

# Teva 2018 Social Impact Report





# Table of Contents

---

3 A Message from Our President & CEO, Kåre Schultz

4 About Teva and Our Approach

5 About Us

6 Our Portfolio

7 Social Impact at Teva

8 Commitment to Sustainable Development Goals

9 2018 Social Impact Highlights

12 Contributing to Healthy Communities

13 Access and Affordability

18 Science and Innovation

21 Patient Engagement

24 Global Health Priorities

28 Leading a Responsible Business

29 Compliance, Ethics and Transparency

31 Environmental Sustainability

33 Supply Chain

35 Patient Safety

36 Our People

38 About This Report





# A Message from Our President & CEO, Kåre Schultz

In 2018, we aligned on our mission to **be a global leader in generics and biopharmaceuticals, improving the lives of patients**. Underpinning every aspect of our work is a continued promise to act with integrity and maintain a culture of ethical conduct and compliance.

I am pleased to share our 2018 Social Impact Report, which showcases our commitment to conducting our business responsibly and leveraging our resources and expertise to make a positive impact on society. Our efforts to lead a responsible business include fostering compliance, supporting employees, protecting the environment, ensuring patient safety and upholding a responsible supply chain. Our focus on healthy communities means increasing access to medicines, developing biopharmaceutical treatments, supporting patients through their health journeys and addressing global health challenges.

These efforts are inherently tied to our vast portfolio. We continue to be the world's leader in generics—in 2018, we received more than 900 generic medicine approvals, bringing more treatments to more patients. We also introduced numerous specialty medicines, including AJOVY®, a novel biologic medicine for the preventive treatment of migraine, which we launched in the US and are preparing to launch across Europe. We advanced our environmental sustainability efforts, including reducing greenhouse gas emissions by nearly 25% since 2012 and sending only 5% of our waste to landfill.

In the last 18 months, we have also made significant progress in our restructuring and delivered on our targets, guided by our strategic principles. We have improved our financials, optimized our portfolio and become a more efficient, unified company. We seek to create long-term value for our stakeholders, who make it possible for us to reach nearly 200 million patients with our quality medicines every day.

We are dedicated to building a healthy Teva and contributing to a healthy world. By collaborating with a range of partners, we aim to improve access to medicines and care, address unmet needs and help advance the United Nations Sustainable Development Goals.

We hope you will continue to join us on this journey, and we welcome your input along the way.



Kåre Schultz





# About Teva and Our Approach

---





# About Us

## Teva is

the world's leading provider of generic medicines, with an innovative portfolio, including specialty medicines and biosimilars.

## Our mission is

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

## We are headquartered in

Israel, where Teva was founded in 1901.

## We specialize in

developing, manufacturing and delivering quality affordable generic medicines, as well as innovative and specialty pharmaceuticals, over-the-counter healthcare products and active pharmaceutical ingredients that we supply to industry peers.

## We are led by

Kåre Schultz, President & CEO. Our Board of Directors is chaired by Dr. Sol J. Barer and includes 10 additional directors.

## We have a presence in

60 countries, with 70 manufacturing facilities.

## We are publicly traded on

the New York Stock Exchange (NYSE: TEVA) and the Tel Aviv Stock Exchange (TASE: TEVA).










# Our Portfolio

## Leading Specialty Medicines

 <p>Central Nervous System</p>	 <p><b>AJOVY™</b> (fremanezumab-vfrm) injection 225 mg/1.5 mL</p>	 <p><b>Austedo®</b> (deutetrabenazine) 6 mg, 9 mg, and 12 mg tablets</p>	 <p><b>COPAXONE®</b> (glatiramer acetate injection)</p>	
 <p>Respiratory</p>	 <p><b>ProAir RespiClick®</b> (albuterol sulfate) Inhalation Powder</p>	 <p><b>QVAR® RediHaler™</b> (beclomethasone dipropionate HFA) Breath-Actuated Inhalation Aerosol 40 mcg • 80 mcg</p>	 <p><b>CINQAIR®</b> (reslizumab) Injection 100 mg/10 mL</p>	 <p><b>DuoResp® Spiromax®</b> budesonide/formoterol</p>
 <p>Oncology</p>	 <p><b>BENDEKA®</b> (bendamustine HCl) injection</p>	 <p><b>GRANIX®</b> (TBO-FILGRASTIM) Injection</p>	 <p><b>LONQUEX®</b> lipegfilgrastim</p>	 <p><b>Trisenox®</b> (arsenic trioxide) injection</p>

## Generics

 <p><b>3,500</b> products and <b>40,000</b> SKUs</p>	 <p><b>1,800+</b> molecules</p>	 <p><b>550+</b> therapies</p>	 <p><b>120 billion</b> tablets and capsules every year</p>	 <p><b>12-20%</b> of all prescriptions in markets around the world</p>	 <p>Supplied to all <b>leading</b> <b>pharmaceutical</b> companies for clinical trials</p>
---	--	--	---	---	---



# Social Impact at Teva

At Teva, Social Impact means aligning our corporate resources and expertise with relevant areas of global health and social need. We are dedicated to promoting health and increasing access to treatment for patients, while cultivating a culture of compliance, ethics and transparency. Our Social Impact strategy holds us accountable to the people and communities we serve. It reflects our efforts to **contribute to healthy communities** and **lead a responsible business**.

