we audit 100% of our facilities. Teva GQA group audited 890 suppliers in 2023. Additionally, GQA procures audits performed by Rx-360 through upcoming GxP audits or library audit reports of Teva vendors. If a Teva Tier 1 vendor is available in the Rx-360 library, Teva evaluates whether to procure the audit report or perform the vendor audit with Teva resources. Approximately 1% of Teva vendor audits (~10 reports) are procured through Rx-360 annually.

We investigate each product quality issue by utilizing root cause analysis tools, and corrective and preventive actions are identified, implemented and monitored for effectiveness. Based on the outcome, we work with local health authorities, including sharing the root cause investigation, discussing the risk to the patient and the decision to take market action or not based on patient risks and benefits as well as regulatory requirements. Teva management advocates for continuous improvement and the importance of meeting patient and regulatory requirements.

SASB HC-BP-260a.3: Number of Actions That Led to Raids, Seizure, Arrests and/or Filing of Criminal Charges Related to Counterfeit Products

Number of Actions Related to Counterfeit Products According to Teva's Role	2021	2022	2023
Provision of information or evidence that led to raids or arrests of counterfeiters or the seizure of counterfeit products	9	5	20
The filing of criminal charges against counterfeiters	1	2	3
Other (e.g., provision of information in response to official law enforcement or other authorities' inquiries)	9	6	10
Total	19	13	33

Relevant authorities and agencies included in 2023 include various groups, including Ukraine Health Authorities, Homeland Security in the US and the US FDA. Actions with these authorities included supporting police investigations.

In 2023, some online monitoring activities led to test purchases, market surveys and field investigations. These investigations led to the raids by the local authorities and law enforcement of stores, warehouses and workshops in Turkey and China that were selling, distributing or producing counterfeit medicines. In both countries, counterfeit medicines were seized, suspects were arrested and sentenced. In addition to the day-to-day collaboration with the national health authorities, Teva also interacted with and supported various other authorities and law enforcement agencies more than 35 times.

Counterfeit Medicines

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

- For the EU, the unique identifier is validated at the point of dispense to ensure the product is not counterfeit. The validation occurs against the National Medicines Verification database that receives the data from the European Medicines Verification Organization that received the data from Teva.
- For Russia, upon import, the product is aggregated, creating a parent/child relationship of the unique identifiers. The aggregate relationship is used to trace the drug product through the supply chain. Each movement of the product is reported to the Russia government database. Upon dispense, the identifier is validated against the cryptographic data and the government database.

For the US, unique identifiers can currently be validated against the Teva database by trading partners if the product is suspected as falsified. US market supply is preparing for implementation of aggregation in 2023.

SASB HC-BP-260a.2: Discussion of Process for Alerting Customers and Business Partners of Potential or Known Risks Associated with Counterfeit Products

Teva is committed to combatting counterfeit medicines through a multipronged approach, which includes securing the supply chain, detecting and rapidly responding to counterfeit activity and raising public and stakeholder awareness of the dangers of counterfeit medicines. Teva's anti-counterfeiting internal policy mandates the establishment of a Global Anti-Counterfeiting Oversight Committee, which meets quarterly to review anti-counterfeit controls, counterfeit-related risks and mitigation

plans. Teva's Global Quality Operations team coordinates with the Oversight Committee on preparing for and managing counterfeiting threats. In response to confirmed counterfeit medicine incidents, Teva has established a Counterfeit Event Response Team to coordinate and document all activities. The team includes representation from Global Security, Quality Assurance (QA), Legal, Supply Chain, Operations, Communications and Marketing.

The QA unit quarantines any suspect or illegitimate product within Teva's possession or control until it is cleared or removed from the supply chain. In this case, appropriate health or regulatory authority is notified according to required directive or regulation. All immediate trading partners that may have received illegitimate product are also notified. Teva takes reasonable and appropriate steps to assist trading partners in removing illegitimate products not in Teva's possession or control.

Sustainable Procurement

Significant Suppliers

Type of Supplier	2022		2023	
	Absolute Number of Suppliers	Share of Total Spend (%)	Absolute Number of Suppliers	Share of Total Spend (%)
Total tier 1 suppliers	40,000	100%	44,971	100%
Significant tier 1 suppliers	522*	23%	724**	43%
Screened suppliers' sites for ESG risks in Environmental Impact Quotient (EiQ)	3,500		5,446	

*Significant suppliers, previously called Critical Suppliers in 2022, are high spend, sole/single source, strategic or who pose a significant supply disruption risk for Teva.

