



is everyone's business at Teva



2020 Environmental, Social and Governance Progress Report

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Introduction

A Letter from Our Chairman,
Dr. Sol J. Barer

A Letter from Our President
& CEO, Kåre Schultz

2020 ESG Performance Highlights

About Teva

ESG at Teva

A Letter from Our Chairman, Dr. Sol J. Barer

2020 challenged our world in unexpected ways and underscored the important role of the pharmaceutical industry. At Teva, it reminded us of our responsibility to patients, our employees, communities and the planet. It required us to adapt and conduct business as usual in the most unusual of times. It strengthened our resolve to elevate our words and actions in the face of social and racial injustice. And it reinforced climate change as a pressing concern that is not just environmental, but directly related to health.

Amidst all this, we have taken significant steps to integrate ESG with our business strategy, beginning with ensuring oversight at the Board and leadership levels. ESG practices help us manage non-financial opportunities and risks as we strive for best-in-class corporate governance.

We want Teva to authentically represent the communities in which we live and the patients we serve. In 2020, we developed a global framework to embed inclusion and diversity across Teva in a systemic way. We embrace different backgrounds, perspectives, ethnicities and genders in all aspects of our business, foster an inclusive culture and seek high quality, diverse talent for our workforce and Board of Directors. According to our 2020 employee survey, 82% of employees agreed Teva's culture promotes inclusion and diversity.

Climate change continues to impact our world. I am proud that in 2020 we continued to improve our environmental sustainability, including by reducing Scope 1 and 2 greenhouse gas emissions by 25% from 2017. Our recently announced 2030 goals demonstrate our intention to continue this trajectory. Integrity and transparency continue to be top priorities for Teva's Board of Directors. Efforts to maintain and cement a culture of compliance and ethics included the publication of seven new policies and positions and training of more than 20,000 employees on key ethical behavior topics.

Looking back on what we achieved, I am reminded of the tremendous impact Teva can have. A sincere thank you to Kåre Schultz and every one of Teva's 40,000 employees who have worked tirelessly throughout the COVID-19 pandemic to get treatments to the patients who need them. It is this dedication that will continue to drive us in addressing social and environmental challenges to help shape a healthier world.



Dr. Sol J. Barer

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

Chairman of the Board of Directors,
Teva Pharmaceutical Industries Ltd.

A Letter from Our President & CEO, Kåre Schultz

2020 was a year we will never forget. On a global, national and personal level, everything changed. The COVID-19 pandemic underscored the importance of health—the value of treatments and care and the fragility of life—as well as the disparities and interconnectedness of our society.

At Teva, our longstanding commitment to improving health brought us together. With a profound responsibility to nearly 200 million people every day, we kept our labs and manufacturing sites open to ensure the uninterrupted supply of our medicines to patients. We did so while promoting the well-being of our employees and offering tools to encourage collaboration, partnering with governments and healthcare systems, providing millions of doses of potential treatments and helping to distribute tests and vaccines.

These actions are just one articulation of our approach to environmental, social and governance (ESG), which became a key focus area as we looked at our business with fresh eyes following our two-year restructuring efforts. Last year, we embarked on a renewed ESG strategy, supporting our commitment to the long-term sustainability and resilience of our company. We identified and prioritized the areas we view as most critical to our stakeholders and in which Teva can have the greatest impact, and we set goals and targets to measure progress.

We developed ambitious [2030 environmental goals](#), which include reducing absolute Scope 1 and 2 greenhouse gas emissions by 33% (vs. 2017) to support efforts to limit the global temperature increase to well below 2°C. This year, we started to align our reporting with the Task Force on Climate-Related Financial Disclosures (TCFD) framework with our goal to be fully TCFD-compliant. We invested our resources and medicines to address global social needs, committing to launch eight programs to increase access to medicines by 2025. In a year where our world grappled with challenges of systemic inequality, we re-emphasized inclusion and diversity in our own culture, with trainings across levels and recruitment focused on improving talent diversity. We also strengthened controls to ensure good governance and ethical conduct.

Our ESG progress has been recognized with improvements in key ratings. We will continue this trajectory by conducting a climate risk assessment, setting tangible goals, strengthening our programs and ensuring ESG is everyone's business at Teva, including through employee engagement and linking our goals to executive compensation.

We continue to enhance transparency, aligning our reporting with robust international standards, such as the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI). As a signatory to the United Nations (UN) Global Compact, we reaffirm our support of its principles and our commitment to advance the UN Sustainable Development Goals.

While our approach is now more formalized, the tenets of ESG—operating responsibly and sustainably and caring for people and communities—have been ingrained in our company since our founding. As we celebrate 120 years of improving the lives of patients, we remain dedicated to advancing the health of our patients, our planet and our business.



Kåre Schultz

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

President & CEO,
Teva Pharmaceutical Industries Ltd.

2020 ESG Performance Highlights



Minimizing the impact of our operations and products on the planet

Reduced:

greenhouse gas (GHG) emissions by **25%** from 2017

total water withdrawal by **8%** from 2019

total energy consumption by **6%** from 2019



Advancing health and equity through our medicines and across our business

800 new generic **marketing authorizations**

Offered **unconscious bias training and educational resources** to employees, including 6,500 across North America and UK

30%+ of almost **5,000 hires** were internal

Best employee safety performance to date:

Recordable injury rate reduced to **0.31** (vs. 0.34 in 2019)

\$571M* worth of medicines **donated** to patients in need, more than **double the value** in 2019



Dedicating ourselves to quality, ethics and transparency

20,000+ employees trained on ethics through Our Way of Life campaign, with a **99.8% completion rate**

7 new policies and positions published, including on talent recruitment and development, pricing, quality manufacturing, compassionate use, harassment, tax and lethal injections

403 small and 107 women-owned businesses engaged in the US (exceeded annual goal for spending)

Suppliers scored **25% higher than average** EcoVadis ethics score



Our performance



Top 10% of pharmaceutical companies



Top 30% of pharmaceutical companies; 15% increase from 2019



Top 38% of pharmaceutical companies in climate change



2nd generics company; strong performance in antibiotic stewardship



B score with above-average employee engagement strategy



Top 23% of companies receiving an EcoVadis award, a consecutive Silver Medal

*Wholesale Acquisition Cost (WAC)

About Teva

World's leading provider of generic medicines, with an innovative portfolio of specialty medicines and biosimilars and a mission to improve the lives of patients.

Our Presence

- Headquartered in Israel, where Teva was founded in 1901—120 years ago
- Sites in 60 countries, including 61 manufacturing facilities

Our People

- Led by Kåre Schultz, President and CEO
- Board of Directors, chaired by Dr. Sol J. Barer, includes 11 additional directors (all independent aside from CEO)
- 40,216 employees

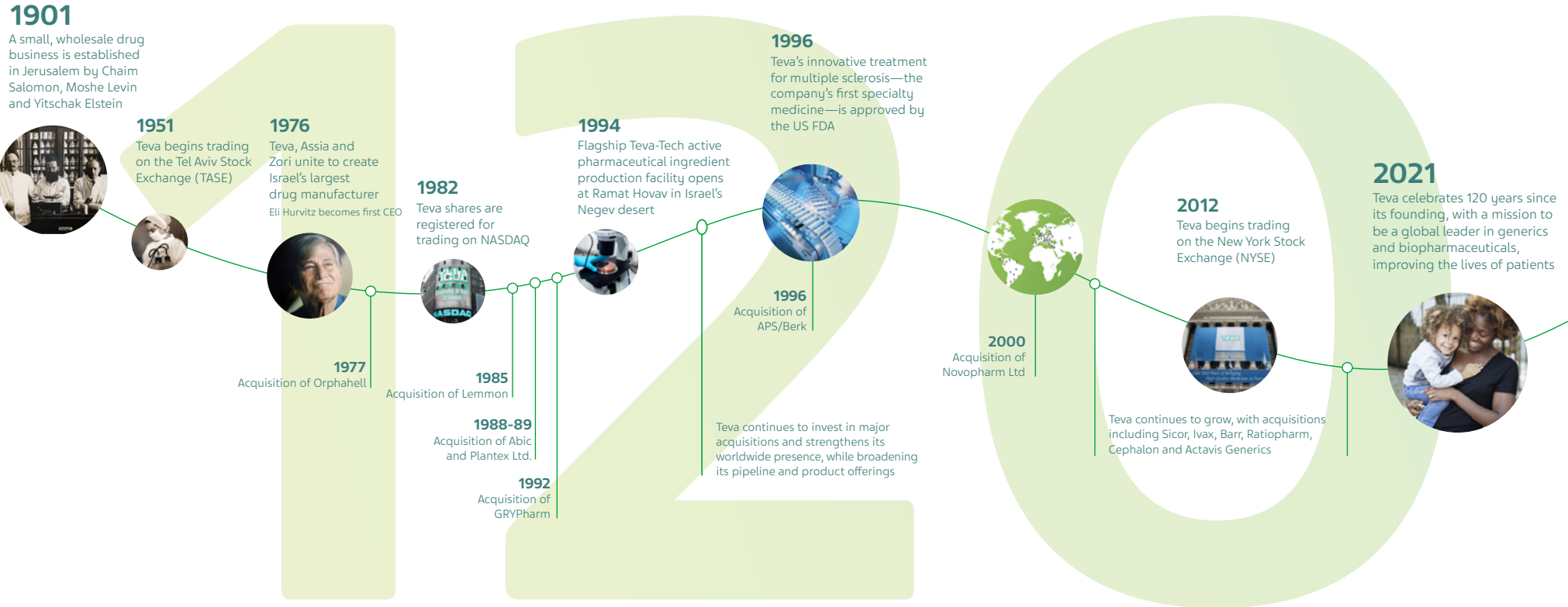
Our Business

- Specialize in developing, manufacturing and delivering quality, affordable generic medicines, as well as innovative specialty biopharmaceuticals, over-the-counter healthcare products and active pharmaceutical ingredients supplied to industry peers
- Publicly traded on the New York Stock Exchange (NYSE: TEVA) and the Tel Aviv Stock Exchange (TASE: TEVA)
- 2020 net revenue of \$16.7B USD
- Market capitalization of \$10.56B USD (as of Dec. 31, 2020)



Our History: 120 Years

From a small business in Jerusalem to a global leader in generic medicines and biopharmaceuticals, operating in 60 countries



Our Portfolio

Generic Medicines

We develop, manufacture and sell generic medicines in a variety of dosage forms, including tablets, capsules, injectables, inhalants, liquids, ointments and creams.



73B
tablets



12B
capsules



785M
sterile units

sold in 2020



800
new generic medicine
marketing authorizations
in 2020



Nearly 10%
of all generic prescriptions
in the US



2,800
distinct molecule
and dosage forms



\$40.4B
healthcare savings across
12 countries attributed to
Teva's generic medicines
in 2020

Biologic and Biosimilar Medicines

We also develop, independently or in collaboration with others, biologic and biosimilar medicines, which are large and complex medicines produced by or made from living cells or organisms.

Leading Specialty Medicines

Our specialty medicines business is focused on delivering innovative solutions to patients and providers through new medicines, devices and services around the world. Core therapeutic areas include central nervous system (with a strong emphasis on multiple sclerosis, neurodegenerative disorders, neuropsychiatry, movement disorders and pain care, including migraine), respiratory (with a focus on asthma and chronic obstructive pulmonary disorder), oncology and other select areas.



Central
Nervous System



Respiratory



Oncology



ESG at Teva

Our Approach

In 2020, as the world confronted some of the most complex challenges of our time, Teva reevaluated our ESG strategy with the support of our leadership and Board of Directors. Our new strategy views ESG as core to our business and reflects how we address environmental and social issues, while also bringing value to Teva.

Our 2020 materiality assessment identified the ESG topics that matter most to our stakeholders and our business. These topics are the basis of our ESG efforts and complement the areas disclosed in our [Annual Report \(Form 10-K\)](#), which together reflect our financial and non-financial performance. We report annually on how we manage these 21 topics and our progress against them.

Of these material topics, we defined 10 (bolded in the figure to the right) where we believe Teva can have the greatest impact and which have the greatest impact on our business. These include access to health and medicines, inclusion and diversity, business ethics, anti-bribery and anti-corruption and climate action and resilience. We focus additional resources on these areas, appointing task forces, working groups and committees to set goals and ensure progress.



ESG Governance

Teva's Board of Directors oversees ESG activities and provides strategic guidance and direction, receiving updates from its committees on their respective ESG-related activities. The Compliance Committee reviews emerging best practices, trends and key issues related to ESG, oversees our ESG strategy and governance and reports to the Board on ESG matters.

In November 2020, the Board of Directors held a dedicated session on ESG and appointed a Board representative to serve as a voice on Teva's ESG progress in our engagement with shareholders. Our Executive Management approves all global commitments and goals and reviews Teva's annual ESG Progress Report. Teva's dedicated ESG team is responsible for strategy implementation, coordination with relevant internal functions and local markets and engagement with various external stakeholders, as well as reporting, disclosures and communications. Cross-functional task forces, working groups and committees meet quarterly or on an ad-hoc basis to manage individual priority ESG topics. They are responsible for goal setting and coordination with relevant business units to ensure progress and accountability.



Our Material Topics

Teva's material topics reflect the areas with greatest environmental, economic and social impact on our stakeholders and our business. As new opportunities and challenges arise, we conduct materiality assessments to define, refine and evaluate key ESG issues. Our external and internal stakeholders identified topics with an impact on Teva and on which our company can make an impact. These are outlined in the matrix to the right.

Materiality Assessment

We conducted our first materiality assessment in 2013, and in the years since, our reporting has been grounded in an internal assessment, gap analysis and stakeholder consultation on ESG issues.

In 2020, Teva conducted a new materiality assessment, the outputs of which guided the development of our ESG strategy and the topics covered in this report. For the assessment, we engaged Datamaran, an AI-powered software that automates processes for identifying and monitoring nonfinancial risks. Teva identified a list of ESG topics material to our business and stakeholders based on Datamaran's dataset and validated these topics with Datamaran's database, which includes corporate reports, mandatory and voluntary regulations, and online and social media. We also validated the data by surveying our direct stakeholders, including investors, employees, suppliers, customers, global health leaders, nongovernmental organizations and academics. Our internal prioritization process involved surveying and interviewing members of Teva's executive management and direct reports. Feedback from external and internal stakeholders was synthesized to map topics according to their relative importance to stakeholders and to Teva. See how our material topics were consolidated into the topics included in our ESG strategy on [page 78](#).

ESG Material Topics

Importance to Stakeholders	Very High	Intellectual Property Good Governance	Pricing	Access to Health and Medicines Quality Manufacturing and Patient Safety Business Ethics, Anti-Bribery and Anti-Corruption Data Privacy and Security Diversity and Inclusion Sustainable Supply Chain
	High	Pandemic Preparedness and Disaster Relief Climate Change Resilience Health Outcomes Contribution	Ethics and Transparency in Clinical Trials Employee Health, Safety and Well-Being Pharmaceuticals in the Environment Human Rights	Responsible Sales and Marketing
	Medium	Antimicrobial Resistance Partnering Responsible Lobbying	Emissions, Effluents and Waste Global Health Priorities Responsible Use of Natural Resources Economic Impact	Talent Recruitment, Development and Retention
		Medium	High	Very High
		Importance to Teva		

Our 2030 Goals

Our new ESG strategy sharpens our focus on the areas we view as most critical to our business and our stakeholders and in which we can have the greatest impact. Concrete, focused goals drive our progress and guide our efforts to maintain a responsible and sustainable business. We are in the process of developing additional long-term goals under the 'social' and 'governance' pillars that focus on inclusion and diversity, ethics and compliance and responsible supply chain.

Environmental

Climate Action and Resilience



- Reduce absolute **Scope 1 and 2 greenhouse gas (GHG) emissions by 33%** vs. 2017 levels to support efforts to limit the global temperature increase to well below 2°C, aligning with the 2015 Paris Climate Agreement
- Improve **transparency of Scope 3 GHG emissions** and increase engagement on climate issues with key suppliers throughout the value chain

Responsible Use of Natural Resources



- Increase **energy efficiency by 10%** and the total proportion of electricity purchased or generated from renewable sources to 50%
- Reduce total **water withdrawal by 10%** in areas projected to be in water stress

Emissions, Effluents and Waste



- Assess and mitigate the environmental impact of pharmaceutical ingredients used in operations
- Reduce the overall mass of secondary and tertiary packaging materials per unit dose and increase the proportion of **recycled and responsibly sourced materials by 10%**
- Assess the **environmental life cycle impact** of key products
- Continue **to minimize waste** generated from operations and the environmental impact of its disposal
- Meet AMR Industry Alliance commitments to **minimize antimicrobial discharges** (assess 100% of Teva production, assess 50% of antimicrobial supply chain)

Social

Access to Health and Medicines

Access and Teva's Corporate Strategy



- **Embed access to medicines strategy** into corporate strategy with access goals tied to **executive compensation in 2021**
- **Continue to be a leader and trusted partner** for healthcare organizations in emergencies, disasters and pandemics

Global Reach of Affordable Medicines



- **Launch 8 access programs by 2025** that address vulnerable populations and those in the last mile in low- and middle-income countries
- **Quantify savings** of quality generics to health systems

Generics and Innovation Portfolio



- **Register and authorize medicines** in our access programs in high-burden countries
- **Ensure consideration of access to medicines strategy** for new product launches (**2023 and beyond**)

Commitment to Sustainable Development Goals

The Sustainable Development Goals (SDGs) are 17 aspirations implemented by the United Nations as part of the [2030 Agenda for Sustainable Development](#). They lay a foundation to end poverty and hunger, maintain a sustainable environment and spread peace and good fortune to all people globally.

While our ESG approach shifted in 2020, our mission to improve the lives of patients remains the same. The SDGs have served as a blueprint for Teva as we seek to contribute to a healthier, more sustainable future for all.



SDGs Core to Teva's ESG Efforts:*

Environmental

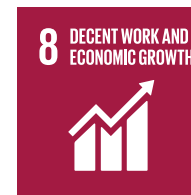


Social



Goal 3: Good Health and Well-Being is at the heart of our mission to be a global leader in generics and biopharmaceuticals, improving the lives of patients. Teva works to improve the health and well-being of our patients, communities and employees every day.

Governance



*Please see our GRI content index and SASB index for more detail on how our efforts align with the SDGs.

Stakeholder Engagement

Teva's stakeholders are critical to every aspect of our business. Through their relationship with Teva, our primary stakeholders are those who influence our business just as much as they are influenced by what we do. Teva strategically engages with patients, employees, regulators, the healthcare industry, non-profit organizations, investors, suppliers, customers and global health leaders to guide our topics, programs and activities. Through ongoing collaboration and communication, including but not limited to investor outreach/dialogue, interactions with patient advocacy organizations and employee surveys, we can verify the topics considered most material to our business and are better able to serve patients around the world. The following table includes more details about our engagement with our primary stakeholder groups.

Stakeholder Group	Approach to Engagement	Key Topics Raised
Patients	Interactions through patient advocacy organizations	Access to health and medicines; business ethics, anti-bribery and anti-corruption; quality manufacturing and patient safety
Employees	Annual employee surveys, periodic pulse surveys on COVID-19, roundtables, performance reviews, training events, town halls, team meetings	Employee engagement; talent recruitment, development and retention; emissions, effluents and waste; inclusion and diversity; data privacy and security; employee health, safety and well-being
Regulators	Collaborative engagement and consultation on public policy, as required	Access to health and medicines; pricing; quality manufacturing and patient safety; business ethics, anti-bribery and anti-corruption; emissions, effluents and waste; pharmaceuticals in the environment
Healthcare industry	Participation in industry associations	Access to health and medicines; quality manufacturing and patient safety; pricing; pandemic preparedness and disaster relief
Non-profit organizations	Ongoing work with community partners, collaboration in social and environmental initiatives to advance healthcare	Access to health and medicines; inclusion and diversity; emissions, effluents and waste; pandemic preparedness and disaster relief; quality manufacturing and patient safety
Investors	Investor outreach, investor conferences and presentations, periodical meetings with different investor groups, participation in ESG rankings and ratings	Business ethics, anti-bribery and anti-corruption; access to health and medicines; pricing; quality manufacturing and patient safety; corporate governance; climate action and resilience; inclusion and diversity; employee engagement; talent recruitment, development and retention; intellectual property
Suppliers	Questionnaires, surveys, audits	Climate action and resilience; emissions, effluents and waste; business ethics, anti-bribery and anti-corruption; inclusion and diversity; human rights; quality manufacturing; data privacy and security; pharmaceuticals in the environment; responsible supply chain
Customers	Questionnaires, surveys, audits, tenders	Climate action and resilience; emissions, effluents and waste; business ethics, anti-bribery and anti-corruption; inclusion and diversity; human rights; quality manufacturing and patient safety; corporate governance
Global health leaders	Participation in global health congresses and meetings, interactions with global health governing bodies	Access to health and medicines; pandemic preparedness and disaster relief; climate action and resilience; quality manufacturing and patient safety; responsible supply chain



Repackaging COVID-19 vaccines, Israel

COVID-19 Response

ESG in Action

Responding to the COVID-19 Crisis

ESG in Action

As we faced, and continue to face, one of the greatest health challenges of our time, Teva mobilized quickly to provide essential medicines and supplies and ensure our patients continue to receive the treatments they need.

Supplying Medicines to Our Patients

- Largely **uninterrupted supply chain** with adequate inventory across our network
- Ensure nearly **200M patients** continue to have access to our essential medicines
- **Safely supply and transport** medicines and active pharmaceutical ingredients (APIs)

Prioritizing the Safety and Well-Being of Our Employees

- Reduce the number of employees in our facilities to enable social distancing by introducing **virtual solutions and flexible work arrangements**
- Introduce strict guidelines and procedures to protect employees, including **personal protective equipment, hygiene and social distancing**
- **No** COVID-19-related **job losses**

Supporting Our Communities

- **Support local government and healthcare system** efforts to curb the pandemic
- Donated **13M units of medicines (worth \$30M*)** for **clinical studies to 26 governments** and hospitals around the world
- Secure and scale production of **APIs and medicines**
- Offer EU employees opportunity to use **10% of work hours for volunteering initiatives**



*Wholesale Acquisition Cost (WAC)

Responding to the COVID-19 Crisis

With 81 million infections and 1.8 million deaths worldwide in 2020 alone, the COVID-19 pandemic has had a devastating impact on nearly every aspect of life for people across the globe.¹

When this unprecedented crisis made people question their health and safety, Teva strengthened our commitment to our mission to improve patients' lives. We remain focused on delivering our medicines to the nearly 200 million people who rely on them every day, while prioritizing our employees' health and safety. Our efforts to respond to the COVID-19 pandemic reflect ESG in action.