Our activities are overseen by the Compliance Committee of our Board of Directors, which provides direction on the company's policies and practices for complying with laws, regulations and internal procedures.



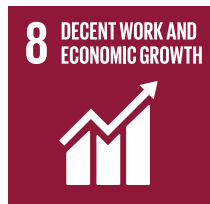


# Commitment to Sustainable Development Goals

The [2030 Agenda for Sustainable Development](#) was adopted by all United Nations Member States in 2015. At its core are 17 Sustainable Development Goals (SDGs), which are a universal call for action to end poverty, protect the planet and ensure all people enjoy peace and prosperity. As a company in the business of improving health, Teva is committed to partnering to help achieve the SDGs.



Advancing good health and well-being is core to our business and our mission to improve the lives of patients. We help increase access to, and affordability of, treatments as a leading supplier of medicines on the World Health Organization's Essential Medicines List (EML), which presents safe and effective medicines for addressing health needs. More specifically, we address SDG 3.4—reduce premature mortality from non-communicable diseases (NCDs)—through our portfolio and global health efforts, including those focused on people with multiple chronic conditions.



We contribute to economic growth in the markets where we operate. We promote diversity, inclusion, gender equality, health and safety to create work environments where our employees can thrive.



We continuously innovate to uncover novel medicines and use the latest technologies and techniques to transform insights into treatments.



We strive to reduce the environmental impact of our company's operations through the responsible use of energy and natural resources, minimizing waste and proactively managing our emissions.



We minimize our impact on climate change through reduced greenhouse gas emissions, including from reduced use of energy and increased use of renewable energy.



We collaborate and establish ongoing partnerships with non-profit organizations, governments, healthcare providers, industry peers and patient organizations to expand the reach of our insights and resources and develop multi-stakeholder solutions to pressing health challenges.



# 2018 Social Impact Highlights

---

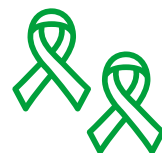




# Contributing to Healthy Communities



**900+ generic medicine approvals**  
**35 approvals for specialty medicines**  
 in therapeutic focus areas



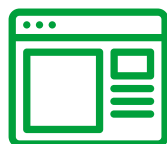
**2 oncology biosimilars**  
 approved by US Food and Drug Administration (FDA) and  
 announced by Celltrion and Teva for certain indications—  
 the 15<sup>th</sup> and 16<sup>th</sup> FDA-approved biosimilars in the US



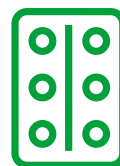
**\$43M+\***  
 worth of medicines provided to patient  
 assistance organizations



**\$380M+\***  
 worth of medicines donated to patients around the world



Launched Life Effects, a digital hub for  
 patients, in the EU and US, with  
**500,000+ visits** in the first 7 months



Supplied  
**220,000 packs** of antibiotics in **60+ countries**  
**1.5 million packs** of vitamin B6 in **30+ countries**  
 for patients with tuberculosis



**400+ thought leaders convened**  
 at multi-sectoral events to discuss the impact of,  
 and solutions for, multiple chronic conditions



**111 peer-reviewed articles published**  
 on drugs to treat oncology and neurological, respiratory  
 and pain conditions and innovative public and  
 patient-centric health

\* Wholesale acquisition costs (WAC)

# Leading a Responsible Business

## Environmental sustainability progress



**23% reduction**

in greenhouse gas emissions since 2012



**52% of waste recycled,**

30% more than in 2017



**Less than 6%**

of waste sent to landfill

## Best recorded safety management performance to date



**13% reduction**

in total recordable injury rate



**10% improvement**

in lost time injury rate



**43% improvement**

in total lost workdays



**A- score** from CDP, an environmental disclosure non-profit, for progress to address climate change



**16,500+ employees**

trained on **10** ethical behavior topics, with a **98%** training completion rate



Teva's Global Environment Health and Safety Management System (EHSMS) **implemented across more than 80% of markets**



**EcoVadis Silver Medal** (top 16% of pharmaceutical companies) for responsible conduct in environment, labor and human rights practices, ethics and sustainable procurement



Significant reduction in reportable environmental incidents (spills and releases)– **44 vs. 206** in 2017



Established **comprehensive global privacy program** and implemented global privacy standards



**Risk mitigation framework** established in **EcoVadis platform** and high-risk suppliers' corrective actions tracked



# Contributing to Healthy Communities

---

For Teva, a healthy community is one in which individuals have access to resources and conditions that enable them to live their healthiest lives. We strive to nurture healthy communities around the world, through our portfolio and beyond—putting patients at the heart of everything we do. Our patients are the reason we increase access to quality affordable medicines and continuously innovate to uncover novel treatments. Our patients' perspectives and experiences inspire us to support their holistic care and address pressing global health challenges. Cultivating healthier communities allows us to support people around the world on their unique paths toward wellness, thereby creating value both for society and for our business.