**In 2023, we implemented a new definition of significant supplier, which includes suppliers whose commitment to sustainability and regulatory adherence is pivotal in advancing Teva's strategic sustainability goals, encompassing Climate Action and Resilience, Management of Pharmaceuticals in the Environment, and the Advancement of Sustainable Procurement practices.

GRI 308-2: Negative Environmental Impacts in the Supply Chain and Actions Taken; GRI 414-2: Negative Social Impacts in the Supply Chain and Actions Taken

Supplier Assessment	2023
Number/percentage of significant suppliers assessed in EcoVadis or on-site assessments	Annual (2023): 78 (11%)
Number/percentage of significant suppliers assessed in EcoVadis*	2023 – 74 (10%) Valid assessment**: 436 (60%)
Number/percentage of significant suppliers identified as having significant actual and potential negative ESG impacts (≤45 points) in one or more of the four themes evaluated by EcoVadis in 2023***	23 (31%)

Number/percentage of significant suppliers identified as having significant actual and potential negative environmental impacts (<45 points in the Environmental EcoVadis theme) in 2023***	9 (12%)
Number/percentage of significant suppliers identified as having significant actual and potential negative social impacts (<45 points in the Labor and Human Rights in Ecovadis theme) in 2023***	4 (5%)
Number/percentage of significant suppliers with valid assessment that improved ESG performance in 2023 compared to the previous EcoVadis assessment ***	135 (31%)
Number of suppliers screened using the Request for Quotation risk questionnaire****	1,178
Relationships terminated due to environmental violation or Human Rights Assessments and Verifications Service (HURi)	0 due to environmental violation 1 due to HURi violation

Note: In 2023, Teva changed the criteria of suppliers covered under the Assessments.

*Percentages are calculated from total of 724 significant suppliers.

**Teva's definition for valid assessment: <50pts score is valid for 12 months (annual re-assessment), ≥50pts score is valid for 24 months (biannual re-assessment)

***Percentage calculated against 436 valid assessments.

****Includes suppliers that participated in the request for proposal process, that acknowledge Teva's Supplier Code of Conduct (SCOC) and completed Teva's sustainability risk questionnaire.

Supplier Code of Conduct	2022*	2023
Percentage of suppliers that received communication regarding supply chain codes of conduct**	96%	97%
Percentage of targeted suppliers with contracts that include clauses on environmental, labor and human rights requirements	96%***	97%***

*2022 numbers are restated to enhance accuracy.

**All suppliers that receive Purchase Orders, have contracts and participate in RFPs receive communication regarding Teva's SCOC. The value was estimated based on the percentage of invoice spend with a purchase order (PO) in place, as per the PO Requirement & Payment Match Procedure.

***All Teva template contracts include the SCOC clauses, which make reference to Teva's policies and positions on environmental, labor, human rights requirements, ethics and management systems. Figures include excluded spend that may not be included in purchase orders or contracts.

Sustainable Procurement Practices	2022	2023
Percentage of General Procurement sourcing managers across all locations (per applicable categories and countries) who have received self-training materials on sustainable procurement	100% of GP employees received the newly implemented GP Handbook, covering Teva's entire ESG program and its targets.	100% of GP employees received the updated GP Handbook, covering the entire ESG program and its targets, including Human Rights and regulation.
Number of suppliers audited (Human Rights, Labor and Environment Audits - PSCI audits)*	4**	4

Number/percentage of significant suppliers for which Teva provided training regarding supply chain code of conduct, sustainability and human rights

143 (27%) significant suppliers attended Teva's 2022 Supplier Webinar.

134 (18.5%) of significant suppliers participated in Teva's annual Supplier webinar in 2023. The webinar discussed Teva's Supplier Code of Conduct, scope 3 climate efforts, sustainability and human rights. The webinar was held across four sessions, with material being made available in Teva's supplier portal.

*EHS, Labor, Human Rights & Ethics site audits conducted by a third-party auditor in alignment with Pharmaceutical Supply Chain Initiative methodology.