In our annual employee survey, 83% of employees reported confidence in Teva's positive impact on society.

Playing a Key Role in Successful Testing and Vaccinations

In partnership with the Israeli government, Teva leveraged our capabilities and resources to support the storage, repackaging and distribution of COVID-19 vaccines in Israel. Teva has assembled, purchased and installed dozens of ultra-low-temperature freezers capable of preserving the Pfizer vaccines at up to -80°C . Teva's designated freezer farms in Shoham and Kfar Saba have the capacity to safely store millions of doses of Pfizer and Moderna vaccines in compliance with all regulations and instructions.

SLE, Teva's logistics arm in Israel, has developed a unique repackaging method in which the large ultra-frozen pallets are transformed into insulated boxes, allowing for distribution in smaller numbers and to numerous and remote sites, while also reducing waste. This allows broader reach nationwide, with easier access to small clinics in addition to large centralized centers. The vaccines are delivered to 400 vaccine centers, including medical facilities, nursing homes and other institutions.

Teva UK* employees developed and modified a product to be used in mass COVID-19 testing. The sodium chloride saline solution, which was originally used in an inhaler device, was produced at a high-tech manufacturing facility in Runcorn, Cheshire.

¹ Coronavirus (COVID-19) Map. <https://news.google.com/covid19/map?hl=en-US&mid=%2Fm%2F02j71&gl=US&ceid=US%3Aen>. Accessed March 11, 2021.

* Wherever the term "Teva" is used in this report together with a country and/or region name, reference is made to the entire Teva operations in such country and/or region.

Securing a Consistent Supply of Quality Medicines

As the pandemic evolves, our supply chain remains largely uninterrupted across all of our markets. “Situation rooms” in each of our regions address local requirements, align all sites and ensure business continuity. We are identifying active ingredients related to COVID-19 treatments that could help patients in intensive care units—such as muscle relaxants to help intubate patients and inhalers to treat respiratory issues—and evaluating how we can fast-track and increase production.

As the world’s leading provider of active pharmaceutical ingredients (API), we have had measures in place to maintain supply sustainability and safe transport of medicines to our customers. As Liran Nagar, Teva api Global Supply Chain Hub leader, said, “There was no precedent for this. In my 16 years in supply chain, I’ve never encountered an emergency on such a grand, global scale.”

COVID-19 tested healthcare systems’ ability to maintain a consistent supply of medicines in times of crisis. Teva operates one of the largest fully integrated manufacturing and delivery networks in the pharmaceutical industry. In 2020, we shared our insights with governments and policymakers in Europe and the US and encouraged a multi-stakeholder approach to establishing resilient supply chains.

Teva USA sponsored a bipartisan panel discussion hosted by The Hill, “Lessons from a pandemic: reliable access to affordable medicines.” Key public and private leaders discussed access to medicines during and after a global health crisis. “A stronger pharmaceutical supply chain will solidify the US—along with critical global allies—in not only leading the development of novel therapies to treat diseases, but also in making generic medicines more accessible to patients,” said Brendan O’Grady, Teva’s Executive Vice President of North America Commercial.

Teva Europe launched a campaign focused on our manufacturing resilience and security of supply for patients, based on an internal report developed with policy experts, which also capitalized on the lessons learned during COVID-19. The European Commission’s Pharmaceutical Strategy, released in 2020, includes policy elements echoing our recommendations, such as the need for a structured dialogue between the actors in the pharmaceutical manufacturing value chain and public authorities to identify vulnerabilities in the global supply chain of critical medicines.

Promoting Safety and Well-Being

As parents, patients and caregivers themselves, the pandemic has challenged the lives of our employees in countless ways. We have been keeping our employees’ safety and well-being top of mind from day one, immediately reducing the number of people in our facilities to only those deemed essential and adhering to local social distancing recommendations. For those unable to work, we offered paid vacation days. Protecting our workers allows us to serve our patients safely.

Teva Croatia kept employees connected through a digital initiative. Employees received weekly newsletters with articles, tools and exercises for physical and mental health, written by employees who shared relatable stories and advice.

Teva Netherlands launched a portal where employees could learn about their personal energy and how to stay healthy during times of uncertainty, while they adapt to working from home. **Teva Poland** and **Teva Croatia** gave employees thank you notes or baskets in appreciation of their dedication and hard work.



Teva Poland employee thank you bag

Donating Essential Medicines and Supplies

Teva leveraged our resources and medicine cabinet to meet emerging needs across the world, providing medicines and necessary medical supplies to areas impacted by the COVID-19 pandemic. Teva worked with governments and organizations, including the Centers for Disease Control and Prevention (CDC) and the National Institutes of Health (NIH) in the US, to rapidly respond and provide 13 million units of medicines to 26 countries for use in clinical trials.

Teva Spain supported healthcare workers by donating personal protective equipment, including 15,000 masks, 20,000 gloves and 7,000 gowns. Employees also donated part of their salaries to help vulnerable children at risk of COVID-19 infections, raising more than 19,000 euros (\$22,276 USD) to provide food and hygiene products to 360 children.

Manufacturing sites in **Teva Poland, Czech Republic, Hungary, Germany, Croatia** and **Bulgaria** produced and donated disinfectants to employees, patients and social institutions. Teva Czech Republic donated more than 11,700 liters of disinfectant products to hospitals, social services and nursing homes. Teva Croatia donated disinfectants to medical centers, police departments and disaster relief services, such as the Red Cross and Andrija Štampar Public Health Institute. With the help of PLIVA, a Teva subsidiary in Zagreb, Croatia, and its sports association, employees raised and contributed HRK 150,000 (\$23,633 USD) for COVID-19 relief.



Each year, the **Teva Spain** Humanizing Health Awards recognize meaningful initiatives that contribute to patients and their families' quality of life. In 2020, 11 initiatives were awarded 3,000 euros each. Two of the winners last year addressed patients affected by COVID-19, including one that took intensive care unit (ICU) patients, who were willing and able, for walks outside in an effort to improve mental and physical well-being. The other initiative supports patients in hospice, providing them with an environment focused on a palliative approach to medicine during their last days.





Ulm, Germany site

| Environmental

Climate Action and Resilience

Responsible Use of Natural Resources

Emissions, Effluents and Waste

Antimicrobial Resistance



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

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

[Teva's CDP Ratings](#)

With 61 manufacturing sites around the world—and a growing list of issues affecting our planet—we have a responsibility to lessen our impact on the environment.

This year, Teva set [new long-term environmental goals](#) to help advance climate action and resilience, responsible use of natural resources and improved management and reductions of emissions, effluents and waste.

Climate Action and Resilience

Climate change represents one of the most significant issues facing the planet. At Teva, the health and sustainability of our environment is vital to our business and our patients, and we are rising to the climate crisis challenge across the globe.

In 2020, Teva's Scope 1 greenhouse gas (GHG) emissions decreased by 3%, Scope 2 GHG emissions fell 7% and total GHG emissions (Scope 1 and 2) decreased 5%, compared to 2019.

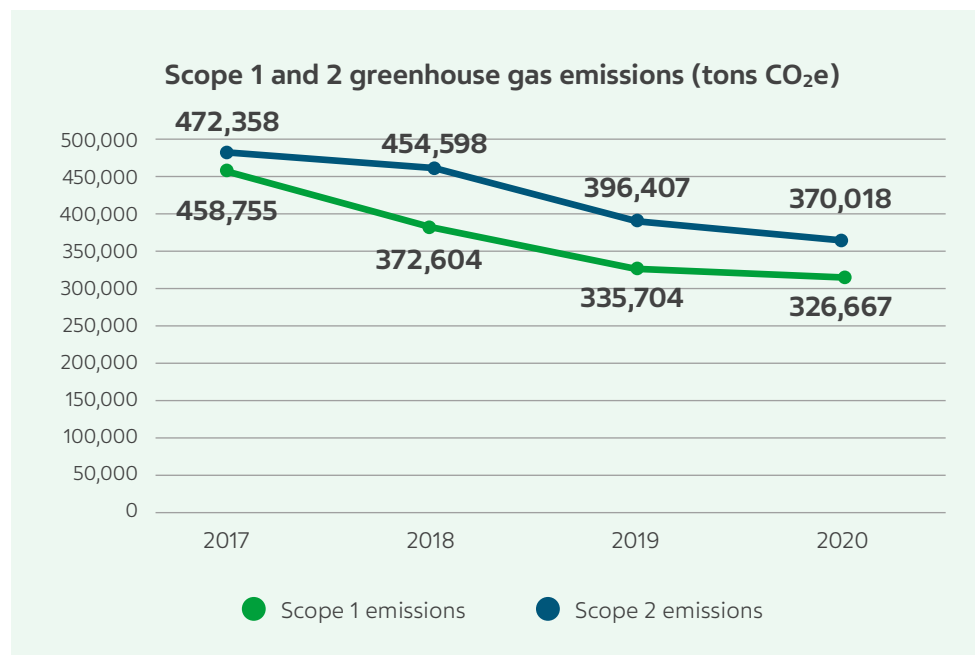
Teva has reduced Scope 1 and 2 GHG emissions by 25% since 2017,* helping to lessen our impact on the environment, in line with our 2030 goal to reduce Scope 1 and 2 emissions by 33%.

In the second half of 2020, Teva established a multidisciplinary energy task force to identify energy and GHG reduction opportunities throughout Teva's operations. The initiative is in its early stages and savings are expected to be realized in 2021 and onward. In its first full year, the initiative will focus on:

- Identification and realization of low- and no-cost energy-saving opportunities
- A company-wide renewable energy potential mapping exercise
- Capital energy-saving projects at two pilot sites

Capital investments of more than \$1.5 million were invested in Teva facilities in 2020 on energy conservation and reduction projects, including for LED lighting replacements, boiler upgrades, air compressor system upgrades, fitting of insulation on steam pipes and enabling HVAC systems to work in energy-saving mode.

*Data adjusted for business divestments from our 2017 target baseline year in accordance with the GHG protocol. 2017 data retroactively updated to increase the scope of verified data.



“With more than 60 manufacturing sites across many countries, we realize the meaningful impact we can have on the planet, but, we are—and want to remain—a leader in our industry in terms of environmental performance. We continue to monitor our progress and periodically reevaluate our goals in order to continue to challenge ourselves.”

Eric Drape

Executive Vice President, Global Operations

Teva Netherlands

Teva Netherlands supports a local cooperative initiative by allowing for the installation of 376 solar panels on the roof of its manufacturing site warehouse. The solar panels should produce 103,000 kilowatt hours (kWh) per year—equivalent to a CO₂ reduction of 64 metric tons annually. Teva Netherlands also signed the Green Deal Sustainable Care, a nationwide initiative in which pharmaceutical companies pledge to reduce the environmental footprint of medicines through CO₂ reduction, circular working, reduction of medicine residues in the water and creating a healthy living environment.

Teva Germany

Teva Germany installed a new solar power plant to reduce their CO₂ footprint. Together, the logistics center roof modules are the size of a soccer field and are expected to produce 1 million kWh of energy per year, in addition to solar panels installed in previous years.

Teva Poland



Teva Poland engaged employees, healthcare professionals and the general public on environmental issues through an initiative called Trees from Teva to improve air quality. In September and October 2020, Teva planted more than 110,000 trees in cooperation with foresters, and the program will continue through 2021 to achieve its long-term goal of minimizing our carbon footprint in Poland.

Projects like these help ensure optimal energy use, critical to helping reach our goal of **reducing greenhouse gas emissions by 33% by 2030**.

Teva India

Teva India began a journey to reduce greenhouse gas emissions by installing onsite solar panels. The renewable energy installations powered 1% of the site's total energy consumption, but the site has plans to increase this to 5% in the coming five years, at which point it is projected to result in 1,500 tons of CO₂ reduction. The solar energy generated onsite is a direct replacement of electricity that would otherwise be purchased from the mostly coal-based grid, making the onsite renewables a much cleaner and low-carbon alternative.

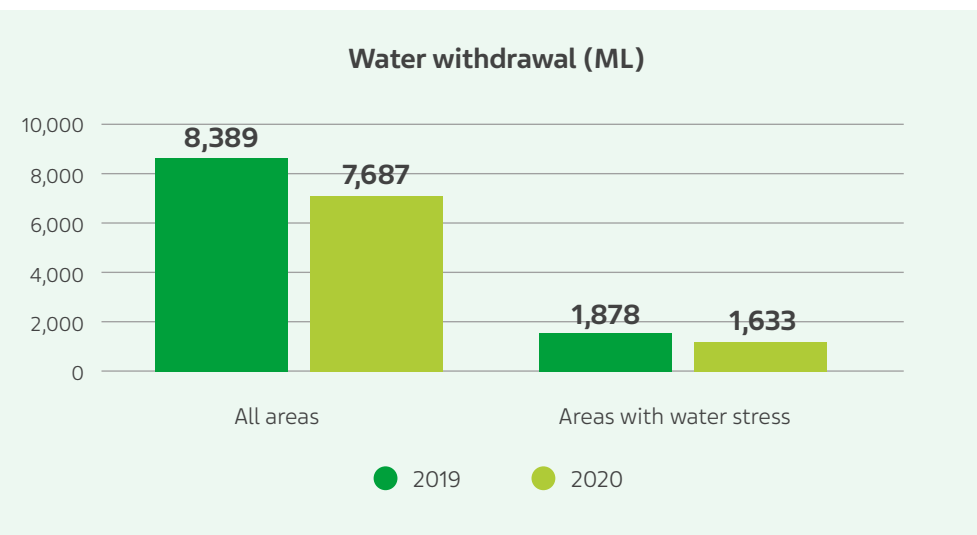


Responsible Use of Natural Resources

Advancing responsible use of natural resources focuses on improving the management and efficient use of finite resources material to Teva, including water and energy.

In 2020, Teva's total water withdrawal fell more than 8% compared to 2019. In areas of water stress, water withdrawal decreased more than 13%.

In 2020, 31 Teva facilities in areas with greater exposure to water scarcity performed a water balance to improve understanding of how water is withdrawn, used and discharged from our facilities. This knowledge will help our facilities identify water conservation opportunities and put an emphasis on becoming a responsible water steward. Various actions were identified as a result of the water balance exercises, including sites either installing or committing to install more water meters, which will provide them with enhanced water use insights and facilities identifying opportunities to reduce water withdrawal by reviewing irrigation practices and techniques.



Teva invested more than \$500,000 in various projects in 2020 to support water conservation and reduction and upgrading wastewater treatment capabilities.



Teva Indonesia has taken major steps to help alleviate water scarcity—an ongoing issue in the country due to periodic high-intensity rainfall. New shallow soil boreholes filled with biological materials, called biopores, improve the ground's permeability of rainwater during the wet season. The site intends to install 650 biopores by the end of 2021.

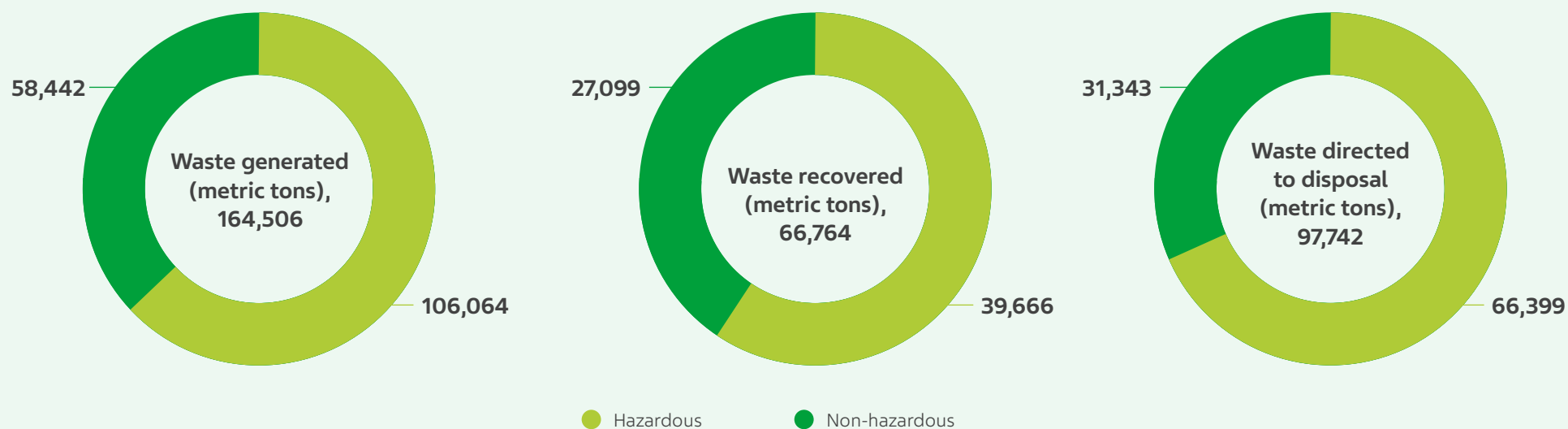
In 2020, Teva's total energy consumption decreased by 6% compared to 2019. Some examples of the energy efficiency projects that supported our reductions include the following two stories.

At our **Teva Israel** Teva Tech plant, hundreds of feet of piping above ground make it very difficult to assess whether insulation around the piping is damaged and heat energy is wasted. To address the problem, the site uses thermal imaging technology to inspect insulation. If hot spots are detected, the insulation is repaired, improving detection of energy loss, saving time on repairs and improving energy efficiency.

Teva Canada was selected for Enbridge's Comprehensive Energy Management program, which provides up to 80% rebates on energy projects. Teva Canada has also been approved by Independent Electricity System Operator for the Energy Manager Program, which allows the site to compensate an energy manager to oversee projects and seek new energy-saving opportunities.

Emissions, Effluents and Waste

In 2020, Teva generated 106,064 metric tons of hazardous waste and 58,442 metric tons of non-hazardous waste. More than 39,000 metric tons of hazardous waste and 27,000 metric tons of non-hazardous waste was diverted from disposal by recovery operations.*



Our Teva api R&D center in **Teva India** uses green chemistry principles, which reduces the number of product manufacturing process steps and eliminates the use of certain solvents. This creates less impact on the environment, while increasing production capacity and cost savings for Teva. The key to this initiative is that it reduces raw materials, like solvents, and as a result, eliminates waste. Implementing green chemistry processes early on will ultimately allow us to scale these greener processes at our manufacturing sites.

Teva Ireland conducted a project to eliminate sample waste and reduce costs of Sudocrem packaging. Minor design changes were implemented, including a reduction of the weight of the Sudocrem pot. The amount of plastic used will be reduced by 33%, resulting in less plastic waste being generated by the product end-user.

*Teva has aligned with the GRI 306 Waste 2020 standard. Recovery includes: Preparation for reuse, recycling, composting and anaerobic digestion; Disposal includes: landfill, incineration (without energy recovery), incineration (with energy recovery, and other disposal options).

Antimicrobial Resistance

Teva is a leading manufacturer of antimicrobials. Thirty-four of our sites manufacture or handle antimicrobials, including 28 drug product sites and six drug substance or active pharmaceutical ingredient sites. [Teva's Position on Antimicrobial Resistance](#) outlines our commitment, approach and aspirations for tackling this growing threat.

By the end of 2020, 20 of our 34 sites that manufacture and handle antimicrobials, representing 93% of our drug product volume and 95% of drug substance volume, were assessed for antimicrobial discharges. Looking ahead, we plan to complete assessment of all of our sites handling antimicrobials and 100% of our product volume by the end of 2021. During 2021, we will initiate engagement with more than 160 of our antimicrobial suppliers.

Antibiotics are often considered the most powerful tool in healthcare, but they face a major threat: antimicrobial resistance (AMR). Antibiotics are not being developed as fast as superbugs—strains of bacteria resistant to antibiotics. Teva and more than 20 other pharmaceutical companies participated in the [AMR Action Fund](#) with a goal to bring two to four new antibiotics to patients by 2030. The fund will invest **\$1 billion** and provide expertise to help antibiotics through the development process and support smaller biotech companies in developing antibiotics.

Efforts to Address AMR

Environmental Responsibility	Collaborations	Access and Sustainability
<ul style="list-style-type: none"> — Implement the AMR Industry Alliance's manufacturing effluents framework across our manufacturing network — Go beyond local laws and regulations to manage environmental health and safety risks through Teva's Global Environment Health and Safety Management System (EHSMS) — Follow risk-based, systematic approach to minimize losses to the environment, including investing in new technologies — Promote proper disposal of unused medicines 	<ul style="list-style-type: none"> — Serve on AMR Industry Alliance board — Helped develop AMR Industry Alliance Antibiotic Discharge Targets, referred to as Predicted No-Effect Concentrations (PNECs), for environmental risk assessments of antibiotics — Helping to develop and improve AMR Industry Alliance Common Manufacturing Framework — Helped develop Eco-Pharmaco-Stewardship approach to study and address pharmaceuticals in the environment — Supported establishment and promotion of responsible practices to improve supply chain outcomes as member of Pharmaceuticals Supply Chain Initiative 	<ul style="list-style-type: none"> — Develop 35+ generic antibiotics and antifungals, 20+ of which target World Health Organization (WHO) priority pathogens — Provided 16 antifungal products and 169 antibiotic products from October 2019 to September 2020 — Promote access for those in need through donations, access programs and global health tenders — Maintain reliable, consistent supply of quality medicines as other companies discontinue manufacturing — Advocate for sustainable off-patent antibiotics business model to ensure manufacturers maintain quality, environmental responsibility and supply chain security; implement new sustainable tender systems considering these factors vs. price to consolidate and rationalize supply chain

2021 Goals

1. Define the baseline and path for achieving each applicable 2030 public commitment
2. Achieve reductions in Scope 1 & 2 GHG emissions, aligned with our 2030 public commitment to reduce GHG emissions by 33%, based on 2017 baseline
3. Complete 2021 activities as detailed in our Environment, Health, Safety and Sustainability (EHS&S) plan in support of achieving our 2030 public commitments
4. Perform a physical climate and water risk assessment covering 80 of our key locations and review their potential for business impact
5. Perform an enterprise-wide renewable energy potential mapping exercise
6. Implement a new set of internal normalized KPIs for environmental topic areas related to our 2030 environmental commitments to track and drive performance improvements



2020 Goals	Status
Establish next generation environmental sustainability targets to guide our future efforts	✔ Complete
Continue advancing work to implement the Common Antibiotic Manufacturing Framework of the AMR Industry Alliance across the Teva network	✔ Complete
Continue to identify opportunities to enhance our responsible use of natural resources, such as water and energy, and to reduce waste	✔ Complete



Global HOPE patient, Malawi

Social

Access to Health
and Medicines

Inclusion and Diversity

Employee Engagement

Talent Recruitment,
Development and Retention

Employee Health,
Safety and Well-Being

Pandemic Preparedness
and Disaster Relief

Economic Impact



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

[Teva's Position on Pricing](#)

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

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

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

Access to Health and Medicines

Advancing access to medicines is imperative to our business. We are focused on becoming a committed global health partner addressing unmet needs, increasing the reach of affordable medicines and expanding our generic and innovative medicines portfolio.