# Access and Affordability

Every person deserves access to quality health treatments and services, when and where they need them. Unfortunately, for too many, this is not the reality; one of two people globally lack access to critical health services, according to the World Health Organization.<sup>1</sup> Teva exists to bring more quality, lower-cost medicines to more people in more places around the world. We do this by expanding, advancing and innovating our portfolio every day. Yet we recognize quality healthcare requires more than just quality medicines. Through partnerships with non-profit organizations, governments, healthcare providers and industry peers, we help patients, caregivers and communities access the services they need to live better days.

## Delivering quality affordable generics

Generic medicines deliver significant savings to patients and healthcare systems. For example, Teva has saved the US healthcare system \$259B over a decade.<sup>2</sup> As the world's leading provider of quality generics, making medicines widely accessible is fundamental to our business, values and support for the United Nations Sustainable Development Goals. One of eight generic prescriptions in the US and one of six generic prescription packs in the UK and Germany is a Teva product.<sup>3</sup> In 2018, Teva received 912 approvals for new generic medicines.

We are a leading supplier of generic medicines listed on the **World Health Organization's Essential Medicines List (EML)**, which is comprised of medicines considered important for addressing key public health needs.<sup>4</sup> For example, Teva manufactures 92% of cardiovascular treatments, 84% of cancer treatments, 83% of respiratory treatments and 100% of mental health treatments on the EML.

Teva's **Position on Access to Medicines** highlights our approach and commitment to offer quality affordable medicines and implement programs that enhance access to treatment.

## Teva is a leading supplier of quality medicines

on the World Health Organization's Essential Medicines List, manufacturing:



92%  
of cardiovascular  
treatments



84%  
of cancer  
treatments



85%  
of antibiotics/  
anti-infectives



96%  
of pain  
treatments



83%  
of respiratory  
treatments



100%  
of mental health  
treatments

<sup>1</sup> World Health Organization. World Health Day 2019 Key Messages. 2019. Available: <https://www.who.int/campaigns/world-health-day/world-health-day-2019/key-messages> (accessed April 2019).

<sup>2</sup> Between 2007-2016; based on Teva's generic market share and Association for Accessible Medicines, Generic Drug Access and Savings in the US, 2017.

<sup>3</sup> Based on IQVIA data of market share.

<sup>4</sup> World Health Organization. WHO Model List of Essential Medicines. 2017. Available: <https://apps.who.int/iris/bitstream/handle/10665/273826/EML-20-eng.pdf?ua=1> (accessed April 2019).



## Partnering to improve access

Teva donated more than \$380M\* worth of quality medicines to more than 100 countries in 2018 through ongoing partnerships with non-profit organizations, such as [Direct Relief](#), [Operation Blessing](#), [Universal Heart](#) and [Brother's Brother Foundation](#). We **donate medicines** from our wide portfolio, including treatments for cardiovascular disease, central nervous system conditions, respiratory conditions and oncology.

For more than a decade, Teva has partnered with Direct Relief to deliver prescription medicine donations. Over the course of our partnership, we have donated generic medicines valued at more than \$1.25B\* to millions of patients in more than 90 countries. In 2018, Teva donated \$97.7M\* worth of essential and specialty medicines to Direct Relief. This helped fulfill more than 1,000 shipments to more than 500 recipients across 62 countries, representing more than 65 million daily doses of medicine.

Since 2011, Universal Heart has facilitated international relief shipments from within Rotary Clubs. In 2007, it expanded its mission to include warehousing to facilitate medical product distribution, and Teva became an active donor. Universal Heart has distributed Teva's products to doctors, clinics and hospitals in more than 15 countries around the world.



Healthcare professionals from Harvard University and Massachusetts General Hospital traveled to the Republic of Guinea and, through Universal Heart, carried Teva medicines to patients in need.

“Where one lives should not determine if one lives, but far too often—for people in vulnerable circumstances and under-resourced communities—it does. Teva’s commitment to expanding access to medicine is critical to Direct Relief’s mission and vital to the people and communities it serves in the United States and globally, and we are deeply appreciative of their partnership and support.”


*Thomas Tighe, President & CEO, Direct Relief*




Teva medicines provided to Universal Heart reach patients in low-income countries who lack access to critical treatments. For 10 years, Universal Heart has supported an individual from Honduras who suffered kidney failure. An organ donor match was identified in Honduras, funds were raised to cover hospital expenses and a transplant team in New Mexico donated its services. Five years later, the patient is doing well, but must take immunosuppressant medication to keep his body from rejecting the transplanted organ. Along with all other medicines donated to Universal Heart, Teva provides a single case of immunosuppressant medication for this one special patient.

\* Wholesale acquisition costs (WAC)

Operation Blessing is a global humanitarian relief organization that provides ongoing access to safe water, medical care, health services, food and emergency services. Since 2008, Teva has partnered with Operation Blessing to donate medicines to patients in El Salvador, Honduras, Guatemala, Haiti and the Dominican Republic each quarter.

A circular photograph of a young boy with dark hair, wearing a red and white checkered shirt, smiling at the camera.

Through Operation Blessing, Teva helps 300 people in Tambla, Honduras, receive health treatment at a local health center, as they are typically three hours from the closest city.