**Number was reviewed.

Climate Action in Our Supply Chain	2022	2023
Percentage of significant suppliers*** with either commitment to set or approved SBTi targets	Out of 522 suppliers, 84 (16%) of significant suppliers with a commitment to set or approve SBTi targets, 42 (8%) of them started engagement in 2022	Out of 724 suppliers in the revised list, 270 (37%) of significant suppliers with a commitment to set or approve SBTi targets, 83 (11%) of them started engagement in 2023
Number of significant suppliers*** registered to Energize program	54	113
Number/percent of significant suppliers that submitted the Climate Disclosures Project supply chain questionnaire	-	172 (24%)

*Significant suppliers (which in 2022 were called critical suppliers) include ones in which a supply disruption would have a material negative impact on Teva business. A critical supplier fulfills one or more of the following criteria: high spend supplier, sole/single source supplier, as well suppliers identified as critical by General Procurement.

Supplier Assessments

Global procurement embeds ESG criteria in sourcing activities, including supplier selection, contracting processes and performance management. Since 2022, we require all suppliers who participate in requests for proposals through our global procurement sourcing platform (Ariba) to answer our risk and sustainability questionnaire. The questionnaire is an initial assessment on topics related to sustainability performance, GHG emissions and compliance with the AMR Industry Alliance Common Antibiotic Manufacturing Framework. Global procurement also screens suppliers through EiQ and engages suppliers in sustainability assessments conducted by EcoVadis, CDP and PSCI for audits. The EiQ tool assesses targeted suppliers based on their business relevance and regulatory requirements on various ESG topics, as well as evaluates human rights and environmental risks based on industry, product procured and geographical location.

For significant suppliers and/or suppliers that present high risk and for which we are highly influential (see more in the [Human Rights section](#)), we use several assessment tools, including:

- **Self-assessment:** Teva uses EcoVadis to assess the ESG performance of its supplier and to benchmark them against industry peers. EcoVadis is a leading provider of business sustainability ratings, intelligence and collaborative performance improvement tools for global supply chains. EcoVadis assessments include evaluation of REACH, labor and human rights, ethics, child/forced labor, sustainable procurement, conflict minerals, toxic emissions and more. This assessment is comprised of desk assessments with systematic verification of evidence and methodologies of a recognized industry or multi-stakeholder initiative. All suppliers

who achieve EcoVadis ratings under 45 points automatically receive a request on Teva's behalf for improvement through the implementation of corrective actions for high and medium risk areas identified (GRI 2-25). Teva shares its EcoVadis rating with suppliers, customers and other stakeholders.

- Third-party independent audits: Supplier on-site assessments verify compliance with our Supplier Code of Conduct and identify potential risks and gaps in sustainability performance. Third-party independent audit firms, approved by Pharmaceutical Supply Chain Initiative (PSCI), conduct on-site assessments on Teva's behalf against the PSCI audit protocols. PSCI audits cover sustainability topics, such as Management Systems, Ethics (e.g., business integrity and fair competition, privacy, animal welfare), Human Rights and Labor (e.g., freely chosen labor, wages, benefits, working hours), Health and Safety (e.g., policy, procedures, practices, worker protection, process safety), Environment (e.g., energy consumption, GHG emissions, water consumption, waste management) and company-specific questions. Four third-party PSCI audits were conducted in 2023 in high-risk suppliers. Audit reports reflect findings and recommendations, and Teva expects suppliers to implement corrective action plans to address non-conformities or improvement opportunities identified within a reasonable timeframe.

Conflict Minerals

Type of Supplier	2022	2023
Percentage of suppliers assessed by EcoVadis for which information regarding conflict minerals is available	12%	14%
Number of suppliers mapped for conflict minerals disclosure*	9	N/A
Number of suppliers surveyed for conflict minerals disclosure*	3	N/A

*Reporting from previous fiscal year

**2023 figures to be reported in 2024

Teva's suppliers align with the [Conflict Minerals Policy Statement](#) and implement appropriate measures to determine whether they are using any 3TG (tin, tungsten, tantalum and gold) minerals that originate from conflict regions. We conduct in-depth reviews of our supply chain and survey suppliers determined to be most likely to use or source 3TG based on the nature and prior relationship.