We aspire to achieve this as a donor, convener and access innovator. Our efforts to create quality, affordable medicines for more people around the world are governed by our access to medicines working group and guided by [Teva's Position on Access to Medicines](#). We engage partners to advance access initiatives, help reduce healthcare costs, donate medicines to patients in need, respond to drug shortages and participate in global health tenders in an effort to make treatments easily accessible and affordable for all.



Access for Vulnerable Populations

Teva donates medicines to ensure disadvantaged populations receive the care they need, often in countries where we do not have a presence. In 2020, we donated 317 million units, valued at \$571 million.* More than 13 million (\$30 million*) doses of these, including tablets, capsules, vials and respiratory devices in the US and EU, reflect donations to help address needs resulting from the COVID-19 pandemic.

Our approach to enhancing access to medicines also includes various patient assistance programs that provide support to eligible patients, including the Teva Cares Foundation. In 2020, Teva provided \$67 million worth of medicines to more than 12,500 patients through these programs.

Teva is a leading supplier of medications on the World Health Organization's (WHO) Essential Medicines List (EML), which includes important drugs that address key healthcare needs, manufacturing:

- 83% of cardiovascular treatments
- 73% of cancer treatments
- 100% of respiratory treatments
- 88% of diabetes treatments
- 88% of pain treatments
- 93% of mental health treatments

*Wholesale Acquisition Cost (WAC)

800

new generic medicine marketing authorizations

100

new specialty medicine marketing authorizations

700+

marketing authorizations in **low- and middle-income countries**

\$571M

(317M units) worth of medicines donated to patients in need, **more than double in 2019**, including:

- **\$30M (13M units)** worth of medicines to address COVID-19 needs

177M

units of medicines provided through global health tenders, **a 46% increase from 2019**

\$67M

worth of medicines **provided to patient assistance programs**, including through the Teva Cares Foundation


\$1B

invested in **research and development**

Reaching Patients through Strategic Partnerships

In 2020, Teva committed to launching eight targeted access programs globally by 2025, focused on extending the reach of our generic medicines portfolio. We established a framework to evaluate and select access programs that have the greatest potential for impact for people with unmet needs, and where Teva can make a difference.

It is estimated that up to 90% of children diagnosed with cancer in sub-Saharan Africa die.¹ Teva's partnership with [Global HOPE \(Hematology-Oncology Pediatric Excellence\)](#), a program of Texas Children's Hospital, and Direct Relief launched in early 2020 to help provide access to medications for children with cancer and blood disorders in sub-Saharan Africa. In the initial three-year pilot, Teva will donate essential medicines to Direct Relief, which will work with Global HOPE facilities to ensure efficient distribution. Initially, Teva committed to donating approximately 19–25 medicines to the Global HOPE program in Malawi over the next two years. The program will expand to six more countries in sub-Saharan Africa, including Botswana, Uganda, Lesotho, Eswatini, Tanzania and Rwanda.

 **Direct Relief** As our principal donations partner, [Direct Relief](#) has helped distribute our medicines to patients for more than a decade. In 2020, Teva established a team in Switzerland to donate EU-manufactured products to Direct Relief's logistics partner in Amsterdam. As a pilot, the team enlisted Direct Relief's logistical expertise and on-the-ground intelligence to transport Teva's medicines to The St. Luke Foundation and Hospital in Haiti.



Teva Chile took a step to make asthma treatments more affordable. A treatment for patients with asthma and chronic obstructive pulmonary disease reached full coverage through the private payment system. What does this mean for our patients? A 95% decrease in out-of-pocket costs, driving increased adherence to treatment and improved access.



¹ A Focus on Children and Non-Communicable Diseases (NCDs). NCD Alliance. Available: https://ncdalliance.org/sites/default/files/resource_files/20110627_A_Focus_on_Children_&_NCDs_FINAL_2.pdf.

Advancing Understanding, Prevention and Treatment of Multiple Chronic Conditions



Patients with multiple chronic conditions (MCC) live with two or more chronic conditions—a burden Teva seeks to lessen. Teva has partnered with Mount Sinai’s Arnhold Institute for Global Health in New York for nearly four years to identify patients with MCC and ensure they have access to medications. After designing and implementing a behavior change program for patients, we found clustering conditions provides an innovative way to track these patients and patient-centered interventions motivate behavior change. Insights from the New York City-based program are being applied in Ghana to help treat depression and hypertension and create a disease screening and care model for chronic conditions.

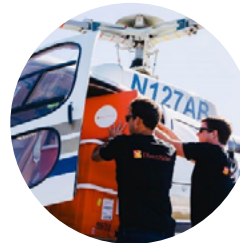
In light of the COVID-19 pandemic, Teva and the Arnhold Institute recognize the disproportionate challenge to patients with chronic conditions, reinforcing our joint commitment and allowing us to strengthen our approach. Our next challenge is to scale up the project, as well as develop the program so it can be delivered online during the pandemic. Work is underway to deliver a six-week virtual intervention to expand and deliver the program to 12-15 groups of 100-200 participants.



In 2020, we concluded [Enhancing Access2Care](#), a four-year program in collaboration with Direct Relief and Volunteers in Medicine (VIM). The program supports VIM clinics across North America in providing innovative care and medicines to patients with MCC. Patient-tailored approaches include medication therapy management, health coaching, team-based care and other behavioral and lifestyle changes.



Teva USA worked with Direct Relief to donate nearly 25,000 units of inhaler products. Our products helped improve the health of vulnerable patients disproportionately impacted by COVID-19.



Enhancing Access2Care 2020 Highlights

393
new patients **enrolled**
across
4 programs

96%
of Florida patients
maintained or
decreased their
heart rate as a
result of programs

Patients with depression
in Pennsylvania saw a
3.5 reduction
in their GAD-7 score,
which **measures**
general anxiety

100%
of enrolled patients
in New Jersey **met the**
stated blood pressure
control of <140/90
systolic, diastolic
or both



Mount Sinai program participant

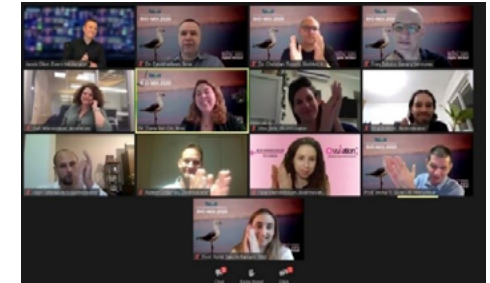
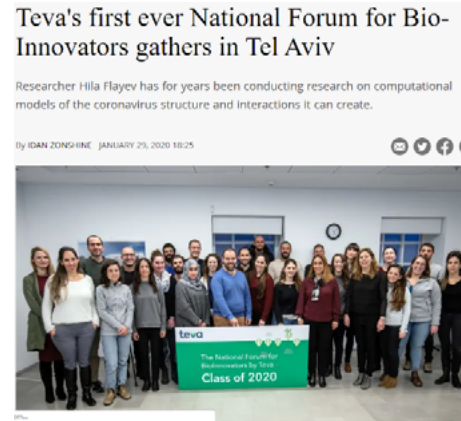
Improving Access to Innovative Therapies

Teva R&D is actively engaged in academic partnerships and industry collaborations across the globe, with a focus on the Israeli biotech ecosystem. Teva values academic partnerships because the work creates a spirit of collaboration to address unmet medical needs, with the goal of improving access to innovative therapies.

In 2020, Teva R&D launched the BioInnovators Student Forum for Israeli PhD and postdoctoral students interested in translational life sciences and entrepreneurship in biosciences. The forum fosters collaboration and builds a young generation of innovators to help speed the development and delivery of next-generation medicines.

Twenty-eight top students from Tel Aviv University, Technion and Hebrew University participated in educational and mentoring activities. The “Bio-Mix” competition highlighted students’ original ideas for innovative health solutions, such as gene therapy for glioblastoma, use of the microbiome for controlling diseases, a digital app for Alzheimer’s prevention in high-risk populations and ovulation tracking based on artificial intelligence. The program is focused on R&D and designed to support researchers and encourage collaboration with leading academic institutions in Israel. The goal is to seed new projects and future collaborations by building long-lasting relationships of mentorship and trust.

“These activities push the boundaries of science by creating forums where scientists share ideas and build bridges in hopes of addressing unmet medical needs to benefit patients in the future,” said David S. Wilson, PhD, Vice President of Discovery in Global R&D.



Left: Teva's National Forum for BioInnovators Class of 2020; Above: Students and judges gathered virtually for the “Bio-Mix” competition, where the winning student developed a digital method to treat hearing problems .

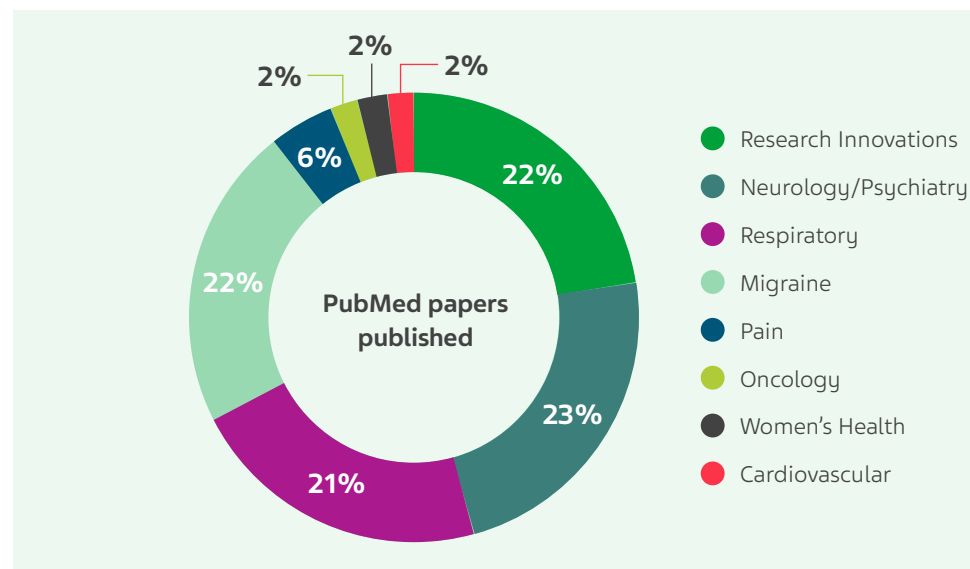
Initiated 20+ collaborations with 25+ researchers in academic labs in Israel in fields such as central nervous system and oncology

Conducting Research to Advance Public Health and Access

At Teva, the responsibilities of our Global Health Economics and Outcomes Research team include identifying and raising awareness of patient challenges across various therapeutic areas, with the ultimate goal of improving access to treatment for unmet needs. As much as possible, we try to include the patient perspective, through surveys and questionnaires to ensure the patient voice remains a key input in all decisions and planning related to medications and healthcare. In 2020, our research made an impact in key public health areas.

We are dedicated to understanding the needs of patients with respiratory disease. As we witnessed COVID-19 impact patients around the globe, we conducted research into the burden of asthma and the increasingly important role digital health plays in patients' lives. One of our studies, presented at the 2020 American College of Allergy, Asthma and Immunology (ACAAI) Scientific Conference, explored patients' likelihood to underestimate how much rescue medication they use, a challenge that impacts health outcomes and costs in asthma treatment. Our second [asthma paper](#) showed how asthma control is associated with economic outcomes, work productivity and health-related quality of life, demonstrating the importance of improved asthma control. Lastly, we published a [paper on quantifying measures of quality of care](#) among asthma patients. The research found that with better patient adherence to treatment, asthma quality of care is significantly improved, which maximizes resources and efforts.

Huntington's disease (HD) is a rare, inherited disease that causes the progressive breakdown of nerve cells in the brain. HD has a broad impact on a person's functional abilities and often results in movement, cognitive and psychiatric disorders. Chorea is a common motor symptom of HD, characterized by sudden, involuntary, hyperkinetic movements. For years, Teva has researched HD, as well as chorea, to help understand and possibly reduce the stigma associated with this symptom. Our research in 2020 sheds light on the impact of HD-related chorea on social, interpersonal and professional functioning. Specifically, we found that patients with HD-related chorea have greater detriments to emotional, interpersonal and professional functioning than patients who do not experience chorea. Prioritizing treatment for HD-related chorea has the potential to improve these important aspects of daily functioning for HD patients.



Pricing

We strive to make medicines widely accessible, affordable and available. [Teva's Position on Pricing](#) provides context on how we determine prices and improve affordability.

Inclusion and Diversity

Our values—“caring” and “getting it done together”—embody our culture. The racial injustices against the Black community in 2020 caused unrest across the US and elevated the importance of embracing diversity and equity in all aspects of our business—including across our workforce and supply chain, with our partners and among our patients and communities. Our Inclusion and Diversity (I&D) framework, governed by our I&D task force, provides a foundation for embedding I&D across our business. Our I&D task force monitors and assesses our I&D programs and efforts, using regular surveys and feedback to strengthen and adapt our programs, as needed. We foster an inclusive work environment that allows all people to express themselves and realize their full potential. We address gender gaps and support recruitment, development and retention of individuals with diverse backgrounds. [Teva's Position on Inclusion and Diversity](#) outlines our commitment to establishing a comfortable, open environment across all business units, for all employees.



Nearly **6,500 employees** trained on **unconscious bias** across North America and Europe

I&D Framework

Our People	Across Our Business
<ul style="list-style-type: none">— Foster a culture of inclusion— Develop inclusive leadership— Aim for gender equality at all levels, with a specific focus on management positions— Ensure pay equity at all levels— Advance representation of racial, ethnic and marginalized groups	<ul style="list-style-type: none">— Improve I&D ESG performance, going beyond compliance with regulations— Embed I&D throughout operations (e.g., access, supply chain, clinical trials)



Enabling an Inclusive and Diverse Culture

Teva's annual employee engagement survey included new questions related to I&D, reflecting our continued strategic focus on the topic. Results showed opinions do not differ significantly based on type of employee (e.g., managers vs. rest of employees). Teva's success is dependent on our people. We believe a workforce diverse in gender, ethnicity, sexual orientation and life experiences drives innovation and creativity. We aspire to have a workforce that is representative of the communities we serve and the world at large. Our 2020 company-wide employee survey found 79% of our workforce feel everyone on their team is treated fairly regardless of personal background or attributes.

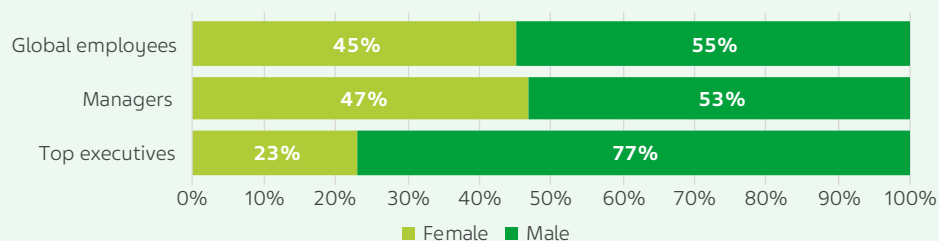
Teva's Global Legal Leadership team and all global legal employees participated in an implicit bias training with an external expert, which was subsequently offered in other countries. Through GlobeSmart, a cross-cultural awareness-learning platform, nearly 1,000 of our employees participated in I&D trainings. In North America, more than 6,100 employees completed a 40-minute video series of bias trainings on LinkedIn Learning, and more than 245 UK employees completed a similar course, "Valuing Difference & Exploring Unconscious Bias at Teva."

Teva Europe is developing a mentoring program to foster inclusion across leadership, create a pipeline for employees of different levels and encourage talent diversity. The program aims to connect employees with people outside their organization, in different countries and with different backgrounds.

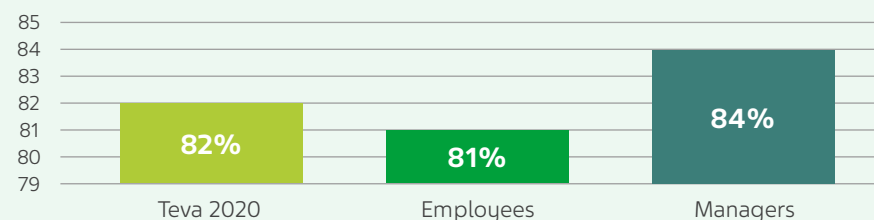
In 2020, Teva appointed a new **North America I&D lead** to provide counsel and thought leadership on I&D initiatives and strengthen I&D efforts.

Teva USA has 10 employee resource groups (ERGs), which bring together employees with shared characteristics and life experiences. ERGs have a strong impact on employee engagement and enablement.

Employees by gender



Percentage of employees that feel Teva culture promotes I&D



Voicing Support of Social Justice

Recent events brought social justice issues to the forefront and led us to reexamine the needs of our employees. Teva executives across the globe spoke up in response to police brutality against the Black community, engaging employees in important conversations during town halls and ERG meetings

US ERGs At-a-Glance

- Abilities (for those working with disabilities)
- Black Heritage
- Hispanic/Latino Heritage
- Asian Heritage
- Multigenerational Employee Resource Group (MERGE)
- Pride
- Parenting
- Men@Teva
- Women@Teva
- Vets@Teva

2020 ERG Highlights

- Diversity & Volunteer Day held on Dr. Martin Luther King Jr. Day of Service
- Black Heritage ERG relaunched and published first newsletter
- Parenting ERG partnered with Villyge, the leading provider of working parent support, to bring employees guidance on how to refocus and recharge through the transition from 2020 to 2021
- New fertility vendor, Progyny, hosted webinar geared to LGBTQ+ employees

As part of our continuous commitment to I&D, our US Legal Department began participating in the Mansfield Rule: Legal Department Edition, a certification program that builds equity and inclusion into Legal talent decisions. The goal is to advance representation of diverse lawyers by broadening the pool of women, racial/ethnic minorities, LGBTQ+ lawyers and lawyers with disabilities who are considered for significant leadership roles and when engaging outside counsel.

2021 Goals

1. Enhance a culture of inclusion and promote more gender diversity in managerial positions
2. Continue to increase engagement and enable employees to grow

In 2020, sign-ups for ERGs grew 89%

Employee Engagement

In line with our efforts to create an inclusive and diverse workforce, Teva strives to provide an environment that engages and enables employees to perform to the best of their abilities. We want our employees to feel proud and committed to Teva's culture, mission and values.

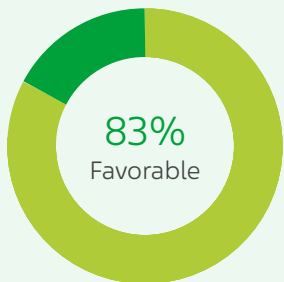
Employee Engagement Performance

We foster a culture of dialogue, where all employees can make their voices heard. Our annual employee survey assesses employee needs, perceptions and concerns and allows us to understand employee engagement. In 2020, we achieved an 86% response rate, with a 4% increase in engagement (enthusiasm toward jobs, roles and company performance) and 4% increase in enablement (employee effectiveness and access to the right resources, information and training to succeed in their roles). A key driver of engagement was our people-centric culture, which prioritized keeping our workforce safe and healthy during the COVID-19 pandemic. In fact, we saw a 6% increase in employees proud to work at Teva and a 5% increase in those who intend to stay at Teva.

Teva's strategic focus areas are perceived favorably and have grown 10%+ across all job levels since 2019.

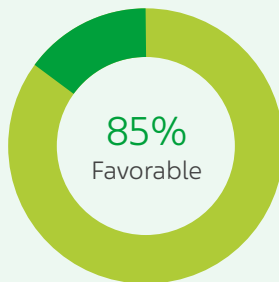
Confidence in Teva's positive impact on society

+7%



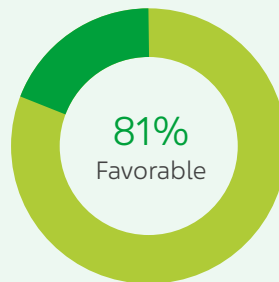
Connection to Teva's mission and values

+5%



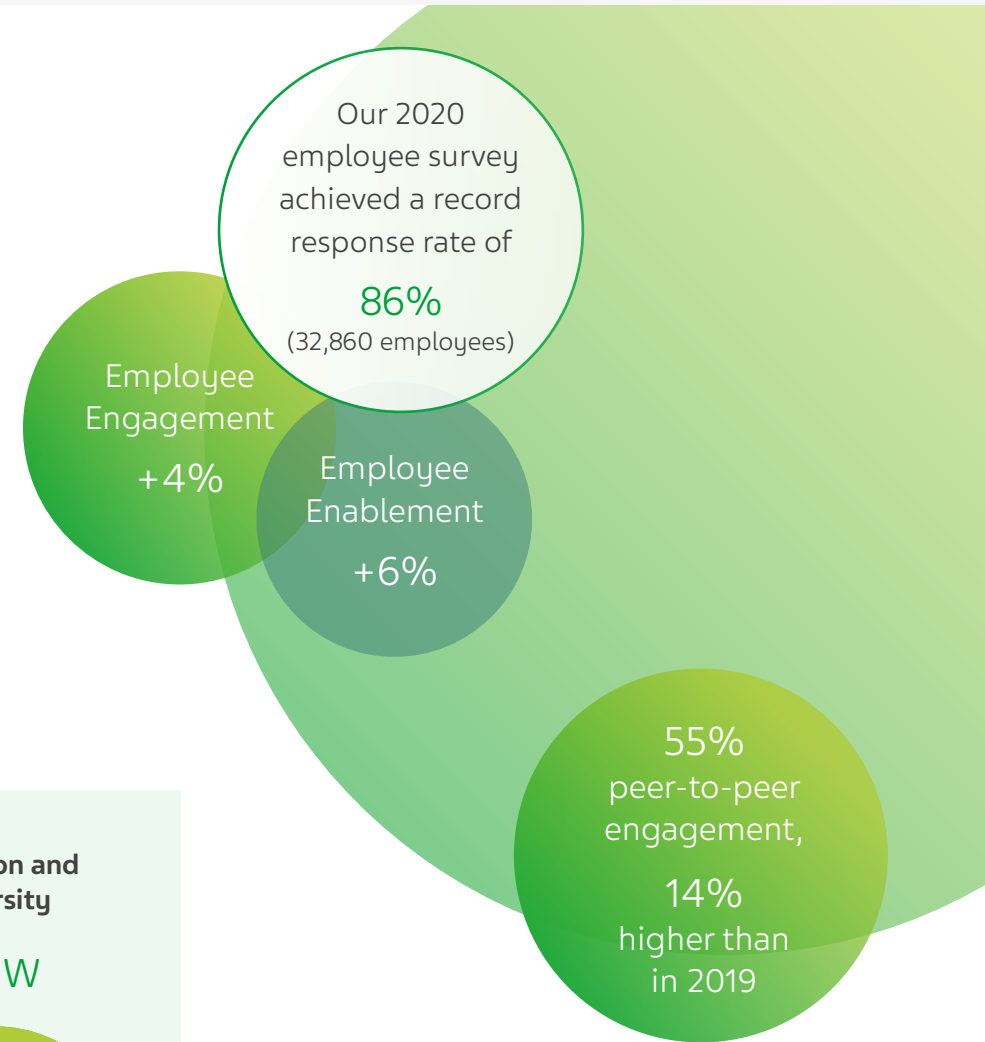
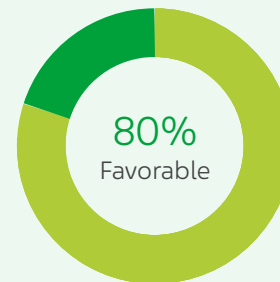
Compliance and ethics

+4%



Inclusion and diversity

NEW



Employee Recognition

A key component of engaging our workforce is ensuring they feel valued and recognized for all they do. 2020 was our second year of Teva STARS, our employee recognition platform that enables Teva employees to formally recognize and celebrate each other. In 2020, we achieved 55% peer-to-peer engagement, 14% higher than in 2019.