A large circular photograph showing a healthcare worker in a blue uniform using a stethoscope and a blood pressure cuff on an elderly woman's arm. The woman is wearing a pink shirt. In the background, another person is seated at a table.

At an Operation Blessing clinic in Jucuaran, El Salvador, Teva's medicines are provided to 560 people with chronic diseases, such as high blood pressure and diabetes.





Teva is committed to working with patient organizations and advocacy groups in an ethical and transparent manner. In accordance with the International Federation of Pharmaceutical Manufacturers & Associations Code of Practice, the European Federation of Pharmaceutical Industries and Associations Code and the Medicines for Europe code of conduct, our 2018 [Global Patient Organization and Advocacy Disclosure](#) outlines patient group activities across 60 countries.

The [Association for Accessible Medicines annual conference](#), attended by more than 1,000 industry leaders, provides a forum for pharmaceutical companies to share best practices and meaningful insights. Teva participated in a panel discussion, along with Direct Relief and the National Association of Community Health Centers, which discussed issues with, and solutions to, pharmaceutical access for patients who are uninsured, under-insured or affected by disaster. We highlighted our commitment to ensure all our medical relief partners are fully vetted, audited and qualified to properly handle, store, distribute and track the medicine donations we provide.

## Participating in global health tenders

Global health tenders provide an opportunity for Teva to increase access to quality medicines for vulnerable populations. We focus on creating equitable access in lower-middle-income countries, enabling us to supply medicines to regions where Teva does not have a commercial presence.

- For the third year, Teva won a tender to supply antibiotics to Stop TB/IDA Foundation for tuberculosis (TB) patients in more than 60 countries. While TB remains a top 10 cause of death worldwide, diagnosis and successful treatment averts millions of deaths each year.<sup>5</sup> In 2018, Teva supplied more than 220,000 packs of the antibiotics to patients with multi-drug resistant TB.
- Teva was selected as Stop TB/IDA Foundation's sole supplier of vitamin B6, another critical medicine used in TB treatment. We provided 1.5 million packs, reaching patients in more than 35 countries.
- Teva won a tender to supply more than 70,000 packs of immunosuppressant medications to the Pan American Health Organization (PAHO). Immunosuppressant medications help reduce the body's likelihood of rejecting transplanted organs, yet many low-income countries lack access to these lifesaving medicines.

## Providing patient assistance

Teva works with many organizations that advocate for patients around the world. These efforts are part of our longstanding commitment to enhance access to resources, tools and support for patients facing various health challenges. In the US, the [Teva Cares Foundation](#) works to address financial barriers to access to medicines, supplying Teva medicines to hundreds of patients each year.

In 2018, we provided \$23.4M\* worth of medicines to the Teva Cares Foundation and \$20M\* worth of medicines through our [AssistRx](#)-run HUB service.

\* Wholesale acquisition costs (WAC)

<sup>5</sup> World Health Organization. Global tuberculosis report 2018. 2018. Available: [https://www.who.int/tb/publications/global\\_report/en/](https://www.who.int/tb/publications/global_report/en/) (accessed April 2019).

## Increasing access in our communities

Our approach to enhancing access takes many forms. In addition to making medicines accessible through our commercial portfolio, we offer patient programs, promote education and collaborate with governments, industry partners and non-profit organizations to expand access to, or reduce the cost of, medicines. Below is a snapshot of some of these initiatives.



<sup>6</sup> US Food and Drug Administration. FDA approves first generic version of EpiPen. Available: <https://www.fda.gov/newsevents/newsroom/pressannouncements/ucm617173.htm> (accessed April 2019).



# Science and Innovation

Being a leader in global healthcare means consistently providing innovative and quality medicines. We develop, personalize and improve specialty treatments, including for migraine, respiratory diseases, non-communicable diseases, multiple sclerosis (MS) and cancer. We are also committed to enhancing research and development efforts for specialty biologics and biosimilars. We take this knowledge beyond our own walls—lending our unique expertise in this area to educate and empower our local communities. In Israel alone, Teva contributed \$207M in royalties to academic research institutions in 2018 (equivalent to 7% of government budget for higher education).<sup>7</sup>



In 2018, Teva received **35 approvals** for specialty medicines across our therapeutic focus areas.

## Sharing our expertise and research

In 2018, Teva researchers published **111 peer-reviewed articles** on drugs to treat oncology and neurological, respiratory and pain conditions and innovative public and patient-centric health. These included articles about:

- **Drug repurposing:** Recognizing the potential to bring medications with known safety profiles to new patient populations, this review describes approaches to systematic repurposing and discusses the need for strategic collaborations to bring existing molecules to new indications. It also highlights advantages, considerations and challenges of pharmaceutical companies pursuing repurposing as a drug development strategy.
- **Personalized medicine:** Personalized medicine is the tailoring of medical treatment to the individual characteristics of each patient. As an example, with the shift in research toward the pre-dementia stage of Alzheimer's disease, there is a need for reliable, non-invasive biomarkers to predict amyloid pathology (proteins associated with the condition). This study assessed whether easily obtainable measures from structural magnetic resonance imaging (MRI), combined with demographic data, cognitive data and genes associated with Alzheimer's disease, can be used to predict amyloid pathology using machine-learning.
- **Bioequivalence:** Bioequivalence (BE) describes two drugs with identical active ingredients or two dosage forms of the same drug that possess similar bioavailability and produce the same effect. BE is a key question in new and generic drug development and registration worldwide. A better understanding of scientific principles and expectations from different regulatory authorities may allow for more uniform regulatory requirements around the globe. This article summarizes a workshop for pharmaceutical scientists from academia, industry and regulatory agencies during which they discussed BE issues in hopes of identifying common ground and achieving a harmonized view.