Suppliers are responsible for responding to queries about the use and origin of any 3TG minerals and for continually providing updates on the conflict status. This questionnaire uses the template developed by the Electronic Industry Citizenship Coalition® and The Global e-Sustainability Initiative, known as the Conflict Minerals Reporting Template. The Template was developed to facilitate disclosure and communication of information regarding smelters that provide material to a company's supply chain. It includes questions regarding a company's conflict-free policy and engagement with direct suppliers and the smelters the company and its suppliers use. In addition, the template contains questions about the origin of 3TG included in products, as well as supplier due diligence. In case our direct suppliers submit incomplete information or information that raises concern in their templates, we engage with them to investigate and uncover the complete information. Teva expects suppliers to update on any change to their conflict status. If any supplier uses conflict minerals, Teva works with them to ensure the minerals are certified as conflict free or to find alternate sourcing. For the 2022 fiscal year, we surveyed three suppliers.

Data Privacy

Data Privacy Management

Our data privacy program includes a Global Privacy Officer and dedicated team of privacy professionals reporting to the Chief Compliance Officer, as well as a global, cross-functional Privacy Steering Committee and external and internal privacy lawyers. We are focused on implementing our global privacy policy, incident/breach reporting policy, individual rights policy, and privacy user guide.

Teva's privacy governance oversees, and our global privacy program, manage the company's data privacy principles that include compliance with the General Data Protection Regulation's (GDPR) principles and requirements, including with respect to data incident, breach reporting, and individual rights (data subject rights). The global privacy program uses the GDPR as a baseline global standard for collecting and processing personal data, with regional and local adjustments as legally required. Teva's Regional EU Privacy Compliance Officer works to help ensure compliance with the GDPR across Europe, including compliance with any EU countries' data privacy legislation that derives from and complements the GDPR.

Teva's global privacy team, European privacy legal counsel, local compliance officers, local legal departments, and country-level data privacy committees provide targeted privacy advice, training, monitoring, and remediation at local, regional and global levels, and assess projects that involve personal data.

Using our OneTrust privacy platform, we track the company's use of personal data. We assign data privacy training to new employees and conduct periodic data privacy refresher training. For example, the [Our Way Training Campaign](#) Part 3 in 2023 (page 54) contained a privacy training module, and another training campaign is scheduled for 2024. In addition, the regional privacy compliance officers and legal department conduct ad hoc data privacy trainings for various business units.

Cybersecurity and Information Security

Number of Information Security Breaches

	2020	2021	2022	2023
Total number of information security breaches	0	0	0	0
Total number of cybersecurity incidents*	193	190	1,000	1,200
Total amount of fines/penalties paid in relation to information security breaches or other cybersecurity incidents	0	0	0	0

Note: The maximum insurance coverage of Teva's information security breaches or other cybersecurity incidents is \$100-500 million.

*It includes different levels of cybersecurity internal cases.

The Information Technology Security Evaluation Criteria (ITSEC) team is responsible for monitoring, overseeing and verifying information technology (IT) security compliance on a regular basis. Teva's Internal Audit function also periodically audits the cybersecurity department and systems according to their classifications and criticality. The Monthly Steering Committee and Audit Committee both report to the executive management team quarterly or monthly (depending on the case).

We have more than 30 approved information security policies and standards internally available to all employees to protect us against threats to data confidentiality, integrity and availability. In addition, all employees participate in cybersecurity trainings, monthly phishing tests and internal drills. We conduct multiple assessments of our data security processes, and we manage the findings, timeliness and mitigation processes through our central risk management system. Our IT infrastructure and information security management systems have been audited by external auditors in the last fiscal year.

A clear escalation process is in place, enabling employees to follow the plan if they notice something suspicious. In the event an employee notices something suspicious, Teva's Incident Report policy requires employees to contact IT Security, which is known to all Teva employees and included in the online training system. Information security/cybersecurity is part of employee performance evaluations (e.g., disciplinary actions), but in 2023, no such incidents were recorded, and no disciplinary action was taken against Teva employees.

To prevent IT system interruptions and cyberattacks, the Cyber Incident Response procedure is executed by external and internal teams. All Teva IT infrastructure is certified by ISO 27001, the international standard for information security management. To assure the security of Teva's IT infrastructure/information security management systems, we established a new liaison forum that supports different business units in their project life cycles, as well as a breach and attack simulation (BAS) platform to identify gaps, remediate misconfigurations and optimize performance against a rapidly increasing threat landscape. This allows us to test the effectiveness and conduct continuous validation of our security controls and identify potential vulnerabilities.