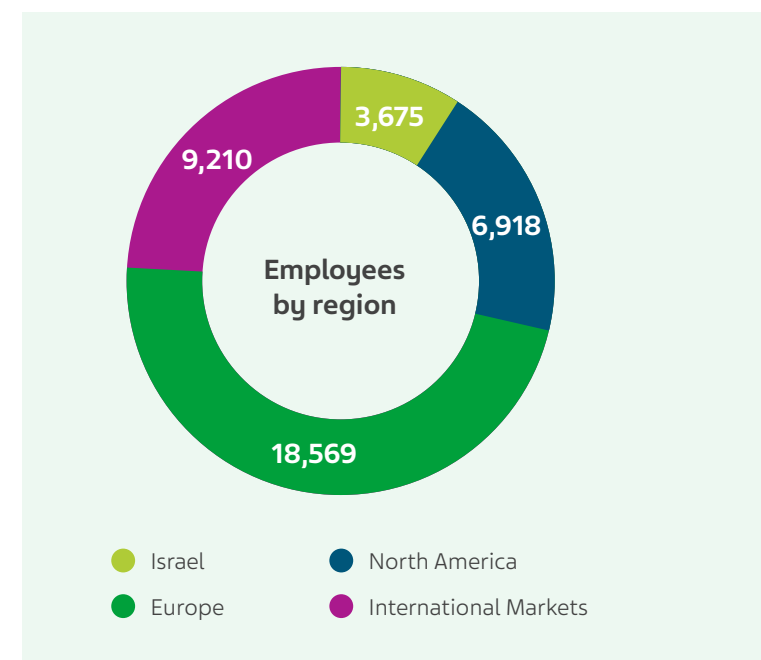
Talent Recruitment, Development and Retention

We are committed to ensuring ethical and fair recruitment and hiring, as well as supportive development and promotion practices that ensure our 40,000 employees worldwide feel they can succeed and grow at Teva. [Teva's Position on Talent Recruitment and Development](#) outlines our process on building a talented workforce, which is managed using applicant tracking system technology.

Employee Development

Teva implements skills enhancement programs as part of our commitment to drive employee and manager success and development.

Employee Skills Enhancement	Manager Skills Enhancement
<p>Teva employees dedicated 36,000+ hours to 77,000+ video courses in 2020, surpassing other companies of our size.</p> <p>Teva Grow Launched in 2020, the program consists of three pillars:</p> <ol style="list-style-type: none"> Essential soft skills (e.g., collaboration, adaptability, interpersonal skills) Success in a global setting (e.g., English proficiency, cultural agility, digital capabilities) Teva knowledge and acumen <p>Highlights:</p> <ul style="list-style-type: none"> 5K+ views of catalogue pages in first five months 1,400 registered users in English proficiency platform 1,000 registered users in cultural agility platform 2,300 courses on various development topics viewed by employees through global learning management system <p>LinkedIn Learning platform provides an extensive catalogue of online video lessons from industry experts. In 2020, 13,300 employees activated their accounts and most became active learners.</p>	<p>In 2020, we revised our manager development programs to develop the skills, capabilities and mindset required of managers, taking into account the challenges of a disruptive environment. These programs are offered as fully virtual or hybrid models.</p> <p>The basis of our management approach, which guides behavior during times of disruption, is role perception. Role perception reflects the beliefs, opinions, perceptions and understandings of a manager's position and expected behaviors. It includes:</p> <ol style="list-style-type: none"> Subjective perception of the role (Who am I as a manager? What do I bring to my role? What are my values, beliefs and strengths?) Formal definition of the role (What does the organization expect of me?) Outer context (What is required of me as a manager in a disruptive environment?) <p>We address all three aspects of role perception through various trainings and resources.</p>



Driven by a powerful focus on employee development and growth, 72% of employees and 77% of managers across Teva International Markets updated their Individual Development Plan. In addition, various professional upskilling programs were deployed via remote platforms, building talent and equipping employees with the commercial and digital capabilities needed to manage the new reality.

Succession Planning

We develop and support our leadership to ensure Teva's top talent is engaged. Our talent and succession planning involves three key areas, including identifying critical positions, reviewing talent and assessing talent. The first pillar reflects the importance of differentiating positions based on their unique value and impact on the company. We would expect business interruptions if these roles were not filled, and therefore, it is critical to ensure the right people are in the right positions to maintain strong business performance. Talent review ensures critical positions are prioritized, and Teva is able to promote growth from within, where relevant. Assessments provide actionable insights on individual strengths and areas for development. This enables oversight on leadership capabilities overall and provides important information needed for growth and development.

Many Teva positions filled by current employees, demonstrating strong pipeline of Teva talent:

30%+
of all positions

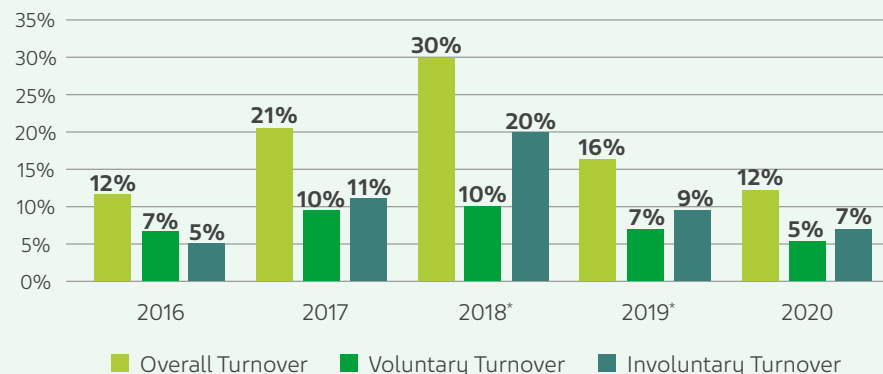
50%
of managers

7 (nearly half)
site quality leads
in Latin America

*In 2018 and 2019, Teva underwent a global restructuring plan that included workforce reductions.

†For more details, please see SASB disclosure HC-BP-330a.2 on [page 71](#).

Employee turnover rate[†]



Our talent development and promotion activities are developed to ensure our employees feel confident in their success at Teva. We promote growth from within and aim to reduce employee turnover, whenever possible.

2020 Goals

Status

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

2021 Goals

1. Continue to invest in managers' development to effectively lead in times of disruption

Employee Health, Safety and Well-Being

The health, safety and well-being of our employees is critical to our ability to supply medicines to our patients. In 2020, we prioritized the safety and well-being of our employees as they faced both mental and physical challenges related to the COVID-19 pandemic. We are proud of the resilience our employees demonstrated and continue to provide resources to support their well-being. Our Environment, Health, Safety and Sustainable (EHS&S) Policy and global Environment Health and Safety Management System (EHSMS) guide our employee health and safety practices. EHSMS implementation exceeds 95% of all Teva sites, providing a global standard of care, often exceeding regulatory requirements. [Teva's Position on Occupational Health and Safety](#) (OHS) serves as the foundation for integration into our business processes and activities.

COVID-19 presented new challenges to employee health and safety. We quickly established a comprehensive management system to control risks and support employees. Dedicated teams procured personal protective equipment, cleaning and disinfectant agents and other consumables. Operational control procedures outlined minimum standards for a range of activities, including essential business travel, risk reduction through onsite controls, protection of vulnerable colleagues, information, instruction and training for everyone entering sites, visitor and contractor screenings, case reporting and management, and facility cleaning. Those working from home received detailed ergonomic guidelines and were encouraged to use office equipment for their remote setup.

Read more [here](#) about how Teva has protected our employees during the COVID-19 pandemic.



Employee Benefits and Well-Being

We provide competitive compensation, health and retirement programs for our employees. We offer variable pay in the form of bonuses and stock-based compensation for eligible employees and have one global annual bonus plan. Through practical tools and local programs, we address the physical, financial, social and mental health needs of our employees and their families. We offer programs and initiatives that promote healthy diet, physical activity and mental well-being, such as annual medical check-ups and examinations across many markets. In 2020, many European countries, including Germany, UK, Italy, Spain and Switzerland, introduced or expanded employee assistance programs (EAPs) to cover psychological support and counseling for employees and their families. In Europe, we launched a health and well-being program for all employees, sharing new activities and information across the region. The program has five key pillars, including stress management, sleep, relaxation, nutrition and movement.

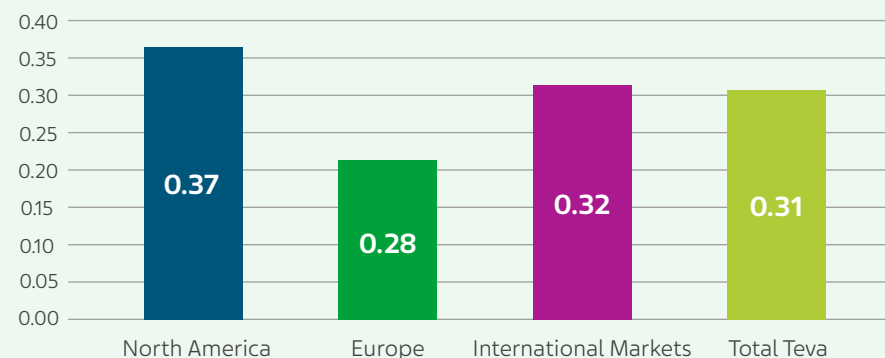
Health and Safety Performance

In 2020, Teva recorded our best workplace safety performance to date. Compared to 2019, we achieved a 9% reduction in total recordable incidence rate, a 15% reduction in total recordable injuries, a 7% reduction in total lost workdays and maintained our lost time injury rate.

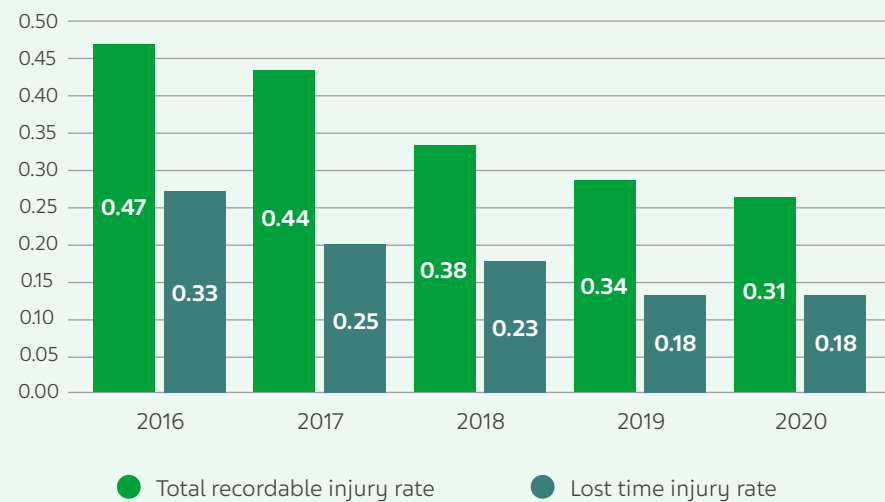
2021 Goals

1. Enhance employees' benefits around mental well-being
2. Achieve Total Recordable Incident Rate (TRIR) of 0.30
3. Achieve Process Safety Event (PSE) of 0.040

Recordable injury rate



Workplace safety performance



Pandemic Preparedness and Disaster Relief

Enterprise risk management (ERM) processes are well-implemented across Teva and combine two approaches. The first is bottom-up establishment of two cross-organization communities, including risk champions and risk partners. Risk champions are representatives from each business unit responsible for identifying, assessing and addressing risks. They are the focal point for all risk management issues, reporting all risk updates and statuses as well as identifying emerging risks. Risk partners are Teva's second line of defense, including, among other things, corporate security, quality, internal audit and IT security. These important partnerships were established to collaborate, discuss and share risk information, as well as to raise emerging risks. The second ERM approach is top-down, in which executive management meet periodically to identify long-term and strategic top risks. Executive management and risk leaders report to the audit committee of the Board of Directors twice a year on top risks and how they are being addressed.

The risk management team leads the ERM processes and consolidates information raised by business units and executive management, as well as external risks and trends from around the world. This means that risks are raised, assessed and addressed in a continuous cycle, including ongoing monitoring four times a year. Risks are also documented in a dedicated risk system.

COVID-19 Risk Management

Teva's COVID-19 response focuses on ensuring our company remains resilient in the face of the pandemic. To assess and coordinate enterprisewide COVID-19 risks, a global situation room was established, which:

- Monitors and assesses the situation, issues relevant global guidelines, coordinates continuity activities and creates a consolidated view of existing and potential threats, opportunities and mitigations to ensure Teva's resilience and reports regularly to executive management
- Focuses on six main topics, including commercial (opportunities and constraints), operations (constraints of impacted products, supply chain disruption), communication, scenario planning, personal protective equipment (risk mitigation) and employee-related risks
- Includes participants representing all business units and leading internal sub-teams
- Meets regularly, globally and locally
- Organizes medicine donations across 26 countries
- Cascades to regional and country situation rooms led by country general managers, which report issues regularly
- Reports to executive management on a regular basis



Economic Impact

As an employer and a manufacturer, Teva creates jobs and contributes to economies globally. We also provide savings to healthcare systems and patients through our generic medicines. In 2018, Teva published our first-ever [Economic Impact Report](#), showcasing our economic impact in 19 of the 60 countries in which we operate. Teva's 2020 Economic Impact Report will be published in 2021.

Teva's 2020 Economic Impact Report highlights the billions of dollars in savings from Teva's generic medicines and the contributions of our economic activity to jobs, gross domestic product (GDP) and labor income. Based on an independent analysis conducted by Matrix Global Advisors, the report reviews Teva's economic impact in 15 of the 60 countries in which we operate, which represent 60% of Teva's global workforce.

Teva's generic medicines were responsible for \$40.4 billion in savings across 12 countries, including:

\$31.5B
in the US

\$5.4B
across 8 European countries

\$3.5B
in 3 International Markets

Across 15 countries, Teva's economic activity:

Supported
249,000 direct
and indirect jobs

Contributed
\$52.0B to GDP, including
\$15.7B in the US and \$4.5B in Israel

Generated
\$11.7B in labor income





Teva Salt Lake City manufacturing site

Governance

Business Ethics, Anti-Bribery and Anti-Corruption

Responsible Supply Chain

Quality Manufacturing and Patient Safety

Data Privacy and Security

Corporate Governance

Ethics and Transparency in Clinical Trials

Responsible Lobbying

Responsible Sales and Marketing



[Teva's Code of Conduct](#)

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

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

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

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

[Teva's Global Data Privacy](#)

[Teva's Statement of Corporate Governance Principles](#)

[Corporate Governance and Policy Document](#)

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

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

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

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

Business Ethics, Anti-Bribery and Anti-Corruption

Our patients and stakeholders depend on us to act lawfully, ethically and responsibly—and our policies, resources and programs support us in doing so.

Centered on our values, [Teva's Code of Conduct](#) outlines our policies to uphold high ethical standards and conduct our business with integrity. [Teva's Policy on the Prevention of Corruption](#) is designed to establish a minimum standard for reducing and mitigating corruption and to ensure Teva complies with applicable laws and regulations.

Previously known as Global Compliance, our team's new name, Global Compliance & Ethics (GC&E), reflects our dedication to maintaining a strong company culture where employees make ethical decisions consistent with Teva's values. GC&E is the responsibility of Teva's Global Chief Compliance Officer, who oversees nine regional compliance officers responsible for various functions, including portfolio, R&D and third-party due diligence, monitoring and global market access. The team maintains a culture of ethical business behavior by focusing on eight pillars:



Teva's Code of Conduct is based on anti-bribery and anti-corruption provisions of the US Foreign Corrupt Practices Act, UK Bribery Act and other national laws. It is also aligned with other industry associations' codes of conduct, to which Teva subscribes and which govern interactions with healthcare professionals, healthcare organizations, patients, patient organizations, government officials and third parties.

Promoting a Culture of Compliance

We are committed to building the best and most respected compliance program in the industry, one that works in partnership with the business to prevent issues. We do this by fostering a culture of compliance and promoting ethical behavior across our business, which depends on every employee complying with relevant laws, regulations and Teva policies.

For Teva, a culture of compliance means an environment where all employees and management have a comprehensive understanding of rules, regulations, policies, procedures, best practices and behaviors, as well as accountability for the risks and potential consequences associated with noncompliance. We encourage rigorous, open debate that leads to ethical business decisions. This encompasses all aspects of Teva's global operations—from research and development to active pharmaceutical ingredient (API) sourcing.

To help provide compliance and ethical context on business topics, GC&E created a library of ready-to-use messages. These “one-liners,” which include the content (e.g., the role of a Teva business unit) and the context (e.g., the purpose of the business unit), create a balanced ethical message and help improve communication across the business, a foundational element of Teva's culture of compliance. This initiative was piloted in three markets and with R&D colleagues, and the updated library will launch to a broader audience in 2021.

“What we do is important, but how we do it is just as important. Let's continue to do business the right way, the ethical way...our way.”

Lori Queisser

Senior Vice President and
Global Compliance Officer

Office of Business Integrity

We encourage our employees and other stakeholders to voice any concerns regarding potential violations of Teva's Code of Conduct, policies or laws to our Office of Business Integrity (OBI). Employees can contact the OBI through a designated email address or make a report through the Teva integrity hotline.

In 2020, the OBI received 225 reports. **27%** were related to business integrity issues, such as corruption.

90% of these warranted an investigation

- **16%** of the investigations are **still active**
- Of the closed cases, **43% were substantiated**
- Substantiated reports received various corrective actions, including:
 - Coaching (5 employees)
 - Policy/process review (10 employees)
 - Reprimands/warnings (4 employees)
 - Termination (9 employees)
 - Vendor disengagement (9 vendors)

Compliance and Ethics Trainings

Training our employees on compliance and ethics is integral to education and awareness. We conduct online training campaigns and train all employees on the Code of Conduct, with periodic recertification.

Other training topics are strategically assigned based on the role or department's risk assessment, available data and discussions with GC&E leadership. We focus on trends and data gaps and review changes in the external environment, such as enforcement action trends or new laws, to identify how to refocus trainings and create a program that promotes integrity and ethics.

Code of Conduct training is part of new employees' onboarding and is the foundation for all other training, including **Our Way of Life (OWL)** training. OWL training is an annual series of bundled compliance modules on various topics. In 2020, these included:

- Importance of being accurate and precise
- Doing business with ethics and integrity
- Fair competition
- Global data privacy
- Trade controls
- Conflicts of interest
- Third-party representatives
- Thoughtful communications
- Preventing harassment

Almost all business units exceed our 95% on-time completion rate goal. In 2020, more than 20,000 employees were trained through the OWL campaign, with a **99.8% completion rate**.

Risk Management

When conducting risk assessments for specific activities, we consider the impact of several data points specific to the local Teva business and external environment to ensure accurate risk ratings. Internal data is drawn from sources such as investigations or internal audits, and external data is drawn from credible, third-party resources (e.g., World Bank, Transparency International). Individual data points and risk ratings are reviewed by our regional and local compliance officers and adjusted, if and when necessary. Risk ratings determine how much we monitor, with higher risk ratings associated with greater monitoring efforts. As risks evolve or increase, we adapt by increasing our monitoring activity. In 2020, we quickly adapted to the increase in virtual events due to COVID-19 by assessing the risks and developing monitoring guidance for virtual interactions.

Teva's monitoring program periodically assesses and remediates compliance risk for all operations that have touchpoints with healthcare professionals or government officials across our **commercial operations (64 countries), Teva Global Operations (29 countries) and R&D**, including both geographies where Teva has a physical presence as well as geographies where Teva's business is conducted through distributors acting on our behalf. For more details, [see GRI 205-1](#).




Improving Management of Third-Party Risk

Teva worked with EY Forensic & Integrity Services to develop a due diligence system to enhance vendor compliance efficiency. A database was built using proprietary data and public records, such as regulatory filings, court rulings, sanction lists and news reports. Certain business rules were developed to calculate a risk score through algorithms for each of Teva’s potential business relationships. Approximately 20,000 third parties have gone through the due diligence process since the program commenced in 2013, with approximately 2,000 processed in 2020. The system, centered on data analytics, has sped up Teva’s due diligence process, including data collection, cleansing and analysis, risk ranking and evaluation.

Responding to the Opioid Crisis

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

2020 Goals	Status
Cultivate accountability for compliance within the business and continue to enhance compliance culture	 Complete
Realign compliance organization to support changing business needs	 Complete
Reinforce the expectation that compliance behavior will be addressed appropriately	 Complete
Continue to develop our people and compliance community	 Underway
Identify continuous improvements related to operational areas to increase efficiency, as necessary	 Complete

2021 Goals

1. Cultivate accountability and sustainability for compliance and ethics within the business by providing tools, training and communications for use by business leaders in their everyday activities
2. Partner with the business to embed compliance-related aspects into new virtual communication channels and digital processes
3. Consider new training approaches with greater emphasis on business leadership, virtual communication channels and self-directed mechanisms
4. Lead global policy project and prepare clear, concise, digitally available content that is easily accessible and searchable starting with Global Compliance Policies and Global Environment, Health and Safety Policies
5. Continue developing global compliance talent and ensure solid succession plans at every level

Responsible Supply Chain

Teva has high standards for conducting business ethically, responsibly and in line with all laws and regulations and our own strict policies.