<sup>7</sup> Rotem Strategy. Teva's Economic Contribution to the State of Israel. 2018.



For the past eight years, The College of Physicians of Philadelphia has been one of Teva's community partners in the **US**. Teva sponsors a [STEM program for high school students](#), and in 2018, TEVA R&D Biologic and Device teams gave students the opportunity to learn about development and manufacturing of biologics and devices that deliver them. A panel of Teva employees representing diverse roles spoke about their career paths and opportunity to improve patients' lives and answered students' questions.

In 2018, Teva joined the national coalition to promote STEM education in **Israel**. Spi2 is a public-private partnership between the Israeli Ministry of Education and leading Israeli and global corporations. Teva has focused on promoting science education among middle- and high-school students and launched new programs, including a science teacher orientation seminar and visits to pharmaceutical R&D centers and laboratories to improve understanding of the applicability of science curricula.

## Pursuing biotechnology

Biopharmaceuticals, also known as biologic products, are innovative, complex medicines made with cells of living organisms, which provide more precise and personalized treatment with fewer side effects than traditional medicines. They offer new hope for patients suffering from untreated or undertreated conditions.

A biosimilar product is a biologic product that is approved based on demonstrating that it is highly similar to an approved biologic product, known as a reference product. Biosimilars are often 30% cheaper than brand-name biologic products,<sup>8</sup> and estimated to save the US \$54B over 10 years.<sup>9</sup> Following our crucial role in the development of the generic medicine industry over the past 40 years, Teva made a strategic decision to invest in biosimilars. They combine our strength in generics with our knowledge of biologics, benefitting patients around the world and our company's growth.<sup>10</sup>

Teva has five **biopharmaceuticals** in our portfolio, including AJOVY® (fremanezumab-vfrm) injection, which received US Food and Drug Administration (FDA) approval in 2018 for the preventive treatment of migraine in adults, which impacts 36 million Americans. "This approval furthers our ongoing commitment and experience in neurological conditions like migraine," said Hafrun Fridriksdottir, Executive Vice President, Global R&D, Teva.

Additionally, in 2018, Celltrion and Teva announced US FDA approval of TRUXIMA® (rituximab-abbs) for injection, a biosimilar to Rituxan® for certain indications, and HERZUMA® (trastuzumab-pkrb) for injection, a biosimilar to Herceptin® for certain indications, marking the 15<sup>th</sup> and 16<sup>th</sup> FDA-approved biosimilar products in the US.<sup>11</sup> Teva has 20 specialty biologic and biosimilar programs in various phases of development, from discovery through clinical and regulatory stages. Many of these treatments, including AJOVY®, will be produced in our new \$500M state-of-the-art biopharmaceutical plant in Ulm, Germany.

Our comprehensive manufacturing capabilities allow us to make biopharmaceuticals efficiently, while maintaining high quality. This new direction is integral to bringing cutting-edge treatments to patients while remaining focused on our mission to improve patient lives.



In 2018, Teva **Turkey** was invited to conduct a workshop for capacity training on biotechnology for government officials at Turkey's Ministry of Health. Israel Innovation Authority's Head of Healthtech Sector, Dr. Itai Kela, joined the Teva delegation to share his knowledge. The workshop covered the role of biotechnology in biopharmaceutical R&D and the Israeli healthcare ecosystem. The invitation reflects the recognition of our scientific expertise at a government level, and as a business partner in developing and advancing Turkey's healthcare system.

<sup>8</sup> IMS Health. Shaping the biosimilars opportunity: a global perspective on the evolving biosimilars landscape. 2011. Available: [www.imshealth.com/ims/Global/Content/Home%20Page%20Content/IMS%20News/Biosimilars\\_Whitepaper.pdf](http://www.imshealth.com/ims/Global/Content/Home%20Page%20Content/IMS%20News/Biosimilars_Whitepaper.pdf) (accessed April 2019).

<sup>9</sup> Mulcahy AW, Hlavka JP, Case SR. Biosimilar Cost Savings in the United States: Initial Experience and Future Potential. Santa Monica, CA: RAND Corporation. 2017. Available: <https://www.ncbi.nlm.nih.gov/pubmed/30083415> (accessed May 2019).

<sup>10</sup> Based on company filings, first shared with market in Q2 2018.

<sup>11</sup> Food and Drug Administration. Biosimilar Product Information. 2019. Available: <https://www.fda.gov/drugs/developmentapprovalprocess/howdrugsaredevelopedandapproved/approvalapplications/therapeuticbiologicapplications/biosimilars/ucm580432.htm> (accessed April 2019).