Our global security operations center (GSOC) is available 24 hours, seven days a week to respond to security-related incidents, and we monitor and respond to any potential cybersecurity incidents using advanced tools, such as endpoint detection and response (EDR) and extended EDR (XDR).

Innovation

Manufacturing Efficiencies

As part of Teva's strategy development process, we reviewed our manufacturing strategy in 2019. Based on the outcomes, Teva Global Operations (TGO) launched the Transformation Program in February 2020. The Transformation Program is designed to improve our gross margin income, reduce costs and increase efficiency within four years (2020-2023). The program is designed around five levers that align with various areas of our sustainability strategy:

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

The program is on track and has improved the way Teva operates internally and with external partners. Under the Operational, Quality and EHS&S lever, we established in 2021 a Modernization Task Force, which has established a process innovation pilot to implement digital solutions across our manufacturing network. As part of the pilot, we focus on digital solutions in participating sites:

1. Digital performance management: Enable site-wide performance conversations by leveraging real-time data from machines and other sources
2. Data-based yield improvement: Improve yield of key productions and processes by building and operationalizing advanced analytic (AA) models using real-time and historical data
3. Digital deviation management: Automate deviation investigation and identify recurring patterns by deploying AA models on historical deviations data
4. Quality control (QC) scheduling optimization: Improve labor and asset efficiency in production and QC lab through AA
5. Electronic batch records (EBR): Digitally document all pertinent batch data (e.g., date, ingredient, equipment, inspections and personnel)
6. Augmented reality for change-over (AR/VR) technology to digitally assist change-over, including cleaning, setup, line clearance
7. Optimizations, and raw material (RAMAN) identity testing to digitally assist testing through opaque and transparent containers

In 2024, all pilots will go live at our Opava, Czech Republic site, with the exception of QC scheduling optimization, which will be tested at our Cincinnati, USA site. We expect solutions to result in cost reduction in production, increased efficiency and increased quality across our operations.

Emerging Technologies

Emerging technologies used in discovery relate to genetic engineering and use of stem cells. Genetic engineering is only conducted on somatic cell lines and non-human germline cells (e.g., transgenic mice). Hemopoietic stem cells (from a commercial source, derived from blood or umbilical cord) are used to generate specific blood cell types to test safety and efficacy of candidate therapeutics. Human Embryonic Kidney (HEK293) cell line is used for making proteins. Stem cells are limited to their use as primary human material. Their use is approved and regulated by the Internal Biosafety Committee, which is responsible for ensuring that staff adhere to:

- Safety in the laboratory Part 3: Microbiology standard set by the Office of the Gene Technology Regulator
- Teva's Biorisk Management Requirements
- National Statement on Ethical Conduct in Human Research, which provides specific considerations for human embryos, gametes and fetal tissues

We conduct extensive induction and ongoing training for all staff who work with the generation and use of genetically modified organisms (GMOs) in accordance with requirements from the Office of the Gene Technology Regulator (Australia). Both Teva's Biosafety Manual and the online training completed every two years (based on the biosafety manual) outline the procedures and regulations associated with GMOs. This includes the responsibility of reporting and maintaining records surrounding the assessment of GMOs. The GMO training provided to staff covers all activities relating to responsibilities for activities undertaken by a third-party on Teva's behalf.

Animal Welfare

We use animals, when required by regulation, for scientific-based decisions. Only studies with satisfactory rationale that comply with animal welfare requirements, including the 3R principles (Replacement, Reduction and Refinement), can be approved. Our management structure follows what is defined by the "Guide for the Care and Use of Laboratory Animals."

We follow best practice standards and national regulations related to animal welfare and conduct of animal studies. We have veterinarian control, and all relevant employees and internal researchers are trained and approved according to national regulations. The Workplace Animal Welfare Committee supervises compliance with animal studies (internal or external) and animal welfare is addressed in both husbandry and during the studies. During all tests, the person responsible for the test checks that they are carried out professionally and all animal ethics requirements are met. External national authority audits are also performed by the relevant national council and the national veterinarian that monitors our facility on an ongoing basis.

We commit to refine any pain and/or suffering of animals in our studies, and the ethical committee ensures the use of analgesia (pain relief), proper handling and maintenance. If an animal suffers adverse effects during a test, they are immediately removed to eliminate further exposure. Early termination criteria must be defined in every study to avoid pain and suffering of animals.