Given their role helping Teva reach nearly 200 million patients each day, we expect the same of our suppliers. Our approach to promoting a responsible supply chain includes industry collaborations that work to improve ESG standards across our supply chain and risk assessments that mitigate issues. [Teva's Supplier Code of Conduct](#) ensures our core values—and the principles and expectations that reflect them—are echoed across our supply chain.

In light of the COVID-19 pandemic, our Global Procurement team immediately came together and met weekly to ensure the uninterrupted supply of medicines. We created a COVID-19 mailbox to collect feedback from the front lines on potential supply and materials shortages, sent weekly updates to our Global Procurement organizations and mapped critical suppliers to track whether they were experiencing issues. As a result of these efforts, we mitigated the impact of COVID-19 on our supply, while communicating with our suppliers to understand the difficulties they were facing.

Human Rights

We work with suppliers who conduct business with integrity and protect human rights. Teva has been a signatory to the United Nations (UN) Global Compact since 2010, taking measures to respect all people and their human rights throughout Teva and our supply chain, as outlined in [Teva's Position on Human Rights](#).

↑ Drove a **25% increase in EcoVadis Responsible Procurement Score**, increasing from 40 to 50 points from 2019 to 2020

ESG in the Supply Chain

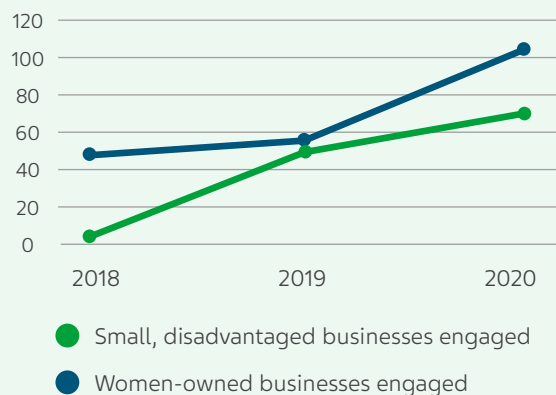
Teva continued to be an active member of both the Pharmaceutical Supply Chain Initiative (PSCI) and the Responsible Health Initiative (RHI). We also initiated six PSCI onsite audits of critical suppliers. The RHI member companies' supplier network on EcoVadis grew by 11% in 2020, to 1,814 companies. Teva continued our partnership with EcoVadis and added more than 200 suppliers to our EcoVadis network, increasing our scored suppliers by 151% compared to 2017 through 2019 combined. In addition, we began to leverage EcoVadis for evaluation of our more than 200 critical suppliers list and continued to drive supplier improvement through corrective actions within EcoVadis. Eighty-two percent of our base of 337 scored suppliers have been reevaluated by EcoVadis and boast an average improvement in overall score of 2.5 points, along with improvements in every theme, including environment, labor and human rights, ethics and sustainable procurement.



Supplier Diversity

Teva is committed to maintaining a network of suppliers that reflects our customer and patient base and to purchasing competitively priced, quality goods and services from qualified small/diverse suppliers. In 2020, we exceeded our annual goal for spending with US small businesses and small disadvantaged businesses, with 403 small and 70 small disadvantaged businesses. We also engaged 107 women-owned businesses in the US. We continued relationships with partner organizations to drive additional engagement with the small and diverse supply base at a regional level, participating in five outreach and matchmaking events to develop and grow relationships.

Supplier diversity in the US



2020 Goals	Status
Drive risk mitigation framework, ensuring corrective actions are in place for suppliers (execute five onsite audits for suppliers with low EcoVadis scores)	Underway Including six ongoing PSCI onsite/remote (due to COVID-19) audits
Lead and improve procurement's responsible supply program in alignment with PSCI principles and relevant internal stakeholders	Complete Drove a 25% increase in EcoVadis Responsible Procurement Score, increasing from 40 to 50 points
Increase supplier diversity reporting capabilities (US Federal Government Small Business Report) (1); awareness and transparency (2); provide internal training and improve external communications (3)	1. Complete 2. Underway 3. Underway
Provide internal supply chain training, improve reporting, increase communication and awareness and support teams in improving our supply chain	Underway Will be delivered in 2021, in alignment with the revised Supplier Code of Conduct
Deliver on-time and accurate completion of required US Federal Government 2021 Small Business Subcontracting Plan (due by 11/30)	Complete

2021 Goals

1. Deploy awareness campaign to suppliers and Global Procurement & Facility Management colleagues
2. Expand our ESG assessments to 500 critical suppliers
3. Identify and drive responsible procurement parameters leading to a 15% improvement in our EcoVadis scoring
4. Devise and coordinate supplier action plans as results of assessments
5. Integrate ESG criteria into our source-to-contract processes (RFPs, Scoring Evaluation, etc.)

Quality Manufacturing and Patient Safety

Quality Manufacturing

Teva has a vast manufacturing network with thorough safety monitoring and quality assurance processes, aiming to ensure safety from the time we source raw materials to the time our medicines reach our patients. Our commitment to safety and quality is outlined in [Teva's Position on Quality Manufacturing](#) and is vital to delivering on our mission.

Quality Performance	2017	2018	2019	2020
Number of Class I recalls (or equivalent)	1	1	3	0
Number of Class II recalls (or equivalent)	21	26	14	12
Number of regulatory agency inspections	170	114	118	63*
Number of form 483 observations**	273	274	173	57
Number of FDA Warning Letters (WL) or equivalent	1 TAPI Hangzhou ^(A)	0	1 Davie, Florida ^(B)	0

*COVID-19 safety precautions and travel restrictions affected the number of 2020 inspections.

**Numbers reported reflect critical and major observations.

(A) FDA WL received April 2017.

(B) FDA WL received February 2019.

Anti-Counterfeiting

Teva is committed to combating 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.

We have processes in place to prevent counterfeit medicines and maintain product traceability throughout our supply chain. We print a unique identifier on the saleable unit per the market requirements, which enables tracking from our manufacturing site to our customers.

Our serialization program continued to grow to the global market in 2020, launching in Russia on July 1. The project was implemented at 18 Teva sites, with 116 packaging lines and 8 contract-manufacturing organizations.

2021 Goals

1. Pilot aggregation capabilities for US market serialization, which is a 2023 requirement

“ We have the ultimate responsibility to supply high quality medicines to our patients, and at the same time, provide a safe working environment for our employees, while protecting the environment. This is guided by our Quality and Environment, Health, Safety and Sustainability (EHS&S) Vision of continuously improving our compliance in all aspects of our Quality and EHS&S Management System, having the right capabilities and capacity in place and making appropriate decisions during all steps of a product life cycle.”

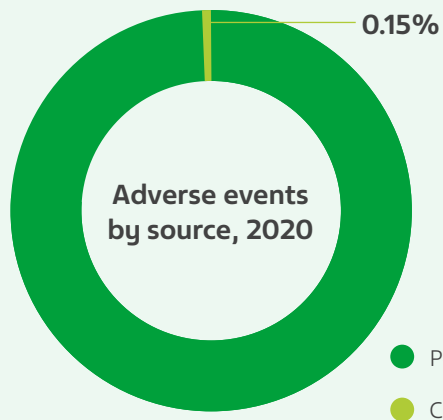
Dr. Edith Koller-Dette

Senior Vice President, Global Quality & EHS&S

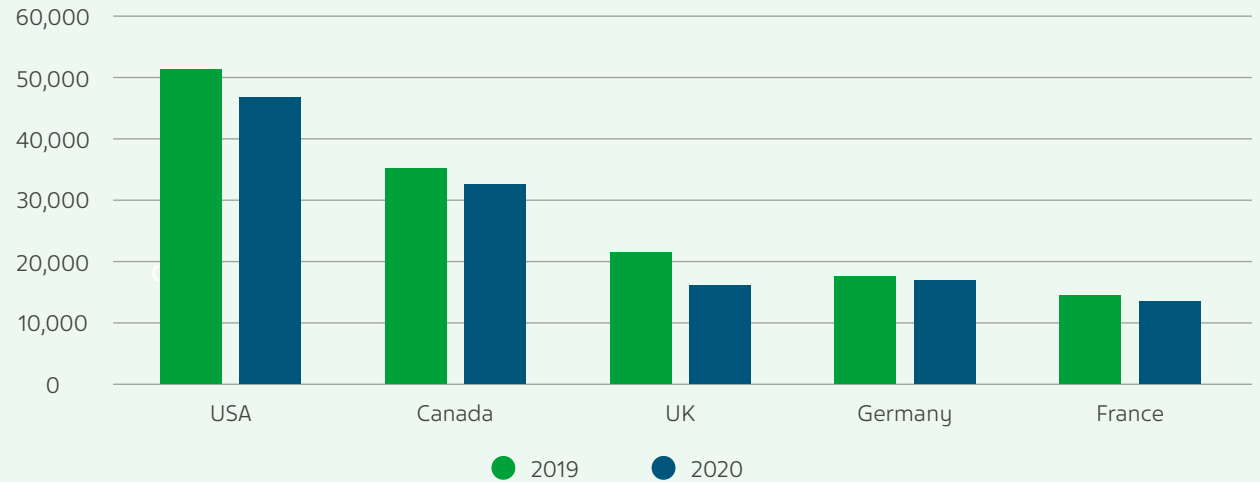
Patient Safety

With roughly 3,000 medicines that reach nearly 200 million people each day, ensuring the safety of our patients is critical to improving health. Teva's Global Pharmacovigilance (PV) team monitors the safety of our medicines and, when necessary, mitigates risks and protects public health by working closely with applicable regulatory authorities. Our PV team consists of safety officers, located in more than 45 countries, who collect information about patients' experiences with our products, including adverse events.

COVID-19 presents challenges related to patient safety, but we have quickly adapted. Following discussions with an external vendor that processes our patient safety reports, we implemented solutions to maintain business continuity. Additionally, in some cases, lack of access to postal mail due to work from home or post office closures has impacted access to safety reports or the ability to send requests for additional and/or missing safety report information required by regulation. We have mitigated this by instructing medical information and call centers to ask for email addresses and/or phone numbers.





Top five countries where adverse event reports originated



2020 Goals

Status

Continue to ensure company employees complete annual refresher training on PV  Complete

Continue to comply with reporting timelines for submitting documents, such as Periodic Safety Reports and RMPs, to health authorities and responding to safety information requests  Complete

2021 Goals

1. Launch go-live of Teva's upgraded Global Safety Database
2. Improve safety data retrieval capabilities
3. Provide PV support to ensure safe product launches
4. Fulfill safety implications for new regulations for medical devices in the EU
5. Submit safety reports in new required format [E2B R3]

Data Privacy and Security

Teva maintains a comprehensive global privacy program. In 2020, we appointed Teva's Global Privacy Officer and Teva's Global Privacy Steering Committee to set clear privacy goals and priorities. We implemented an information technology (IT) tool in 2019 to support our privacy obligations and, in 2020, enhanced it with additional functionalities. [Teva's Global Data Privacy Policy](#) guides our employees and contingent workers in putting our values into practice when processing personal data.

Our global privacy program manages our obligations across countries and regions, supporting our obligations under the relevant privacy frameworks. We continue to comply with the EU General Data Protection Regulation (GDPR) and other privacy regulations through the implementation and monitoring of privacy practices, policies and procedures, supported by regional employee trainings, impact assessments, and local registries and processes to support subject requests and incidents. In the EU, we engage an external EU data protection officer to evaluate our data protection impact assessments (DPIA) and conduct monitoring activities. In addition, the Regional Privacy Teams have worked closely with HR colleagues, compliance officers and legal teams to provide employees notice, which describes employee rights with regard to data processing within Teva and addresses all other areas of privacy compliance.

Global privacy training campaign achieved 95%+ completion

A third-party due diligence procedure was implemented in July 2013 using a centralized globally managed process to enable consistency, control and aggregated reporting. The due diligence program has undergone enhancements since its establishment and, in 2018, a new tool was established that provides a more efficient data-driven risk management approach. Addressing third-party due diligence represented a significant challenge, as approximately 20,000 third parties have undergone the process since the programs' inception, in addition to a high volume of new (and renewing) third parties. For 2020, a total of 1,996 requests were processed.

New employees receive privacy training as part of their onboarding. In 2020, Teva assigned global trainings to support [Teva's Global Data Privacy Policy](#) and other trainings for Teva affiliates that process personal data. Teva maintains a global security operation center, which operates around the clock to manage employee reports of potential privacy incidents.

COVID-19 challenged us to develop and implement new privacy guidelines to support Teva's situation room and safeguard employees' personal data collected due to COVID-19 needs. These guidelines are designed to support virtual interactions with our healthcare community members.

2021 Goals

1. Expand implementation of IT security due diligence on third-party vendors that process personal data



Corporate Governance

Good governance is fundamental to our responsible business operations and sustainability. We hold ourselves to the highest standards, which we know our patients and stakeholders expect of us. Our Board of Directors guide and oversee our practices and how management implements our responsible business practices. [Teva's Statement of Corporate Governance Principles](#) is adopted by the Board and outlines its responsibilities to Teva, its shareholders and other stakeholders. We value transparency and continuously seek to improve our business practices, guided by our [Corporate Governance and Policy Documents](#). Our [Notice and Proxy Statement for Teva's 2021 annual meeting of shareholders](#), which was filed with the US Securities and Exchange Commission on April 21, 2021, includes additional corporate governance disclosures.

Ethics and Transparency in Clinical Trials

We have an obligation to report our clinical trial results according to the highest ethical standards. Our Transparency and Disclosure team oversees this, including clinical trial registrations and results disclosures on [ClinicalTrials.gov](#) and the EU Clinical Trials Register. In February 2020, we launched [Teva's Clinical Trials Website](#), which provides links to tabulated results, including a brief summary of inclusion or exclusion criteria, as well as relevant dates. We prioritize the safety of patients who participate in our clinical trials and strive to be a leader in the public disclosure of clinical trial results, which is further explained in [Teva's Policy on Clinical Trial Transparency and Disclosure](#). In 2021, we plan to continue to meet all global transparency and disclosure regulations.

Compassionate Use Programs

We are committed to providing important information about our medicines in development to patients and healthcare professionals. When deemed appropriate, we also provide access to Teva medicines for eligible patients outside, or after the conclusion, of clinical trials or normal marketing access channels. [Teva's Policy on Compassionate Use Programs \(CUPs\)](#) outlines our approach and relevant regulations related to CUPs implementation.

Teva actively conducts approximately 10 clinical pharmacology studies and 40 late-phase clinical studies on a monthly basis, including phase 4 trials, post-approval commitments and compassionate programs.

Responsible Lobbying

Teva's active role in trade and industry associations and engagement with nongovernmental organizations, scientists, healthcare professionals and patient groups on important issues, when applicable, is vital to create a sustainable healthcare system for our patients. Teva government affairs professionals and relevant senior executives manage such activities. [Teva's Position on Government Affairs](#) outlines how we address global healthcare needs through strategic and responsible engagement with governments and policymakers. To view our political contributions, please see [page 100](#).

Responsible Sales and Marketing

At Teva, we communicate transparently and ethically with our stakeholders, including healthcare professionals, to ensure our patients understand our products. We implement our responsible sales and marketing practices across all business units and regions, and our promotional materials undergo ethical review and approval. Our sales and marketing activity is conducted in accordance with all relevant laws and regulations. We promote access to medicines for all by adhering to globally defined principles and through appropriate and relevant channels and materials, as outlined in [Teva's Position on Marketing and Promotional Practices](#).

COVID-19 has led to restrictions that eliminate face-to-face interaction with healthcare professionals, which presents challenges to our responsible sales and marketing programs and initiatives. We adapt with virtual detailing and interactions, online webinars, electronic platform speaker programs and virtual congress sponsorships.





| Disclosures

ESG Data Snapshot

GRI Content Index

SASB Index

Task Force on Climate-Related
Financial Disclosures

UN Global Compact Principles

From Materiality to Strategy

ESG Data Snapshot

Employees	Unit	2016	2017	2018	2019	2020	Change in 2020
Israel	Employees	6,732	6,157	4,843	4,337	3,675	-15%
Europe	Employees	25,247	21,745	19,004	18,207	18,569	2%
North America	Employees	10,855	9,568	7,752	7,336	6,918	-6%
International Markets	Employees	11,866	12,048	9,579	9,408	9,210	-2%
Total headcount	Employees	54,700	49,518	41,177	39,288	38,372	-2%
Women in total workforce	%	47%	46%	45%	45%	45%	N/A
Employee turnover	%	16%	21%	31%	17%	12%	-29%

Workplace safety	Unit	2016	2017	2018	2019	2020	Change in 2020
Recordable injury rate	Rate	0.47	0.4	0.38	0.34	0.31	-9%
Number of lost days due to injury	Days	2,293	2,729	1,570	1,506	1,407	-7%
Lost day rate	Rate	0.33	0.25	0.23	0.18	0.18	N/A

Environment*	Unit	2016	2017	2018	2019	2020	Change in 2020
Scope 1 energy consumption	MWH	1,527,571	1,890,618	1,714,908	1,596,685	1,537,425	-4%
Scope 2 energy consumption	MWH	1,207,680	1,436,726	1,330,583	1,291,727	1,174,855	-9%
Total energy consumption	MWH	2,735,250	3,327,345	3,045,491	2,888,412	2,712,280	-6%
Scope 1 greenhouse gas (GHG) emissions	Tons CO ₂ e	392,268	458,755	372,604	335,704	326,667	-3%
Scope 2 GHG emissions	Tons CO ₂ e	455,017	472,358	454,598	396,407	370,018	-7%
Total scope 1 and 2 GHG emissions	Tons CO ₂ e	847,285	931,113	827,202	732,111	696,685	-5%
Energy intensity	MWh/employee	63.72	64.30	70.94	73.52	70.68	-4%
GHG emissions intensity	Tons CO ₂ e/employee	19.74	17.99	19.27	18.63	18.16	-2%

*Data adjusted for business divestments from our 2017 target baseline year in accordance with the GHG protocol. 2017 data retroactively updated to increase the scope of verified data.

GRI Content Index

General Disclosures

GRI Indicator	Description	Reference	Omissions	United Nations (UN) Sustainable Development Goals (SDGs)
102-1	Name of the organization	Teva Pharmaceutical Industries Ltd.		
102-2	Activities, brands, products and services	2020 ESG Progress Report, page 9 . Please see Teva's 2020 Annual Report (Form 10-K) , pages 2-14		
102-3	Location of headquarters	5 Basel St., Petach Tikva, 49131 Israel		
102-4	Location of operations	Our website: Teva Worldwide		
102-5	Ownership and legal form	Teva is publicly traded on the New York Stock Exchange (NYSE: TEVA) and the Tel Aviv Stock Exchange (TASE: TEVA). Teva was incorporated in Israel in 1944. For more details, see page 2 of Teva's 2020 Annual Report (Form 10-K) .		
102-6	Markets served	We operate worldwide, with headquarters in Israel and a significant presence in the United States, Europe and many other markets around the world. Our products are sold in 60 countries. Typically, our products represent 12–20% of generic medicine prescriptions in our markets around the world.		
102-7	Scale of the organization	2020 ESG Progress Report, page 7		
102-8*	Information on employees	2020 ESG Progress Report, page 84		8
102-9	Supply chain	2020 ESG Progress Report, pages 49-50		9 12
102-10	Significant changes	There were no significant changes in 2020.		
102-11	Precautionary Principle	We support the precautionary approach introduced by the United Nations in Principle 15 of the Rio Declaration on Environment and Development and act to protect against environmental degradation where full scientific certainty does not exist. See Teva's Position on Environmental Sustainability .		
102-12	External initiatives	Teva has participated in the UN Global Compact since 2010 and in 2020, we reconfirmed our membership as a participant.		16

*ERM Certification and Verification Services provided assurance for the disclosure

GRI Indicator	Description	Reference	Omissions	United Nations (UN) Sustainable Development Goals (SDGs)
102-13	Membership of associations	Teva engages with several industry and trade associations at local or national levels 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 (AMR) Industry Alliance, Medicines for Europe (MfE) (Board position), International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) and the European Federation of Pharmaceutical Industries and Associations (EFPIA) (Board position).		17
102-14	Statement from senior manager	2020 ESG Progress Report, page 5		
102-15	Key impacts, risks and opportunities	Please see Teva's 2020 Annual Report (Form 10-K) , page 24		
102-16	Values, principles, standards	2020 ESG Progress Report, page 7		16
102-17	Mechanisms for advice and concerns about ethics	2020 ESG Progress Report, pages 45-48		16
102-18	Governance structure	Teva's Board of Directors comprises 12 directors (of which 11 are independent); see more details: Notice and Proxy Statement for Teva's 2021 Annual Shareholder Meeting		
102-22	Composition of the highest governance body and its committees	Proxy Statement for Teva's 2021 Annual Shareholder Meeting , page 12-13 for information on director independence, executive/non-executive, age, tenure and gender; page 5-10 for other significant positions and commitments and qualifications for service; page 12 for competencies		16
102-23	Chair of the highest governance body	Proxy Statement for Teva's 2021 Annual Shareholder Meeting , page 7; Teva's non-executive chairman of the board is Dr. Sol Barer.		16
102-24	Nominating and selecting the highest governance body	Proxy Statement for Teva's 2021 Annual Shareholder Meeting , page 19, "Corporate Governance and Nominating Committee" and page 14, "Nominees for Directors"		5 16
102-25	Conflicts of interest	Proxy Statement for Teva's 2021 Annual Shareholder Meeting , page 86, "Related Party Transactions"		16