## Innovating across the world



**US:** In December, we received US FDA approval for ProAir® Digihaler™ (albuterol sulfate) inhalation powder, our respiratory digital therapeutic inhaler. It is the first and only digital inhaler with built-in sensors and a companion mobile app designed to provide information to people with asthma and chronic obstructive pulmonary disease (COPD). The inhaler combines a breath-activated, multi-dose dry powder inhaler with albuterol, one of the most commonly prescribed asthma rescue medications. Built-in sensors detect when the inhaler is used and measure inspiratory flow. This inhaler use data is then sent to the companion mobile app using Bluetooth® wireless technology so patients can review their data over time and, if desired, share it with their healthcare professionals.



**Germany:** In September, Teva Germany launched autotest VIH®, the HIV self-test, which allows patients to test for HIV at home. The test is available at pharmacies and reliably detects HIV infections that occurred within three months of testing.



**Mexico:** Teva recently [partnered with PAXMAN](#) to license the PAXMAN Scalp Cooling System across major Mexican cancer centers. The technology uses a simple treatment to prevent chemotherapy-induced hair loss, allowing patients to regain some control, maintain their privacy regarding the illness and increase their self-esteem.



This approval marks a significant milestone not only for Teva, but for the respiratory community, as it allows patients and their caregivers to better understand inhaler usage through digital technology."

*Sven Dethlefs, Executive Vice President,  
Global Marketing & Portfolio, Teva*



As a drug company committed to helping people live healthier and better lives, we see the introduction of our HIV self-test as a boost to prevention and public health literacy."

*Christoph Stoller, General Manager,  
Teva Germany*



# Patient Engagement

Teva was founded more than 100 years ago on a mission to improve patient lives. Today, approximately 200 million people take our medicines every day.

Patients are at the center of everything we do, from uncovering new medicines and treatments to expanding our generics pipeline and supporting initiatives that enhance access to medicines and health services. However, to truly advance health, patients must be engaged in their own care, and those caring for them must feel empowered. We aim to help patients, their caregivers and healthcare professionals feel supported by arming them with tools, resources and education to promote health.





## Co-creating with patients to reach patients

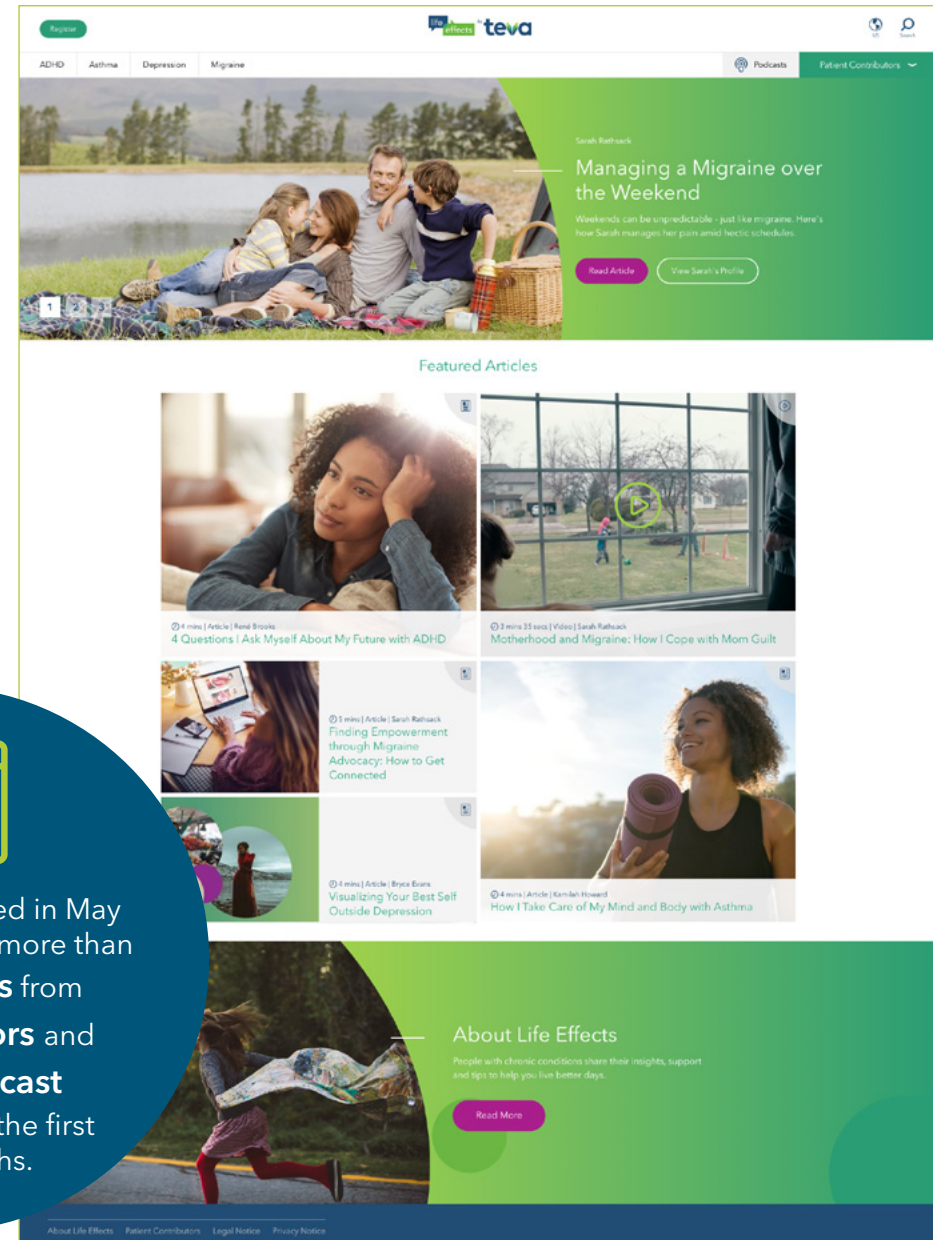
Over the last decade, we have invested more than \$11B in researching new ways to help patients manage their conditions. We work with more than 250 patient organizations and share our knowledge with academic institutions, non-profit organizations and governments. As a result, we have a profound understanding of how health affects patients, particularly those with chronic conditions. After speaking with more than 13,500 patients around the world, we learned patients want to hear from other patients—but also want credible information from healthcare professionals.