All unexpected events during animal husbandry or animal experiments are reported to the veterinarian, who escalates to the authority in all significant cases. We submit semiannual and annual reports on the use of laboratory animals to the authority and quarterly veterinarian reports of clinical monitoring, protocol compliance, animal housing and environment.

During studies, Teva works with vendors and collaborators in countries and regions with strictly enforced regulation on the use of animals in research and requires vendors to comply in full.

Feed Supply

Animal diet in all Teva facilities is nutritionally adequate, uncontaminated and sterilized, and commercially provided daily based on requirements. This diet consists of a fixed formula of irradiated diet manufactured with high-quality ingredients designed to support gestation and lactation, and to support growth of immature animals and maintenance of body weight. Diet and water are analyzed at least every three months for microbial colonies.

Actions to Minimize Use of Biocides and Antibiotics

Lab animals used in facilities are specific pathogen free, ordered from an authorized breeding center and housed in individually ventilated cages. A sentinel health monitoring program is conducted in facilities to assess the microbial exposure of animals. We also establish animal care programs that include environmental enrichment. To prevent antibiotic use, we implement cleaning of animal house and equipment, a process that defines roles, responsibilities, methodology and periodicity for cleaning different laboratories areas and equipment. We do not use disinfectants, anti-fouling agents or pesticides of any kind on lab animals. When needed, we use antibiotics for operation and for some invasive procedures where there is potential for infections to occur, as well as local disinfectants for preparation of invasive operations and procedures, including iodine and chlorhexidine. To prevent antibiotic use, we implement cleaning of animal house and equipment, a process that defines roles, responsibilities, methodology and periodicity for cleaning different laboratory areas and equipment.

Substitution to Animal Testing

We use a minimal number of animals to achieve meaningful results. Whenever possible, we force the use of alternative methods such as in vitro, ex vivo, organ on a chip and in silico; animal testing and animal studies are performed only when there is no alternative procedure to assess study objectives. We are investing many efforts to develop new and innovative methods for alternatives by expanding our departments of in vitro and in silico testing. Some of the used alternative assays include:

- In vitro skin irritation tested in keratinocytes monolayer and skin explants
- Genotoxicity assay-ames and micronucleus
- Biochemical selectivity assay
- Enzyme and receptor binding
- Liver microsomes-metabolic stability and induction of cyp450 activity
- Primary neuronal and glia culture for assessing neuroprotectivity
- Cell lines for gene expression
- Brain-derived neurotrophic factor secretion and other physiological effects on cells
- Chondrocytes from Osteoarthritis human patients grown in 3D cultures to test drug effect on inflammatory markers
- Human mast cells to compare effectiveness of two compounds anti histaminic effect without the need to compare in vivo

Formal Partnerships

Teva enhances expertise in lab animal practice and animal rights and welfare through internal and external knowledge-sharing, including presentations with partners and collaboration with professional, industrial and academic entities.

Teva engages with animal welfare organizations to seek advice on animal welfare and assure optimal conditions for animals used in research processes. Our researchers and ethical committee members are members in the Israeli Laboratory Animal Forum (ILFAF), an affiliate member of the Federation of European Laboratory Animal Science Associations (FELASA), established to advance laboratory animal medicine in Israel and provide opportunities for collaboration. Our Head of Nonclinical Safety is also an active participant in the 3Rs Translational and Predictive Sciences Leadership Group and the Two Species ICH M3 project, held by [IQ Consortium](#), and pursues cross-company consortia dedicated to animal welfare and promotion of the 3Rs.

Responsible Lobbying

GRI 415-1: US Political Contributions

	2021	2022	2023
Lobbying, interest representation or similar	\$2,169,896	\$3,770,000	\$3,800,000

Local, regional or national political campaigns/organizations/candidates	\$0	\$0	\$0
Trade associations or tax-exempt groups (e.g., think tanks)	\$9,109,621	\$9,500,000	\$4,000,000*
Other (e.g., spending related to ballot measures or referendums)	\$0	\$0	\$0
Total contributions and other spending	\$11,279,517	\$13,270,000	\$7,800,000

Note: We have no contribution to local, regional or national political campaigns/organizations/candidates and others (e.g., spending related to ballot measures or referendums).