GRI Indicator	Description	Reference	Omissions	United Nations (UN) Sustainable Development Goals (SDGs)
102-26	Role of highest governance body in setting purpose, values and strategy	Proxy Statement for Teva's 2021 Annual Shareholder Meeting , pages 13-14, "Board Meetings" and "Board of Directors Role in Risk Oversight"; pages 18-20 for roles and responsibilities of various board committees under "Committees of the Board"		
102-27	Collective knowledge of highest governance body	Proxy Statement for Teva's 2021 Annual Shareholder Meeting , pages 12-13, "Director Terms and Education"		
102-28	Evaluating the highest governance body's performance	Proxy Statement for Teva's 2021 Annual Shareholder Meeting , page 21, "Board Evaluation Process"		
102-29	Identifying and managing economic, environmental and social impacts	Proxy Statement for Teva's 2021 Annual Shareholder Meeting , pages 22, 34-37 ("Shareholder Engagement"), pages 22-23 ("Human Capital Management"), pages 23-25 ("ESG")		16
102-30	Effectiveness of risk management processes	Proxy Statement for Teva's 2021 Annual Shareholder Meeting , pages 13-14, "Board Meetings" and "Board of Directors Role in Risk Oversight"		16
102-32	Highest governance body's role in sustainability reporting	Board Committees and Charters; 2020 ESG Progress Report, page 11		
102-33	Communicating critical concerns	Proxy Statement for Teva's 2021 Annual Shareholder Meeting , pages 22, 34-37 ("Shareholder Engagement"), pages 22-23 ("Human Capital Management"), pages 23-25 ("ESG")		
102-35	Remuneration policies	Proxy Statement for Teva's 2021 Annual Shareholder Meeting , pages 12-15, "Non-Employee Director Compensation" (for director compensation); pages 29-77 (for executive compensation)		
102-36	Process for determining remuneration	Proxy Statement for Teva's 2021 Annual Shareholder Meeting , pages 29-77		
102-37	Stakeholders' involvement in remuneration	Proxy Statement for Teva's 2021 Annual Shareholder Meeting , pages 22, 34-37 "Shareholder Engagement"; voting results for 2020		
102-38	Annual total compensation ratio	Proxy Statement for Teva's 2021 Annual Shareholder Meeting , pages 66-67		
102-40*	List of stakeholder groups	2020 ESG Progress Report, page 15		

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GRI Indicator	Description	Reference	Omissions	United Nations (UN) Sustainable Development Goals (SDGs)
102-41*	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. 83% of our employees in Israel are covered by collective bargaining agreements.	Additional information for other geographies/regions/countries is unavailable. The data is either inapplicable or only managed at the local level. Teva will work to identify additional data available for future reports.	8
102-42*	Identifying and selecting stakeholders	2020 ESG Progress Report, page 15		
102-43*	Stakeholder engagement	2020 ESG Progress Report, page 15		
102-44*	Key topics and concerns raised	2020 ESG Progress Report, page 15		
102-45*	Entities included	This report covers all of Teva's owned and operated facilities around the world.		
102-46*	Report content and topic boundaries	2020 ESG Progress Report, page 78		
102-47*	List of material topics	2020 ESG Progress Report, page 78		
102-48	Restatements of information	No information was restated in 2020.		
102-49	Changes in reporting	Additional disclosures are reported in 2020 as a result of SASB and TCFD, in addition to GRI.		
102-50	Reporting period	January 1, 2020 – December 31, 2020		
102-51	Date of most recent report	June 2, 2020		
102-52	Reporting cycle	We report on an annual basis.		
102-53	Contact point	2020 ESG Progress Report, page 80		
102-54	Reporting in accordance with GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.		
102-55	GRI Content Index	2020 ESG Progress Report, page 58-69		
102-56	External assurance	2020 ESG Progress Report, page 81-82		

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Topic-Specific Material Disclosures

GRI Indicator	Management Approach 101-1, 101-2, 101-3	Topic-Specific Material Disclosures	Reference	Omissions	United Nations (UN) Sustainable Development Goals (SDGs)
GRI 201: Economic Performance (2016)	2020 ESG Progress Report, page 73-76	201-2 Financial implication and other risks and opportunities due to climate change	2020 ESG Progress Report, page 73-76		
GRI 203: Indirect Economic Impacts (2016)	2020 ESG Progress Report, page 43	203-2: Significant indirect economic impacts	2020 ESG Progress Report, page 43		1 3 8 10
GRI 205: Anti-Corruption (2016)	Teva's Global Prevention of Corruption Policy	205-1 Operations assessed for risks related to corruption	2020 ESG Progress Report, page 83		16
		205-2 Communication and training about anti-corruption policies and procedures	2020 ESG Progress Report, pages 45-47		16
		205-3 Confirmed incidents of corruption and actions taken	2020 ESG Progress Report, page 46		16
GRI 206: Anti-Competitive Behavior (2016)	2020 ESG Progress Report, page 11; Teva's Code of Conduct	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Teva's 2020 Annual Report (Form 10-K) , pages 134-145		
GRI 302: Energy (2016)	Teva's Position on Environmental Sustainability	302-1 Energy consumption within the organization	2020 ESG Progress Report, page 86		7 12 13
		302-3 Energy intensity	2020 ESG Progress Report, page 86		7 12 13

GRI Indicator	Management Approach 101-1, 101-2, 101-3	Topic-Specific Material Disclosures	Reference	Omissions	United Nations (UN) Sustainable Development Goals (SDGs)
GRI 303: Water and Effluents (2018)	Teva's Position on Environmental Sustainability	303-1* Interactions with water as a shared resource	2020 ESG Progress Report, page 87		6 12
		303-2* Management of water discharge-related impacts	We comply with all applicable regulatory requirements, including those relating to any local, state, regional and national effluent discharge quality. 95% of our sites have an EHSMS in place, aligned with Teva's corporate EHS Standards, which provide systems and controls for identifying and complying with regulatory requirements. Going above and beyond regulatory requirements, as part of Teva's pharmaceuticals in the environment (PIE) assessment program, where Teva identifies Predicted Environmental Concentrations (PEC) above those of the published Predicted No-Effect Concentration (PNEC), Teva will implement improvement measures to reduce discharge levels below the PNEC.		6 12
		303-3* Water withdrawal	2020 ESG Progress Report, page 88		6 12
		303-4* Water discharge	2020 ESG Progress Report, page 89		6 12
		303-5* Water consumption	2020 ESG Progress Report, page 89		6 12
GRI 305: Emissions (2016)	Teva's Position on Environmental Sustainability	305-1 Direct (Scope 1) GHG emissions	2020 ESG Progress Report, page 90		13
		305-2 Energy indirect (Scope 2) GHG emissions	2020 ESG Progress Report, page 90		13
		305-4 GHG emissions intensity	2020 ESG Progress Report, page 90		13
		305-6 Emissions of ozone-depleting substances (ODS)	2020 ESG Progress Report, page 90		13

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GRI Indicator	Management Approach 101-1, 101-2, 101-3	Topic-Specific Material Disclosures	Reference	Omissions	United Nations (UN) Sustainable Development Goals (SDGs)
GRI 306: Waste (2020)	Teva's Position on Environmental Sustainability	306-1 Waste generation and significant waste-related impacts	2020 ESG Progress Report, page 91		12
		306-2 Management of significant waste-related impacts	2020 ESG Progress Report, page 92		12
		306-3 Waste generated	2020 ESG Progress Report, page 92		12
		306-4 Waste diverted from disposal	2020 ESG Progress Report, page 93		12
		306-5 Waste directed to disposal	2020 ESG Progress Report, page 93		12
GRI 307: Environmental Compliance (2016)	Teva's Position on Environmental Sustainability	307-1 Noncompliance with environmental laws and regulations	2020 ESG Progress Report, page 94		12
GRI 401: Employment (2016)	Teva's Code of Conduct	401-1* New employee hires and employee turnover	2020 ESG Progress Report, page 95		8
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Teva Benefit Programs adhere to legal requirements in each country. In many countries, Teva offers beyond the minimum standard by law, and in some countries, even goes above market practice.		3 8
GRI 402: Labor/Management Relations (2016)	Teva's Code of Conduct	402-1 Minimum notice periods regarding operational changes	With respect to significant operational changes that substantially affect employees, we comply with applicable local labor laws and regulations, commitments in employment contracts and collective bargaining agreements in our countries of operation, which may differ from country to country. Where agreements with unions or work councils are in place, minimum notice and consultation periods are generally specified. In general, globally, we apply a minimum of four-weeks' notice for permanent salaried employees. In addition, where possible, we endeavor to provide notice periods that exceed minimum legal requirements.		

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GRI Indicator	Management Approach 101-1, 101-2, 101-3	Topic-Specific Material Disclosures	Reference	Omissions	United Nations (UN) Sustainable Development Goals (SDGs)
GRI 403: Occupational Health and Safety (2018)	Teva's Position on Occupational Health and Safety	403-1 Occupational health and safety management system	Teva's EHSMS comprehensively deals with all aspects of occupational health and safety. It enables each site to ensure regulatory compliance and, if desired, certification to external standards such as ISO 45001 or OHSAS 18001. It applies to all Teva employees, contingent workers and contractors across all sites.		3 8
		403-2 Hazard identification, risk assessment and incident investigation	2020 ESG Progress Report, page 96		3 8
		403-3 Occupational health services	2020 ESG Progress Report, page 96		3 8
		403-4 Worker participation, consultation and communication on occupational health and safety	2020 ESG Progress Report, page 96		3 8
		403-5 Worker training on occupational health and safety	2020 ESG Progress Report, page 97		3 8
		403-6 Promotion of worker health	Teva provides a wide range of employee benefits, which in many cases include medical and healthcare services. Teva's EHSMS includes encouraging, supportive health and wellness provisions (see GRI 403-3), which are driven locally. Globally, Teva encourages sites to hold health promotion sessions by including them in Teva's annual EHS Week.		3 8
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Teva's comprehensive contractor management program includes a pre-work contractor qualification process/ approval and periodic risk assessment. It also includes a work safety plan and/or safe work permitting processes, site contractor oversight, contractor inspections and post-work reviews.		3 8
		403-8 Workers covered by an occupational health and safety management system	2020 ESG Progress Report, page 97		3 8
		403-9 Work-related injuries	2020 ESG Progress Report, page 98		3 8

GRI Indicator	Management Approach 101-1, 101-2, 101-3	Topic-Specific Material Disclosures	Reference	Omissions	United Nations (UN) Sustainable Development Goals (SDGs)
GRI 404: Training and Education (2016)	Teva's Position on Talent Recruitment and Development	404-2 Programs for upgrading employee skills	2020 ESG Progress Report, page 38		4 8
		404-3 Performance reviews	2020 ESG Progress Report, page 98		4 8
GRI 405: Diversity and Equal Opportunity (2016)	Teva's Position on Diversity and Inclusion	405-1* Diversity of governance bodies	2020 ESG Progress Report, page 99		5 8
GRI 415: Public Policy (2016)	Teva's Position on Government Affairs	415-1 Political contributions	2020 ESG Progress Report, page 100		16
GRI 419: Socioeconomic Compliance (2016)	2020 ESG Progress Report, page 45	419-1 Noncompliance with laws and regulations in the social and economic area	Please see Teva's 2020 Annual Report (Form 10-K) , page 139		

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SASB Index

Biotechnology & Pharmaceuticals Standard

SASB Code	SASB Metric	Disclosure	United Nations (UN) Sustainable Development Goals (SDGs)
Safety of Clinical Trial Participants			
HC-BP-210a.1	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	<p>Global Clinical Quality (GCQ) is responsible for the implementation, maintenance and oversight of quality activities during the clinical development of a new compound or a marketed drug being studied for a new indication or labeling change.</p> <p>An effective system for monitoring compliance is established and maintained by GCQ on a master audit schedule that is used to project GCQ activities in support of the department's primary responsibilities. Ensuring compliance is performed through various types of audits and activities, including but not limited to the following:</p> <ul style="list-style-type: none"> — Clinical Investigator Sites audit — Clinical Research Organization and Vendors audit — Trial Master File (TMF) audit — System or Process audit — Study documents audit <p>GCQ activities are in accordance with internal standard operating procedures (SOPs) and Work Instructions to maintaining Good Clinical Practice (GCP) standards. GCQ manages all Sponsor regulatory inspection and offers assistance to clinical sites and vendors in preparation for a global or local regulatory inspection by conducting an inspection readiness visit.</p>	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 2020, there were no FDA Sponsor Inspections related to Specialty clinical trial management.	9
HC-BP-210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	Please see Teva's 2020 Annual Report (Form 10-K) , page 132.	

SASB Code	SASB Metric	Disclosure	United Nations (UN) Sustainable Development Goals (SDGs)
Access to Medicines			
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	2020 ESG Progress Report, pages 29-31	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)	Teva Atazanavir capsules 300 mg HA750 (WHO prequalified on 18 Dec 2019)	3
Affordability & Pricing			
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	Please see Teva's 2020 Annual Report (Form 10-K) , page 132.	
HC-BP-240b.2	Percentage change in: (1) average list price and (2) average net price across US product portfolio compared to previous year	Not disclosed	
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	

SASB Code	SASB Metric	Disclosure	United Nations (UN) Sustainable Development Goals (SDGs)
Drug Safety			
HC-BP-250a.1	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	Not disclosed	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	2020 ESG Progress Report, page 51	3
HC-BP-250a.4	Total amount of product accepted for takeback, reuse, or disposal	Not disclosed	3
HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	2020 ESG Progress Report, page 51	3
Counterfeit Drugs			
HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	<p>In the US, trading partners can validate unique identifiers against Teva's database if the product is suspected as falsified.</p> <p>In Europe, a product's unique identifier is validated at the point of dispense to ensure it is not counterfeit. It is validated against the National Medicines Verification database, which receives the data from the European Medicines Verification Organization that received it from Teva. In Russia, the product is aggregated upon import, creating parent/child relationships for the unique identifiers that enable tracing through the supply chain. Movement is reported to the government database. Upon dispense, the identifier is validated against the cryptographic data and government database.</p>	3

SASB Code	SASB Metric	Disclosure	United Nations (UN) Sustainable Development Goals (SDGs)
HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	<p>Teva is committed to combating 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.</p> <p>For counterfeit or illegitimate product events, the appropriate health or regulatory authority is notified according to any required directive or regulation. All immediate trading partners that may have received illegitimate product are notified during that time.</p> <p>In response to confirmed counterfeit medicine incidents, Teva establishes 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, Public Relations, Marketing and other functions, as appropriate. The QA Unit will quarantine any suspect or illegitimate product within Teva's possession or control until it is cleared or removed from the supply chain. Teva takes reasonable and appropriate steps to assist trading partners in removing illegitimate products not in Teva's possession or control.</p>	3
HC-BP-260a.3	Number of actions that led to raids, seizure, arrests and/or filing of criminal charges related to counterfeit products	2020 ESG Progress Report, page 100	3
Ethical Marketing			
HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Teva publicly discloses any resolutions of material legal matters in our regular securities filings. For more details, see Teva's 2020 Annual Report (Form 10-K) , page 132.	
HC-BP-270a.2	Description of code of ethics governing promotion of off-label use of products	<p>As Teva's Code of Conduct states, we do not communicate publicly with the intent of promoting products for use before the product is approved for use under applicable laws. However, we may engage in a proper exchange of scientific information that is non-promotional in nature and intent and is not communicated by our sales representatives.</p> <p>Sales representatives who receive an inquiry about off-label use are obligated to refer the healthcare professional's question to our Medical Affairs Department, allowing medical professionals to communicate medical information directly. Our promotional efforts to healthcare professionals must be "on-label," and everything a sales representative says is considered promotional.</p>	16

SASB Code	SASB Metric	Disclosure	United Nations (UN) Sustainable Development Goals (SDGs)
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Employee Recruitment, Development & Retention

HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	Our Learn, Grow, Inspire (LGI) program provides all Global R&D colleagues with access to self-paced learning, innovative webcasts and trainings so they can learn more about disease states and leverage the vast, existing knowledge in the R&D space. This is a key way for employees to participate in learning and development trainings and cultivate their expertise. The program includes self-study, live training, therapeutic area training and team workshops. For more details, please see Teva's Position on Recruitment and Development.		3 8	
HC-BP-330a.2	(1) Voluntary and		Voluntary Turnover	Involuntary Turnover ¹	8
	(2) Involuntary turnover rate for:	Executives/Senior managers	5.4%	6.6%	
	(a) executives/senior managers,	Mid-level managers	5.8%	4.9%	
	(b) mid-level managers,	Professionals	5.7%	6.3%	
	(c) professionals, and	All others	4.5%	8.4%	
(d) all others	Overall	5.3%	6.8%		

¹Involuntary turnover also includes other reasons such as death, health reasons and retirement.

SASB Code	SASB Metric	Disclosure	United Nations (UN) Sustainable Development Goals (SDGs)
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	<p>1. For 2020, budget is used for Pharmaceutical Supply Chain Initiative (PSCI) audits to schedule, plan and execute audits of six critical suppliers. However, Teva was assessed by EcoVadis for 2020.</p> <p>2. There are 325 currently rated suppliers in EcoVadis.</p> <p>In addition to the Rx-360 program:</p> <p>We perform Supply Chain Security audits to approximately 250 third parties, including third-party logistic service providers, third-party destruction sites and non-governmental organizations, and perform security reviews through the Pharmaceutical Security Institute on new wholesalers and distributors in the US.</p> <p>We support the Authorized Economic Operator (AEO) and Customs-Trade Partnership against Terrorism (C-TPAT) certification of Teva sites, which are (World) Customs Organization programs mainly related to supply chain security.</p>	12
Business Ethics			
HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	Please see Teva's 2020 Annual Report (Form 10-K) , page 132.	
HC-BP-510a.2	Description of code of ethics governing interactions with healthcare professionals	We promote access to healthcare for all by adhering to globally defined principles and through appropriate and relevant channels and materials, which are outlined in Teva's Position on Marketing and Promotional Practices .	16
Activity Metrics			
HC-BP-000.A	Number of patients treated	Nearly 200M	
HC-BP-000.B.2	Number of drugs 1. In portfolio and 2. In research and development (Phases 1–3)	<p>1. 2,800 distinct molecule and dosage forms</p> <p>2. 28 (specialty & biosimilar)</p>	

Task Force on Climate-Related Financial Disclosures

Long-term environmental goals and metrics

During 2020, we completed our environmental goal setting process and on January 2021, we shared our ambitious 2030 environmental goals as part of our renewed ESG strategy. These environmental sustainability commitments are aligned to three areas that were identified during Teva's recently completed ESG materiality analysis, which informed the development of our renewed strategy:

- Climate Action and Resilience
- Responsible Use of Natural Resources
- Emissions, Effluents and Waste

Specifically, the company has committed by the end of 2030 to:

- Reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions by **33%** versus 2017 levels to support efforts to limit the global temperature increase to well below 2°C, aligning with the 2015 Paris Climate Agreement.
- Improve transparency of Scope 3 GHG emissions and increase engagement on climate issues with key suppliers throughout the value chain.
- Increase energy efficiency by **10%** and the total proportion of electricity purchased or generated from renewable sources to **50%**.
- Reduce total water withdrawal by **10%** in areas projected to be in water stress.
- Assess and mitigate the environmental impact of pharmaceutical ingredients used in operations.
- Reduce the overall mass of secondary and tertiary packaging materials per unit dose and increase the proportion of recycled and responsibly-sourced materials by **10%**.
- Assess the environmental life cycle impact of key products.
- Continue to minimize waste generated from operations and the environmental impact of its disposal.
- Meet existing Antimicrobial Resistance (AMR) Industry Alliance commitments to minimize antimicrobial discharges from the supply chain.

Teva's science-based target to reduce greenhouse gas (GHG) emissions was established to provide a level of decarbonization required to keep the global temperature increase to well below 2°C. This is compared to pre-industrial temperatures, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).

Teva is also enhancing disclosures by aligning reporting with robust international standards, including Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and Task Force on Climate-Related Financial Disclosures (TCFD). The 2030 timeline will help us align with the United Nations Sustainable Development Goals (SDGs) and to help achieve these goals.

Teva's GHG emissions in 2020*

- Teva's Scope 1 emissions – 326,667 metric tons CO₂e
- Teva's Scope 2 emissions, market-based – 370,018 metric tons CO₂e

Although we currently report on our partial Scope 3 GHG emissions in our CDP Climate Change disclosure, this is not complete and as part of our recently published commitments, we intend to increase transparency of our Scope 3 emissions and will publish this in the future.

*Data adjusted for business divestments from our 2017 target baseline year in accordance with the GHG protocol. 2017 data retroactively updated to increase the scope of verified data.

Climate-related risk and opportunities, governance oversight and management

Teva's Executive Vice President of Global Operations is responsible for the company's Environmental, Health, Safety and Sustainability (EHS&S) Policy and the executive sponsor for all EHS&S matters. The EVP of Global Operations reports directly to the President and CEO and is the sponsor of the Environment, Health, Safety and Quality (EHSS&Q) committee that assesses climate-related risks and opportunities.

Teva's Corporate EHSS&Q Committee provides management oversight and direction with respect to environmental, health, safety and sustainability policies and programs. This committee is comprised of senior level executives from all business units within Teva and has oversight responsibility for EHS&S strategy, EHS&S compliance and performance, public policy and trends, communications and establishing technical advisory committees, as required. The committee escalates material matters and/or issues to Teva's Executive Management Team for further action.

Teva's EHS&S function reports into Teva Global Operations and is responsible for establishing strategy, policies and management systems to drive continuous improvement in all aspects of EHS&S compliance and performance across Teva. EHS&S reviews company EHS&S matters and performance with the EVP, Global Operations on a regular basis, minimally quarterly.

For Teva, the involvement of the aforementioned committees is essential for the achievement of our environmental goals. This is why the review and discussion of the enterprise-level progress report involves the board, executive management, ESG team and EHSS&Q Committee, as appropriate.

Teva's EHS&S unit has developed a long-term plan to tackle high-priority environmental matters such as climate change, which sets the actions required to achieve the commitments recently published as part of Teva's new 2030 environmental goals. The ambitious new goals were designed in collaboration with the ESG team, approved by Executive Management and endorsed by the Board of Directors.

During 2021, the EHS&S unit, in collaboration with the Enterprise Risk Management team, will conduct a climate physical risk and opportunities assessment of a number of our facilities, including those related to manufacturing, distribution and R&D. Depending on the insights and risk levels arising from the assessment, the results will be reported to the Audit Committee for discussion. For more information on Teva's climate-related risk and opportunities governance oversight and management, please see [2020 ESG Progress Report, page 11](#).

Teva's processes for identifying, assessing and managing climate-related risks

Teva's risk management processes are integrated into a multi-disciplinary company-wide risk management process focused on direct operations.

At Teva, each business unit (BU), together with site managers, performs a risk assessment at their operating locations, based on a standard risk assessment framework, including some climate-related risks. Additionally, regular site energy inspections, audits and surveys are used to identify energy-saving opportunities and evaluate energy-saving projects for feasibility and subsequent implementation. The driver for many of our energy efficiency activities may be based on perceived risk and/or return on investment.

Outputs of BU risk assessments are aggregated at the corporate level to determine overall risk. Risks are then prioritized for materiality according to the standard framework approach. The risk matrix evaluates risk using various parameters (e.g., financial loss, business objectives, regulatory compliance/legal impact, environment, health and safety, reputation and personal liability). We use five severity rankings: Minimal, Moderate, High, Very High and Significant. The financial impact for short-term (AOP) threshold for Minimal severity is <\$50 million USD. Any loss potential above this amount is bracketed out into the other categories. In this process, risks are ranked in order of priority based on the severity/materiality ranking and also relative to each other.