That is why we developed Life Effects—a digital hub for patients, by patients. In 2018, Life Effects launched in the [US](#) and [Europe](#) to empower those living with chronic conditions. Teva works with a core group of patient contributors who offer firsthand, credible perspectives on what it's like to live with a chronic condition. Articles and podcasts are reviewed by experts to address the unmet need for trustworthy health information online, particularly for patients with attention-deficit hyperactivity disorder (ADHD), asthma, depression, migraine and multiple sclerosis (MS).

According to Aoife Kirwan, a patient with MS in Ireland, "It's always exciting when an opportunity arises for the voices of people with MS to be heard. Life Effects was developed in collaboration with people living with chronic conditions, including MS, which means that it is created by us, for us. It allows people living with chronic conditions the chance to share our stories, thoughts and opinions while knowing that the information is also checked by experts. In an age where endless amounts of information are readily available, this reliable information from people with the same condition is invaluable to patients. As someone living with MS, I am delighted to see such collaboration between my community and the medical community, which offers a new resource that combines lived experience with scientific fact."<sup>12</sup>



Life Effects launched in May 2018 and received more than **501,000 visits** from **332,000 visitors** and **97,000 podcast downloads** in the first seven months.



<sup>12</sup> Teva Draws on Patient Experience to Empower Those Living with Chronic Conditions. 2018. Available: <https://www.businesswire.com/news/home/20181011005032/en/> (accessed May 2019).

## Providing comprehensive support

Beyond our portfolio, we support the social, psychological and mental well-being of patients, as well as the healthcare professionals and caregivers who play an important role in their health.

Sleep disorder is highly underdiagnosed globally. In **Teva International Markets**, we created five e-modules to increase healthcare professional awareness and understanding of excessive sleepiness associated with obstructive sleep apnea, narcolepsy and shift work disorder. The modules provided insights into patient challenges and the science behind sleep.

Approximately 400 pharmacists of the BENU Pharmacies and Euroaptieka pharmacy chains in **Latvia** participated in interactive lessons on generic drug safety, efficacy, cost-effectiveness and sustainability. The former Pharmacists' Society president supported small working groups and answered participant questions directly.

To increase efficiency of customer engagement, Teva **UK** developed the ChatBot, an interactive platform on its website. An industry first, the ChatBot provides rapid responses to healthcare professional questions about our COPD inhaler.

### HEALTHCARE PROFESSIONALS

### CAREGIVERS

Teva **Canada** partnered with Huddol, an online peer and professional support network for caregivers, to strengthen the relationship between caregivers and pharmacists. A six-month pilot launched in Quebec in June includes an online training course for pharmacists and an information kit to support caregivers.

In partnership with **CareGivers Israel**, Teva **Israel** sponsored the Interdisciplinary Center's Caregivers Challenge Hackathon to uncover innovative solutions to improve lives of those caring for older family members. Three winners presented ideas, including a caregiver information marketplace and aggregator of personalized professional information.

Teva **France** collaborated with local patient organizations and Journée Nationale des Aidants (National Day of Caregivers) to create brochures about the role of caregiving for breast cancer, colopathy, MS and asthma. The materials were placed in waiting rooms, hospitals and pharmacies.

### PATIENTS

For the third year, Teva **Spain's** Humanizing Health Awards recognized 11 organizations for improving patient health through humanizing approaches that go beyond medicine. Winning projects included bringing therapy animals to elderly patients with depression, enhancing pediatric emergency rooms with creative design and providing swim therapy to patients with disabilities.

In November, Teva **Russia** launched a new site, [4periods.ru](https://4periods.ru) to answer common questions about menstrual cycles and methods of contraception. Together with the scientific community, Teva is helping women obtain reliable information about reproductive health.