*The resulting decrease in trade association and total spend was due to our decision not to renew our PhRMA membership.

US Lobbying Contributions per Topic

The main topics covered by our government affairs activities are access to health, drug pricing, drug approvals and patent reform.

Issue or Topic	Total Spend in 2023	Corporate Position (Oppose, Support, Support with Minor Exemptions)	Description of the Engagement
Drug pricing*	\$5,000,000	Oppose	Lobbied Congress, Administration and State Legislatures
Patent reform**	\$2,800,000	Oppose	Lobbied Congress, Administration and State Legislatures

*We oppose price setting or other price mandates, such as direct government negotiation, that interfere with market dynamics in the US.

**We oppose efforts to limit Teva's ability to obtain or assert intellectual property rights within the framework of the Hatch-Waxman Act and the Biologics Price Competition and Innovation Act, which help maintain the balance between innovation and access.

GRI 415-1: Europe Political Contributions

	2023
Lobbying, interest representation or similar*	600,000 - 699,999 EUR
Local, regional or national political campaigns/organizations/candidates	\$0
Trade associations or tax-exempt groups (e.g., think tanks)	517,500 EUR
Other (e.g., spending related to ballot measures or referendums)	\$0
Total contributions and other spending	1,117,500 - 1,217,499

Note: *Teva Europe engages regularly with EU institutions to actively participate in the decision-making process, safeguarding our interests within EU policies. As part of this commitment, Teva Europe is registered as an “interest representative” in The Transparency Register. We have no contribution to local, regional or national political campaigns/organizations/candidates and others (e.g., spending related to ballot measures or referendums).

EU Lobbying Contributions per Topic

Trade Associations	Type of Organization	Total Amount Paid in 2023
Medicines for Europe (MfE)	Medicines for Europe is a trade association that represents the pharmaceutical companies supplying the largest share of medicines across Europe and is the voice of the generic, biosimilar, and value-added industries. They focus on the value of biosimilar medicines, shortages of medicines and security of supply chain as well as bringing untapped innovation from non-patented molecules to improve care delivery. Medicines for Europe members’ portfolio covers 80% of generics therapy areas, and in so doing, safeguards the sustainability of Europe’s healthcare systems for future generations.	213,500 EUR
The European Federation of Pharmaceutical Industries and Associations (EFPIA)	The European Federation of Pharmaceutical Industries and Associations (EFPIA) represents the biopharmaceutical industry operating in Europe. EFPIA works via direct membership of 37 national associations and 38 leading pharmaceutical companies. EFPIA focuses on the life cycle of innovative medicines, from research and development to access to medicines, as well as disease-specific platforms (oncology, cardiovascular, diabetes, Alzheimer’s disease and obesity).	304,000 EUR

Stakeholder Engagement

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

<p>Patients</p> <p>We engage with patients, patient advocacy organizations and clinical trial participants to gain understanding, get medicines to the people who need them and improve their lives and reached approximately 200 million patients daily across the world in 2023.</p>	<p>Regulators and Policymakers</p> <p>We collaborate and consult on public policy with regulators and policymakers, and work with industry associations to advocate for shared objectives and key priorities related to medicine access, pricing, regulatory and IP reforms.</p>	<p>Customers</p> <p>We build relationships with our customers and utilize questionnaires, surveys and audits to better understand our customers' needs, supporting us in working together to improve patient outcomes.</p>	<p>Suppliers</p> <p>We partner with around 45,000 suppliers to promote sustainability practices and make progress toward our short- and long-term sustainability goals, and we collect their feedback through questionnaires, surveys and audits.</p>
<p>Employees</p> <p>We conduct performance reviews, invest in employees' professional development and well-being and foster an engaging, safe, inclusive and diverse workplace for more than 37,000 employees.</p>	<p>Healthcare Industry</p> <p>We are a member of over 15 industry associations and work with payers and healthcare systems decision-makers to improve access to our medicines.</p>	<p>Nonprofit Organizations</p> <p>We collaborate with nonprofit organizations on social and environmental initiatives and global health tenders, and we participate in global health congresses and meetings.</p>	<p>Investors</p> <p>We engage with our investors on ESG matters through direct outreach, participation in ESG ratings and periodic meetings with investor groups to communicate our ESG strategy and understand their expectations in terms of ESG.</p>

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.