Periodically, Teva's senior level leaders review all the risks identified.

Physical risks and opportunities to Teva's operations are considered as part of an enterprise risk management program. In areas where severe weather can affect Teva's operations, the potential risks are considered during contingency and business continuity planning. Mitigating factors, such as having adequate emergency power generation capacity, relevant in case of natural disasters, are put in place, where warranted, to reduce the risk of an impact to manufacturing operations. Physical risks are also a consideration in Teva's supplier management processes with mitigating factors put in place, where warranted, such as multiple suppliers for key materials. The latter case affects our supply chain and distribution of goods, which might be impacted by acute changes in weather (e.g., floods that create change in shipping routes).

Teva's climate-related risks and opportunities

Teva performs risk assessments periodically. As part of our comprehensive approach to environmental management we evaluate environmental risks and opportunities. We are currently performing a physical climate-related risk and opportunities assessment and will provide an update of the results of this and the process in Teva's 2021 ESG Progress Report.

One of Teva's main climate-related risks identified with the potential to have a substantive impact on Teva's business is extreme variability in weather patterns and/or severity and frequency of extreme weather events such as hurricanes and floods. Teva facilities and supply chain could experience extreme weather events that could affect the ability to receive raw materials and/or supply product to markets. It might result in plant shutdowns, the loss of a plant or interruptions in the distribution network.

Teva proactively manages our supply chain to address risks that could result in supply interruptions. We have implemented a number of defense mechanisms such as a multiple suppliers' network, sophisticated systems to manage internal supply, a broader property loss prevention program (including provision of physical protections, back-up services and business continuity planning), Supplier Code of Conduct that obliges suppliers to operate in an environmentally responsible manner, emergency preparedness and response measures. Teva also conducts ESG assessments of suppliers through EcoVadis, and currently, 63% of our suppliers assessed via EcoVadis have GHG emission reporting policies. We also use these assessments to drive improvements in ESG measures through corrective and preventative actions.

Environmental risk management can lead to new opportunities. One such opportunity identified can be connecting sustainability with **Teva's products and services with our ongoing commitment to the environment and to GHG emission reductions**—which becomes increasingly important to current consumers and other stakeholders.

Teva has publicly committed to GHG emission reduction as well as energy efficiency goals via this ESG Progress Report. Teva also participates in other forms of public disclosure and investor ESG ratings and rankings, including CDP Climate Change, CDP Water Security, Sustainalytics, MSCI, FTSE4Good, S&P CSA, ISS-ESG. Teva emissions are verified in accordance with the ISO 14064-3:2006 standard by SGS, with limited assurance. The full verification statement can be found [here](#).

Strategy and financial planning

Environmental risks affect our business's strategy and financial planning. We manage these on-going climate change risks with specific focus on those related to our products and services, supply chain, investment in R&D and operations.

Products and Services: As part of the implementation of our EHS Management System, all process and product development, capital or technology transfer projects include an assessment of Environment, Health, Safety and Sustainability (EHSS) to reduce negative impacts and assure optimal sustainable operations. This integrates elements of green chemistry such as design for energy efficiency.

Operations: Some of our operations are located in geographical areas sensitive to extreme weather events. The implementation of an EHSMS across 95% of Teva facilities has resulted in facilities evaluating and developing processes to prepare and respond to a range of emergency events that may occur, including extreme weather events. These measures are integrated within Teva's business continuity practices.

Teva provides capital investment for energy reduction and conservation projects based on feasibility assessments. Teva in 2020 established a cross-disciplinary Global Energy Taskforce to coordinate and manage energy and GHG-related projects and initiatives within the organization and has established funds to invest in these.

As part of the physical climate risks and opportunities assessment Teva is currently performing, various representative concentration pathway scenarios will be used to determine current and projected future physical risks of Teva facilities.

Teva identifies and evaluates climate-related risks through a formal enterprise risk management approach. We anticipate that ESG goals and KPIs that include climate risk and resilience aspects will position us to use climate-related scenario analysis to inform our business strategy. For example, access to high-quality water is critical to make medicines and the climate-related scenario analysis planning is necessary to inform strategy.

TCFD Reference Table

Core Element	Recommended Disclosure	Disclosure
		2020 Teva ESG Progress Report
Governance	a The Board's oversight of climate-related risks and opportunities	74
	b Management's role in assessing and managing climate-related risks and opportunities	74
Strategy	a Climate-related risks and opportunities Teva has identified over the short-, medium- and long-term	75
	b The impact of climate-related risks and opportunities on Teva's businesses, strategy and financial planning	75
	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	75
Risk management	a How processes for identifying, assessing and managing climate-related risks are integrated into Teva's overall risk management	74
	b Teva's processes for identifying and assessing climate-related risks	74
	c Teva's processes for managing climate-related risks	74
Metrics and targets	a The metrics used to assess climate-related risks and opportunities in line with strategy and risk management process	73
	b Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks	73
	c The targets used to manage climate-related risks and opportunities, including use of science-based targets and performance against these targets	73

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 in 2020, we reconfirmed our membership as a participant.

Global Compact Principles	Our Position
1 Businesses should support and respect the protection of internationally proclaimed human rights.	We conduct our business responsibly, and according to the highest ethical standards, including respect for human rights, both in our own operations and throughout our supply network. Our Supplier Code of Conduct includes a relevant contract clause in new and renewing agreements for all procurement. Please refer to Teva's Position on Human Rights .
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.	We respect the rights of employees related to freedom of association and collective bargaining. We maintain a collaborative relationship with employees and address issues relating to their rights in a positive manner.
4 Businesses should support the elimination of all forms of forced and compulsory labor.	We do not engage in any practice that could be construed as forced labor. All Teva employees are employed lawfully and of their own free will.
5 Businesses should support the effective abolition of child labor.	We respect and support the rights of children and we are committed to safeguarding their interests. We do not employ children in any part of our business.
6 Businesses should support the elimination of discrimination in respect of employment and occupation.	We maintain a policy of equal opportunity and inclusive practices for new and current employees in all matters related to their employment with Teva. Please refer to Teva's Position on Diversity and Inclusion .
7 Businesses should support a precautionary approach to environmental challenges.	
8 Businesses should undertake initiatives to promote greater environmental responsibility.	We adopt environmentally sustainable practices throughout our operations and conserve resources wherever possible. See our responses to environmental disclosures GRI 302, 303, 305 and 306. Please refer to Teva's Position on Environmental Sustainability .
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.	We are committed to behaving with integrity and act to eliminate corruption. See our response to GRI 205 above. Please refer to Teva's Policy on the Prevention of Corruption .

From Materiality to Strategy

Of the 25 topics identified in our materiality assessment, our strategy focuses on 21, given changes to lexicon and consolidation of topics based on their relevance and management at Teva—as outlined in the table to the right.

Material topics		Topics included in ESG strategy	
1	Access to Health and Medicines	1	Access to Health and Medicines
2	Partnering		
3	Global Health Priorities		
4	Health Outcomes Contribution		
5	Intellectual Property	2	Intellectual Property
6	Antimicrobial Resistance	3	Antimicrobial Resistance
7	Business Ethics, Anti-Bribery and Anti-Corruption	4	Business Ethics, Anti-Bribery and Anti-Corruption
8	Climate Change Resilience	5	Climate Action & Resilience*
9	Data Privacy and Security	6	Data Privacy and Security
10	Diversity and Inclusion	7	Inclusion and Diversity*
11	Economic Impact	8	Economic Impact
12	Emissions, Effluents and Waste	9	Emissions, Effluents and Waste
13	Pharmaceuticals in the Environment		
14	Employee Health, Safety and Well-Being	10	Employee Health, Safety and Well-Being
15	Ethics and Transparency in Clinical Trials	11	Ethics and Transparency in Clinical Trials
16	Good Governance	12	Corporate Governance
17	Sustainable Supply Chain	13	Responsible Supply Chain*
18	Human Rights		
19	Pandemic Preparedness and Disaster Relief	14	Pandemic Preparedness and Disaster Relief
20	Pricing	15	Pricing
21	Quality Manufacturing and Patient Safety	16	Quality Manufacturing and Patient Safety
22	Responsible Lobbying	17	Responsible Lobbying
23	Responsible Sales and Marketing	18	Responsible Sales and Marketing
24	Responsible Use of Natural Resources	19	Responsible Use of Natural Resources
		20	Employee Engagement
25	Talent Recruitment, Development and Retention	21	Talent Recruitment, Development and Retention

*Changes in topic name do not change scope of topic.



About This Report

2020 Reporting

Independent Assurance Statement

2020 Reporting

This report describes our key actions to advance environmental, social and governance in 2020. It complements information contained in our 2020 Annual Report ([Form 10-K](#)).

The report is written in accordance with the Global Reporting Initiative (GRI) Standards: Core option. GRI reporting principles have been applied in compiling this report. This report fulfills our commitment to submitting an annual Communication on Progress to the United Nations Global Compact and reaffirms our commitment to embedding its principles across our business.

For the first time, Teva is reporting against the Sustainability Accounting Standards Board (SASB) standards. As a pharmaceutical company, we have included disclosures related to the Biotechnology & Pharmaceuticals SASB industry standards. This reporting is done on a voluntary basis to address the topics important to our stakeholders.

The 2020 water and effluents, employment, employee information, diversity and equal opportunity and stakeholder engagement GRI disclosures, and the 'Materiality Assessment and Stakeholder Engagement' section of this report were externally assured by ERM Certification and Verification Services (ERM CVS), based on limited assurance level according to the International Standard on Assurance Engagements (ISAE) 3000 standard (Revised). For more information please see [page 81-82](#). External verification was carried out for the fifth time to verify 2020 energy use and Scope 1 and 2 GHG emissions. Teva 2020 emissions have been verified in accordance with the ISO 14064-3:2006 standard by SGS, with limited assurance. The full verification statement can be found [here](#).

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

Independent Assurance Statement

ERM Certification and Verification Services (ERM CVS) was engaged by Teva Pharmaceutical Industries Ltd. ('Teva') to provide Limited Assurance in relation to the information set out below and presented in Teva's 2020 ESG Progress Report (the Report).

Engagement Summary			
Scope of our assurance engagement	Whether the 2020 information and data for the specified indicators in the GRI Topic Disclosures and report sections listed below, are fairly presented in accordance with the reporting criteria:		
	Materiality and stakeholder disclosures (disclosures concerning approach to materiality determination and stakeholder involvement)		
	Environmental		
	Water and effluents		
	<ul style="list-style-type: none"> — GRI 303-1 Interactions with water as a shared resource — GRI 303-2 Management of water discharge-related impacts — GRI 303-3 Water withdrawal 	<ul style="list-style-type: none"> — GRI 303-4 Water discharge — GRI 303-5 Water consumption 	
Social			
Employee information		Employment	Diversity and equal opportunity
<ul style="list-style-type: none"> — GRI 102-8: Information on employees 		<ul style="list-style-type: none"> — GRI 401-1 New employee hires and employee turnover 	<ul style="list-style-type: none"> — GRI 405-1 Diversity of governance bodies
Governance			
Stakeholder engagement			
<ul style="list-style-type: none"> — GRI 102-40 List of stakeholder groups — GRI 102-41 Collective bargaining agreements — GRI 102-42 Identifying and selecting stakeholders — GRI 102-43 Stakeholder engagement 		<ul style="list-style-type: none"> — GRI 102-44 Key topics and concerns raised — GRI 102-45 Entities included — GRI 102-46 Report content and topic boundaries — GRI 102-47 List of material topics 	
Reporting criteria	GRI 101 Principles for Report Content GRI Reporting Standards applicable to disclosures in scope as defined above		
Assurance standard	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised)		
Assurance level	Limited assurance		
Respective responsibilities	Teva is responsible for preparing the report and for the collection and presentation of the information within it. ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.		

Our Conclusions

Based on our activities, as described below, nothing has come to our attention to indicate that the 2020 information in the specified Environmental, Social and Governance metrics above, and the 'Materiality Assessment and Stakeholder Engagement' section of the Report are not fairly presented, in all material respects, in accordance with the stated reporting criteria.

Our Assurance Activities

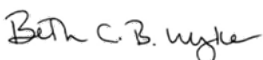
A multi-disciplinary team of sustainability and assurance specialists performed a range of assurance procedures which varied across the disclosures covered by our assurance engagement, as follows:

- A review of external media reporting relating to Teva to identify relevant sustainability issues in the reporting period with respect to stakeholder engagement, employee relations, including diversity and equal opportunity, employment and water management.
- A walk-through of the corporate-level data management systems used for employee and diversity information, and environmental data.
- A review of Teva's materiality determination process, including the results of a stakeholder engagement processes, and results of a Datamaran search for key material topics; as well as the prioritization conducted through internal executive management interviews.
- Interviews with management representatives responsible for preparing the content for the material topic areas.
- Reviewing the presentation of information relevant to the scope of our work in the Report and GRI Index to ensure consistency with our findings and alignment with the framework.
- Virtual visits to four Teva sites (Debrecen, Hungary; Maipu, Chile; Forest, USA and Nerviano, Italy) to review local data management and reporting processes, and the consistency of reported data with underlying source data and related information for each indicator under the Water and Effluents metrics in scope.
- Desk-based review of supporting documentation for metrics in scope and key claims related to Stakeholder Engagement, Materiality determination, Employment, Diversity and equal opportunity, and Water and Effluents.
- An analytical review focused on year-to-year comparisons of the underlying data of the water data from all sites and a check on the completeness and accuracy of the corporate data consolidation.

The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context. Due to travel restrictions relating to COVID-19, our assurance activities consisted of desktop reviews of data and related information, and virtual meetings and interviews with personnel responsible for the content presented in the relevant sections of the report.

Beth Wyke



Partner, Head of Corporate Assurance

28 April 2021

ERM Certification and Verification Services, London

www.ermcvs.com Email: post@ermcvs.com



ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the staff that have undertaken work on this assurance exercise provide no consultancy related services to Teva in any respect.



| Appendix

Appendix

GRI 102-8: Information on employees

Global workforce by employment type	2016	2017	2018	2019	2020
Permanent employee FTE	54,260	49,089	40,780	38,542	37,919
Supervised workers FTE	2,169	2,227	1,756	1,497	1,798
Total workforce FTE	56,429	51,316	42,536	40,039	39,717
Headcount full/part time)	54,700	49,518	41,177	39,288	38,372
Headcount (supervised)	2,169	2,227	1,756	1,497	1,844
Total workforce headcount	56,869	51,745	43,933	40,785	40,216

Employees by region	2016			2017			2018			2019			2020			Change in 2020
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	
Israel	2,884	3,848	6,732	2,677	3,480	6,157	2,036	2,807	4,843	1,794	2,543	4,337	1,616	2,059	3,675	-15%
Europe	13,760	11,487	25,247	11,472	10,273	21,745	9,907	9,097	19,004	9,239	8,968	18,207	9,441	9,128	18,569	2%
North America	4,954	5,901	10,855	4,348	5,220	9,568	3,337	4,415	7,752	3,229	4,107	7,336	3,017	3,901	6,918	-6%
International Markets	3,852	8,014	11,866	4,404	7,644	12,048	3,403	6,176	9,579	3,387	6,021	9,408	3,303	5,907	9,210	-2%
Total headcount	25,450	29,250	54,700	22,901	26,617	49,518	18,683	22,494	41,177	17,649	21,639	39,288	17,377	20,995	38,372	-2%

GRI 205-1: Operations assessed for risks related to corruption

Teva's monitoring program periodically assesses and remediates compliance risk for all operations that have touchpoints with healthcare professionals or government officials, including Commercial, Teva Global Operations (TGO) and R&D. Additionally, this includes both geographies where Teva has a physical presence as well as geographies where Teva's business is conducted through distributors acting on our behalf. This is broken down as follows:

Commercial: 64 countries (32 in Europe, 2 in North America, 30 in International Markets)

- Top 5 activity types with highest average risk ranges: Third-Party Representatives, Discounts and Rebates, Investigatory Sponsored Studies, Market Research and Speaker Programs

Teva Global Operations: 29 countries and 53 sites (17 countries, 31 sites in Europe; 7 sites in India; 11 countries, 15 sites in rest of world, excluding US)

- Top 5 activity types with highest average risk ranges: Third-Party Representative, Customs Clearance and Logistics, Fee for Service Engagements, Regulatory Interactions, Destruction or Scrap (of Materials, Assets)

R&D

- Top 5 activity types with highest average risk ranges: Investigator-Sponsored Studies, Advisory Boards, Fee for Service Engagements, Educational Grants, Scientific/ Investigator Meetings (non-promotional)

GRI 302-1: Energy consumption within the organization

Energy consumption*	Units	2016	2017	2018	2019	2020
Natural Gas (Scope 1)	MWH	1,007,147	1,242,705	1,132,334	1,138,200	1,144,200
Fuel oil (Scope 1)	MWH	201,591	219,318	161,255	150,952	122,061
Diesel fuel (Scope 1)	MWH	42,436	92,152	42,662	23,124	40,282
Kerosene (Scope 1)	MWH	8,590	15	-	-	-
LPG (Scope 1)	MWH	93,323	91,706	81,811	48,819	47,426
Propane (Scope 1)	MWH	1,032	663	5,557	15,206	15,529
Petrol - Mobile (Scope 1)	MWH	91,165	149,094	171,286	124,713	85,657
Diesel - Mobile (Scope 1)	MWH	74,905	87,423	105,755	82,289	72,538
Renewable electricity produced (Scope 1)	MWH	797	28	554	561	460
Biomass (renewable) (Scope 1)	MWH	6,584	7,516	13,694	12,822	9,272
Electricity purchased from grid (Scope 2)	MWH	938,393	960,241	876,037	790,152	773,496
Heating purchased (Scope 2)	MWH	14,898	3,841	2,665	2,799	3,406
Steam purchased (Scope 2)	MWH	68,826	83,081	69,968	77,367	82,296
Renewable electricity purchased from the grid (Scope 2)	MWH	185,562	389,563	381,913	421,409	315,658
Scope 1 direct	MWH	1,527,571	1,890,618	1,714,908	1,596,685	1,537,425
Scope 2 indirect	MWH	1,207,680	1,436,726	1,330,583	1,291,727	1,174,855

Total energy*	Units	2016	2017	2018	2019	2020
Total energy consumption	MWH	2,735,250	3,327,345	3,045,491	2,888,412	2,712,280

GRI 302-3: Energy intensity

Energy intensity*	Units	2016	2017	2018	2019	2020
	MWH/employee	63.72	64.30	70.94	73.52	70.68

*Data adjusted for business divestments from our 2017 target baseline year in accordance with the GHG protocol. 2017 data retroactively updated to increase the scope of verified data.

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 withdrawn is from third-party water suppliers, such as municipality-owned water networks, with the remainder sourced from onsite borewells and surface water where available and permitted. The majority of water we consume at our manufacturing facilities is during active pharmaceutical ingredient (API) and medicine production, with a significant proportion of this associated with the utilities and auxiliary equipment needed to create the right production environments.

Most of the water from our facilities is discharged to municipal wastewater networks, with some of this water first receiving onsite treatment to meet wastewater quality parameters. The water impact most commonly and currently associated with the pharmaceutical industry relates to pharmaceuticals in the environment (PIE). Teva has a robust EHS Management System in place to support compliance and business continuity, which includes standards on emissions management outlining Teva's requirements on PIE. Teva is actively working to assess our impact and implement solutions to PIE and the subsect issue of discharges containing antimicrobials in a coordinated approach with other pharmaceutical companies and stakeholders.

Another impact that Teva and others in the industry are concentrated on relates to water scarcity. Following the work in this area reported in our previous ESG Progress Report to screen and evaluate sites using the World Resources Institute (WRI) Aqueduct Water Risk Atlas, we completed 31 water balance assessments in 2020. We focused on sites identified as being in areas with greater exposure to water scarcity, which have provided local insights as to water use at these sites and will support and guide our ongoing work in this area.

As part of our commitment to being a responsible steward of water, particularly in water-scarce areas, Teva made its first-ever full CDP Water Security submission in 2020. We achieved a CDP Water rating of C on this submission. This sets a solid starting point to build upon.

Each facility in a water-scarce area is required to set annual goals on water conservation and management as part of Teva's EHS Management System. At a corporate level, we recently announced that as part of our 2030 public commitments we aim to reduce total water withdrawal by 10% in areas projected to be in water stress. For this purpose, and in order to improve transparency, we have committed to undergo a limited independent assurance for our water datasets and associated collection, verification and reporting processes.

GRI 303-3: Water withdrawal

Water withdrawal		2019			2020		
		Units	All areas	Areas with water stress	Units	All areas	Areas with water stress
Surface water (Total)		ML	446.42	49.39	ML	446.40	31.80
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML	446.42	49.39	ML	446.40	31.80
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML	-	-	ML	-	-
Groundwater (Total)		ML	1,727.66	449.02	ML	1,720.11	408
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML	1,587.15	449.02	ML	1,545.62	408
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML	140.51	-	ML	174.49	-
Seawater (Total)		ML	-	-	ML	-	-
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML	-	-	ML	-	-
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML	-	-	ML	-	-
Produced water (Total)		ML	-	-	ML	-	-
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML	-	-	ML	-	-
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML	-	-	ML	-	-
Third-party water (Total)		ML	6,215.01	1,379.12	ML	5,520.09	1,193
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML	6,215.01	1,379.12	ML	5,520.09	1,193
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML	-	-	-	-	-
Total third-party water withdrawal by withdrawal source	Surface water		-	566.56	ML	-	756.90
	Groundwater		-	399.78	ML	-	192.90
	Seawater	ML	-	412.78	ML	-	243.10
	Produced water		-	-	ML	-	-
	Water withdrawal total	ML	8,389.09	1,877.53	ML	7,686.60	1,632.91

GRI 303-4: Water discharge

Water discharge		2019			2020		
		Units	All areas	Areas with water stress	Units	All areas	Areas with water stress
Water discharge by destination	Surface water	ML	2,259.46	-	ML	2,033	-
	Ground water	ML	79.43	-	ML	189	-
	Seawater	ML	-	-	ML	-	-
	Evaporation pond	ML	138	-	ML	136	-
	Third-party water (Total)	ML	4,085.40	-	ML	3,632	-
	Third-party water sent for use to other organizations	ML	-	-	ML	1.50	-
Total water discharge (**)	Surface water + groundwater + seawater + third-party water (Total)	ML	6,561.80	1,019.68	ML	5,991	990.90
Water discharge by freshwater and other water	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML	3,154.80	734.01	ML	2,749	704.50
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML	3,407	285.67	ML	3,242	286.40
Total water discharge (excluding evaporation ponds)		ML	6,424	-	ML	5,855	-

**The total includes waste water discharged to evaporation ponds total [ML] 136.

GRI 303-5: Water consumption

Water consumption		2019			2020		
		Units	All areas	Areas with water stress	Units	All areas	Areas with water stress
Total water consumption		ML	1,827	858	ML	1,696	642

GRI 305-1: Direct (Scope 1) GHG emissions
GRI 305-2: Energy indirect (Scope 2) GHG emissions
GRI 305-4: GHG emissions intensity

GHG emissions	Units	2016	2017	2018	2019	2020
Scope 1 emissions	tons CO ₂ e	392,268	458,755	372,604	335,704	326,667
Scope 2 emissions	tons CO ₂ e	455,017	472,358	454,598	396,407	370,018
Total GHG emissions	tons CO ₂ e	847,285	931,113	827,202	732,111	696,685
GHG emissions cumulative change from baseline 2017	tons CO ₂ e	-	0%	-11%	-21%	-25%
GHG emissions intensity	tons CO ₂ e/employee	19.74	17.99	19.27	18.63	18.16

Note: Data adjusted for business divestments from our 2017 target baseline year in accordance with the GHG protocol. 2017 data retroactively updated to increase the scope of verified data.

GRI 305-6: Emissions of ozone-depleting substances (ODS)

Emissions of ozone-depleting substances (ODS)	Units	2018	2019	2020
R22	tons CO ₂ e	6,001.60	4,822.40	5,122
HCFC-122	tons CO ₂ e	-	1	0
HCFC-124	tons CO ₂ e	-	5	0
HFC-227ea	tons CO ₂ e	7,705	1,273	3,786
PFC-410 (PFC-31-10)	tons CO ₂ e	1,104	1,196	4,416
HFC134	tons CO ₂ e	7,556.90	6,790	7,288
HCFC-123	tons CO ₂ e	-	-	7

GRI 306-1: Waste generation and significant waste-related impacts

As part of Teva's 2020 ESG materiality assessment, Teva identified waste to be of material impact to the business as part of the broader category of Emissions, Effluents and Waste. The scope of this impact relates to Teva's activities, as those wastes are generated at facilities across our network, in particular our production facilities, distribution centers and laboratories. These represent the greater proportion of our generated wastes and where we have the greatest influence to make a positive impact in the short- and medium-term.

Our 2030 environmental public commitments include a goal to continue to minimize the waste generated from operations and the environmental impact of its disposal. We see these two approaches as being essential to reducing the environmental impacts associated with waste. Our first aim, to reduce waste, will require Teva to improve the management of material inputs and the way these materials are used so less waste is generated in the first place. The second approach will require Teva to improve the management of residual waste in more environmentally beneficial ways, meaning that we will endeavor to increase the proportion of waste recovery rather than disposal methods.

As a large manufacturer and supplier of pharmaceutical products, the material inputs to our business include the various substances required to produce drug substances and drug products, packaging materials and all the additional materials required to operate and maintain a facility. The outputs from the various production, research and distribution processes that occur in our facilities are predominantly these same materials in waste format, or in some cases in their original format having not been utilized for various reasons.

Teva is actively addressing waste minimization and management through a number of approaches, including a Global Waste Taskforce, which aims to identify waste reduction opportunities. In addition, we implement applicable EHS Management System standards for Waste Minimization and Management and Responsible and Inherently Safer Process and Product Design.

GRI 306-2: Management of significant waste-related impacts

Teva's EHS Management System includes a Waste Minimization and Management standard, which sets expectations of how our facilities and business handle and manage waste beyond simple compliance. This includes, but is not limited to, adopting a waste hierarchy, identifying opportunities on a continual basis to reduce wastes and setting waste reduction goals to ensure wastes are managed in accordance with Teva's minimum expectations for acceptable, conditional and unacceptable waste management methods. Teva assesses waste management contractors on a routine basis and includes contractual provisions for waste management contractors.

As part of Teva's 2030 public commitments, Teva has set a target to reduce the overall mass of secondary and tertiary packaging materials per unit dose and increase the proportion of recycled and responsibly-sourced materials by 10% by 2030 with 2025 as the baseline year. This demonstrates Teva's commitment to circularity and improved management of natural resources.

While many actions were taken across the network to improve waste management and reduction opportunities in 2020, \$250,000 was invested by the business on three specific projects.

Teva facilities have the responsibility for ensuring compliance with all required regulations, as they relate to waste management as required by our EHS Management System. This includes ensuring waste generated at Teva facilities is managed in full compliance with all regulatory requirements and Teva expectations. Teva is currently establishing a waste management contractor approval process to provide an additional level of oversight and vetting of waste management contractors.

As part of Teva's routine environmental data collection process, waste data is provided from each of the assigned facilities to Teva Corporate, where it is validated, consolidated, verified and analyzed.

GRI 306-3: Waste generated

Waste by composition (metric tons)			2020
Waste composition	Waste generated	Wasted diverted from disposal	Waste directed to disposal
Hazardous	106,064	39,666	66,399
Non-hazardous	58,442	27,099	31,343
Total	164,506	66,764	97,742

GRI 306-4: Waste diverted from disposal

Waste diverted from disposal by recovery operation, in metric tons			2020
Hazardous waste	Onsite	Offsite	Total
Preparation for reuse	0	103	103
Recycling	8,918	30,645	39,563
Total	8,918	30,747	39,666
Non Hazardous waste	Onsite	Offsite	Total
Preparation for reuse	11	212	223
Recycling	0	26,876	26,876
Total	11	27,088	27,099

GRI 306-5: Waste directed to disposal

Waste directed to disposal by disposal operation, in metric tons			2020
Hazardous waste	Onsite	Offsite	Total
Incineration (with energy recovery)	0	5,113	5,113
Incineration (without energy recovery)	0	25,533	25,533
Landfilling	0	3,451	3,451
Other disposal operations	0	32,302	32,302
Total	0	66,399	66,399
Non-hazardous waste	Onsite	Offsite	Total
Incineration (with energy recovery)	0	9,511	9,511
Incineration (without energy recovery)	0	2,027	2,027
Landfilling	0	6,506	6,506
Other disposal operations	0	13,299	13,299
Total	0	31,343	31,343

	2018	2019*	2020
Non-hazardous total waste	61,361	54,984	58,442
Non-hazardous total waste intensity (Revenue)	34	33	35
% change in intensity	-	-3	7.7
Hazardous total waste	109,565	94,198	106,064
Hazardous total waste intensity (Revenue)	60	56	63.6
% change in intensity	-	-7	14
Revenue	1,827	1,689	1,667
Total waste	170,926	149,182	164,506

GRI 307-1: Non-compliance with environmental laws and regulations

Despite Teva's extensive controls to assure compliance, occasionally there are instances when our operations are not in full compliance with environmental regulatory requirements or permit conditions.

Year	Number of Significant fines or non-monetary sanctions for non-compliance with environmental laws/regulations	Total monetary value	Cases brought through despite resolutions mechanisms
2020	0	0	0

At the end of 2020, eight sites held ISO14001 certification, including Waterford (Ireland), Krakow (Poland), Ulm (Germany), Dupnitsa (Bulgaria), Gajraula (India), Munro (Argentina) and Bulebel (Malta). Ulm (Germany) site held both ISO14001 and EMAS certifications.

*Some 2019 waste data updated due to unit error identified affecting data from one jurisdiction.

GRI 401-1: New employee hires and employee turnover

New hires and leavers	2016				2017				2018				2019				2020			
	<age 30	age 30-50	>age 50	Total	<age 30	age 30-50	>age 50	Total	<age 30	age 30-50	>age 50	Total	<age 30	age 30-50	>age 50	Total	<age 30	age 30-50	>age 50	Total
Women new hires	859	1,412	226	2,497	1,068	1,463	230	2,761	899	903	172	1,974	871	1,040	165	2,077	655	844	153	1,652
Men new hires	970	1,389	265	2,624	1,122	1,274	238	2,634	1,040	1,011	211	2,262	806	1,093	213	2,112	751	993	281	2,025
Total new hires	1,829	2,801	491	5,121	2,190	2,737	468	5,395	1,939	1,915	383	4,236	1,677	2,133	378	4,189	1,406	1,837	434	3,677
Women leavers	777	2,653	714	4,144	800	3,118	1,114	5,032	889	4,133	1,358	6,379	551	1,842	716	3,109	427	1,252	594	2,273
Men leavers	770	2,610	953	4,334	897	2,989	1,312	5,198	1,237	3,888	1,452	6,577	582	2,011	893	3,486	396	1,355	683	2,434
Total leavers	1,547	5,263	1,668	8,478	1,697	6,107	2,426	10,230	2,126	8,020	2,809	12,955	1,133	3,853	1,609	6,595	823	2,607	1,277	4,707
Turnover (%)	3%	10%	3%	16%	3%	12%	5%	21%	5%	19%	7%	31%	3%	10%	4%	17%	2%	7%	3%	12%

GRI 402-1: Minimum notice periods regarding operational changes

With respect to significant operational changes that substantially affect employees, we comply with applicable local labor laws and regulations, commitments in employment contracts and collective bargaining agreements in our countries of operation, which may differ from country to country. Where agreements with unions or work councils are in place, minimum notice and consultation periods are generally specified. In general, we apply a minimum of four weeks' notice for permanent salaried employees globally. In addition, where possible, we strive to provide notice periods that exceed minimum legal requirements.

GRI 403-2: Hazard identification, risk assessment and incident investigation

Risk assessment is a foundational element of Teva's EHS Management System, per local legislation and Teva requirements. Its various programs include the following elements:

- Inventory of applicable areas/equipment
- Definition of standard hazard control expectations, where appropriate
- Documented risk assessment for each inventory item using a standardized risk matrix
- Identification of safeguards (in practice, control is achieved in a variety of ways depending on location risk profile and history, through a combination of engineering, administration and personal protective equipment; the process helps eliminate the hazard and ensure integration into the site maintenance programs to achieve reliability)
- Improvement action planning for risks that exceed thresholds
- Periodic program effectiveness and risk assessment reviews with associated action planning for identified improvement opportunities

In addition to the above, all site areas are subject to periodic inspections to identify and address conditions outside of expected norms. For new projects and changes, Teva standards outline assessment and control procedures, with a primary focus on reliable engineering controls. Over time, risk management is achieved through reliable engineering measures.

Teva's Training and Competency Standard requires identifying competencies for all employees and contingent workers, including those associated with risk analysis, and taking action to ensure these are in place. Risk analysis results help plan for and implement improvements. A foundational element of Teva's EHS Management System is the timely reporting of incidents and unsafe acts and conditions, as stated in Teva's EHS Policy.

Teva has comprehensive standards for the investigation—and follow up—of incidents. Each incident must be reported in our EHS Management System, ranked in severity and investigated. Notifications to various levels of management and requirements for action plan approvals are triggered depending on severity. Actions include both corrective (addressing the immediate issue) and preventive (minimizing the possibility for recurrence). Insights from incidents and other EHS activities (e.g., audits, inspections) inform improvement opportunities as part of an annual, long-range planning process. In 2020, we also began reviewing incidents that could have been high severity to identify high-priority improvement opportunities.

GRI 403-3: Occupational health services

Our internal standard 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, vetted according to our guidance document Assessing Qualifications of Occupational Healthcare Providers. Healthcare providers are familiar with the sites they support, consulted about significant changes or specific recommendations for controls and informed of workplace measurement results (e.g., chemical exposure monitoring, noise monitoring).

GRI 403-4: Worker participation, consultation and communication on occupational health and safety

Teva requires facilities to ensure workforce involvement and participation in the design, development, implementation and continuous improvement of their process safety programs. Minimally, this includes appropriate participation in hazard assessments, procedure development, inspections, incident investigations, operational readiness reviews and training evaluations, yet sites tend to extend this to other EHS programs. All operating locations are encouraged to implement employee-driven workplace EHS observations to identify and correct potential deficiencies. In 2020, many locations tracked the number of observations per employee, and this will be expanded to all locations in 2021. Most sites have EHS councils, the specifics of which are managed locally.

GRI 403-5: Worker training on occupational health and safety

Teva's Environment Health and Safety (EHS) training program represents high-level standards and expectations, with:

- Training modules for all global EHS standards and the EHS Policy assigned to all global EHS department members and site EHS leaders, as well as new members (site EHS leaders are responsible for assigning modules to EHS team members and other site contacts, according to job responsibilities)
- A selection of voluntary modules for individuals to self-assign topics of interest

Training modules are maintained in a global learning management system, which tracks assignments and completions. Each site has a detailed training plan, addressing all regulatory and job-specific EHS aspects with the necessary level of detail. Sites use local training systems for management and tracking. Teva standards drive sites to identify local regulatory requirements and outline the mandatory minimum training according to employee responsibilities.

GRI 403-8: Workers covered by an occupational health and safety management system

Workers covered by an occupational health and safety (OHS) management system	Number	%
Contingent workers covered by Teva's OHS system	1,844	100%
Contingent workers covered by Teva's OHS system that have been internally audited	1,844	>95%*
Contingent workers covered by Teva's OHS system that have been audited or certified by an external party	1,844	>95%*

*When we audit a site, all Teva and contingent worker personnel on the site are subject to the same set of EHS Management Systems and therefore are subject to the audit (we make no distinction between an employee and a contingent worker). Therefore, if a site has been audited, the contingent workers at that site were included. Teva's EHS auditing program covers all operating, R&D and warehouse sites where the vast majority of contingent workers are located. Recognizing that a very small number of contingent workers may be located only at offices not currently covered by our audit program, we can estimate that close to 100% of the contingent workers are covered in Teva's EHS audit program.

GRI 403-9: Work-related injuries

Recordable injuries	2016*	2017	2018	2019	2020	Change vs. 2019
Number of recordable injuries	186	212	158	130	111	-15%
Recordable injury rate	0.47	0.44	0.38	0.34	0.31	-9%
Main type of work-related injury					Slip, Trip, Fall	
High-consequence injuries						
Number of high-consequence injuries					1	
High-consequence injury rate					0.003	
Lost days due to injury						
Number of lost days	2,293	2,729	1,570	1,506	1,407	-7%
Number of injuries resulting in lost days	129	124	95	68	65	-4%
Lost workday rate	0.33	0.25	0.23	0.18	0.18	0%
Occupational disease						
Number of occupational disease cases	N/A	4	3	9	1	-89%
Occupational disease rate	N/A	0.01	0.01	0.02	0.003	-88%
Fatalities						
Number of fatalities as a result of work-related injury	0	0	0	0	0	0%

Note: Teva's reported injury data excludes impacts possibly related to the COVID-19 pandemic. During 2020, Teva implemented a number of activities to prevent workplace transmission. Teva experienced a small number of COVID-19 cases potentially associated with workplace exposures, which would have resulted in a Total Recordable Incident Rate and Lost Time Incident Rate of 0.38 and 0.24, respectively. 2016 data related only to Teva (not including Actavis data).

GRI 404-3 Performance Reviews

Employees receiving performance reviews	2016		2017		2018		2019		2020	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Top executives	0	0	0	0	3	10	3	10	3	10
Managers	3,760	4,513	5,555	6,622	4,046	4,594	4,366	4,900	4,173	4,669
Non-managers	11,819	13,833	18,163	20,619	14,946	17,038	14,316	16,611	13,765	16,082
Total by gender	15,579	18,346	23,718	27,241	18,995	21,642	18,685	21,521	17,941	20,761
Total by group		33,925		50,959		40,637		40,206		38,702
Percentage of eligible employees		62%		103%		99%		97%		96%

GRI 405-1: Diversity of governance bodies and employees

Employees by gender (%)*	2016		2017		2018		2019		2020	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Top executives	13%	87%	23%	77%	23%	77%	23%	77%	23%	77%
Managers	44%	56%	46%	54%	46%	54%	46%	54%	47%	53%
Non-managers	46%	53%	46%	54%	45%	55%	45%	55%	45%	55%
Total employees	47%	53%	46%	54%	45%	55%	45%	55%	45%	55%

Employees by age group*	2016			2017			2018			2019			2020		
	<age 30	age 30-50	>age 50	<age 30	age 30-50	>age 50	<age 30	age 30-50	>age 50	<age 30	age 30-50	>age 50	<age 30	age 30-50	>age 50
Top executives	0%	38%	62%	0%	15%	85%	8%	15%	77%	8%	15%	77%	0%	15%	85%
Managers	2%	70%	27%	2%	70%	27%	2%	70%	28%	2%	68%	30%	2%	67%	31%
Non-managers	16%	62%	22%	15%	62%	22%	15%	61%	24%	15%	60%	25%	15%	60%	25%
Total employees	13%	64%	23%	13%	64%	23%	13%	63%	25%	12%	62%	26%	12%	61%	27%

Board of Directors by age and gender, 2020

Women			Men			Total
<age 30	age 30-50	>age 50	<age 30	age 30-50	>age 50	
0%	8%	17%	0%	8%	67%	100%

*Numbers may not sum to 100% due to rounding.

GRI 415-1: Political contributions

Contributions and Other Spending	Currency	2018	2019	2020
Lobbying, interest representation or similar	USD	\$2,921,620*	\$2,410,000*	\$2,120,000*
Local, regional or national political campaigns, organizations, or candidates	USD	\$0	\$0**	\$0**
Trade associations or tax-exempt groups (e.g., think tanks)	USD	\$14,096,122	\$13,342,123	\$6,130,814
Other (e.g., spending related to ballot measures or referendums)	USD	\$0	\$0	\$0
Total		\$17,017,742	\$15,752,123	\$8,250,814

*This figure reflects Teva's federal lobbying expenses as reported to Congress in quarterly reports pursuant to the Lobbying Disclosure Act of 1995, as amended, 2 U.S.C. § 1601 et seq.

**Corporate funds were not used to make any political contributions in 2019 or 2020. However, Teva's employee-funded political action committee, the Teva Pharmaceuticals USA Inc. Political Action Committee ("Teva PAC"), made contributions to various candidates and committees totaling \$60,300 in 2020 and \$70,500 in 2019. Teva PAC is registered and files monthly reports with the Federal Election Commission ("FEC"), and all of its contributions are publicly disclosed and available for public inspection at the FEC's website (www.fec.gov).

GRI 419: Socioeconomic compliance management approach

Teva's Global Compliance and Ethics program strives to identify, eliminate, minimize, remediate, control and monitor compliance risk at all levels of the organization, especially compliance risk related to potential bribery and corruption. In addition to embedding applicable laws and codes in our policies and procedures, we strive to increase the knowledge and personal responsibility of all employees to avoid situations that are contrary to Teva's values or that may damage Teva's reputation. To accomplish this, our Code of Conduct provides the basis for ethical decision-making, and our activity and third-party approval programs, as well as ongoing training to employees, keep us focused on ethical behavior as the key to long-term corporate and personal success. Our Code of Conduct is reinforced through a framework of policies and procedures designed to give our colleagues the guidance and tools they need to perform their work the right way. In 2021, Teva will focus on compliance goals related to cultivating accountability for compliance within the business, realigning our compliance organization to support changing business needs, reinforcing expectations around responsibilities, developing our people and community, and identifying continuous improvements related to operational areas to increase efficiency.

SASB HC-BP-260a.3: Number of actions that led to raids, seizure, arrests and/or filing of criminal charges related to counterfeit products

Actions that led to raids, seizure, arrests and/or filing of criminal charges related to counterfeit products	Number
Provision of information or evidence that led to raids or arrests of counterfeiters or the seizure of counterfeit products	23
Filing of criminal charges against counterfeiters	7
Other	3

Cautionary Note Regarding Forward-Looking Statements

This 2020 Environmental, Social and Governance Progress Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are based on management's current beliefs and expectations and are subject to substantial risks and uncertainties, both known and unknown, that could cause our future results, performance or achievements to differ significantly from that expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include risks relating to:

- our ability to impact and effectively execute on our social, economic, environment and governance related strategy and goals;
- our ability to successfully compete in the marketplace, including: that we are substantially dependent on our generic products; consolidation of our customer base and commercial alliances among our customers; delays in launches of new generic products; the increase in the number of competitors targeting generic opportunities and seeking U.S. market exclusivity for generic versions of significant products; our ability to develop and commercialize biopharmaceutical products; competition for our specialty products, including AUSTEDO®, AJOVY® and COPAXONE®; our ability to achieve expected results from investments in our product pipeline; our ability to develop and commercialize additional pharmaceutical products; and the effectiveness of our patents and other measures to protect our intellectual property rights;
- our substantial indebtedness, which may limit our ability to incur additional indebtedness, engage in additional transactions or make new investments, may result in a further downgrade of our credit ratings; and our inability to raise debt or borrow funds in amounts or on terms that are favorable to us;
- our business and operations in general, including: uncertainty regarding the COVID-19 pandemic and its impact on our business, financial condition, operations, cash flows and liquidity and on the economy in general; our ability to successfully execute and maintain the activities and efforts related to the measures we have taken or may take in response to the COVID-19 pandemic and associated costs therewith; effectiveness of our optimization efforts; our ability to attract, hire and retain highly skilled personnel; manufacturing or quality control problems; interruptions in our supply chain; disruptions of information technology systems; breaches of our data security; variations in intellectual property laws; challenges associated with conducting business globally, including political or economic instability, major hostilities or terrorism; costs and delays resulting from the extensive pharmaceutical regulation to which we are subject or delays in governmental processing time due to travel and work restrictions caused by the COVID-19 pandemic; the effects of reforms in healthcare regulation and reductions in pharmaceutical pricing, reimbursement and coverage; significant sales to a limited number of customers; our ability to successfully bid for suitable acquisition targets or licensing opportunities, or to consummate and integrate acquisitions; and our prospects and opportunities for growth if we sell assets;
- compliance, regulatory and litigation matters, including: failure to comply with complex legal and regulatory environments; increased legal and regulatory action in connection with public concern over the abuse of opioid medications and our ability to reach a final resolution of the remaining opioid-related litigation; scrutiny from competition and pricing authorities around the world, including our ability to successfully defend against the U.S. Department of Justice criminal charges of Sherman Act violations; potential liability for patent infringement; product liability claims; failure to comply with complex Medicare and Medicaid reporting and payment obligations; anti-corruption sanctions and trade control laws; and environmental risks; and
- other financial and economic risks, including: our exposure to currency fluctuations and restrictions as well as credit risks; potential impairments of our intangible assets; potential significant increases in tax liabilities (including as a result of potential tax reform in the United States); and the effect on our overall effective tax rate of the termination or expiration of governmental programs or tax benefits, or of a change in our business; and other factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2020 and subsequent SEC filings, including in the sections captioned "Risk Factors" and "Forward-Looking Statements." Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statements or other information contained herein, whether as a result of new information, future events or otherwise. You are cautioned not to put undue reliance on these forward-looking statements.