Insights gleaned from parents and caregiver consultations in **Israel** revealed children were fearful of asthma inhalers, impacting their ability to adhere to the medication. To enhance adherence as part of a global pediatric clinical trial, we created a tailored kit featuring animated stickers for children to apply to inhaler cartons. The stickers indicated the children took their medication, a small change that made a big difference in the patient experience during the clinical trial.

Teva was a corporate sponsor of Miles for Migraine, which hosts walk/run events and Patient Education Days across the **US**, during which patient advocates, healthcare professionals, headache specialists and the migraine community raise awareness of migraine and other headache disorders. Teva reached approximately 1,550 people across 13 events, of which 572 (37%) registered for more information about Teva's More to Migraine campaign.



# Global Health Priorities

Today's world faces pressing health challenges, many of which impact the patients we serve. **Non-communicable diseases (NCDs)** are responsible for 71% of global deaths and threaten progress toward the **United Nations Sustainable Development Goals (SDGs)**,<sup>13</sup> as they exacerbate economic inequities and contribute to poor health.<sup>14</sup> Meanwhile, though treatment for communicable diseases has improved, a new threat—**antimicrobial resistance (AMR)**—compromises the ability to treat infectious diseases and undermines other healthcare advances. In addition to being urgent global health issues, NCDs and AMR are close to our heart and our business. Teva provides medicines to treat many NCDs and is the largest manufacturer of antibiotics. Additionally, we are the leading provider of many medicines listed on the **World Health Organization's Essential Medicines List (EML)**, which includes important medicines for addressing key healthcare needs.<sup>15</sup> We manufacture 92% of cardiovascular drugs, 84% of cancer drugs, 83% of respiratory disease drugs and 85% of antibiotics/anti-infectives on the EML. We apply our expertise and resources to understanding and tackling these growing problems through multi-stakeholder collaborations, thought leadership, industry partnerships and patient programs.

## Addressing the growing burden of multiple chronic conditions

In 2017, Teva announced a commitment to address NCDs by better understanding, preventing and treating patients with **multiple chronic conditions (MCC)**. Teva continued to drive thought leadership in this area in 2018 through independent research, stakeholder events and strengthened partnerships. In October, a study published in *Preventive Medicine Reports* and commissioned by Teva shared findings of **independent research** analyzing the health, economic and patient burden of MCC.<sup>16</sup>



We partner with Mount Sinai's Arnhold Institute for Global Health in New York City to understand the needs of patients with MCC and identify patient-centered solutions. In 2018, we conducted a retrospective study of more than 190,000 adults with Medicaid insurance between 2012 and 2014. The study identified the number of chronic conditions within that cohort and grouped patients based on clusters (i.e., combinations of chronic conditions). The results will be shared once the manuscript is published.

13 World Health Organization. NCD mortality and morbidity. 2018. Available: [https://www.who.int/gho/ncd/mortality\\_morbidity/en/](https://www.who.int/gho/ncd/mortality_morbidity/en/) (accessed May 2019).

14 Nugent R., et al. Investing in non-communicable disease prevention and management to advance the Sustainable Development Goals. *The Lancet* 391.10134 (2018): 2029-2035. <https://www.ncbi.nlm.nih.gov/pubmed/29627167> (accessed June 2019).

15 World Health Organization. Essential Medicines List. 2018. Available: <https://apps.who.int/iris/bitstream/handle/10665/273826/EML-20-eng.pdf?ua=1> (accessed April 2019).

16 Hajat C. & Stein E. The global burden of multiple chronic conditions: A narrative review. *Preventive medicine reports*. 2018. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6214883/> (accessed June 2019).

To elevate MCC on the global public health agenda, Teva hosted a [NCD Care Continuum event](#) during September's United Nations General Assembly. In partnership with Intel and the International Alliance of Patients' Organizations (IAPO), we convened more than 80 multi-sectoral leaders, including representatives from the Mount Sinai Health System, the US Department of Health and Human Services, the Pan American Health Organization (PAHO) and the World Health Organization (WHO), to discuss how our expertise and resources can help improve the lives of those with MCC. With opening remarks by Dr. Sania Nishtar, co-chair, WHO High-Level Commission on NCDs, the event offered an opportunity to share insights and learn more about the struggles of patients with MCC, their caregivers and providers.



Left: Panelists at NCD Care Continuum event, hosted with Intel and IAPO during September's United Nations General Assembly in New York. Right: Dr. Sania Nishtar, co-chair, WHO High-Level Commission on NCDs, opens the panel by highlighting the importance of partnerships and sharing a personal account of her mother's numerous health conditions.

## PATIENT TESTIMONIAL

Teva's partnership with Mount Sinai's Arnhold Institute for Global Health in New York City has helped uncover important insights related to MCC. Roslyn, a Mount Sinai patient, shares her story:



“The most difficult part for myself is that I am not able to do the things I am used to doing. Now I feel sometimes like I am less of a person. I have learned to gain other skills that help me to deal with the pain and would help me feel better about myself. I have learned I have to pay attention to my body and what it is telling me. I have learned to organize everything that I am doing to the best of my ability. But you have to find strength somewhere, whether it is in religion, in friendship or medication. Being involved with people's support groups, of course, helps. But it's also important for people to realize that even with the pain, you're still really deep down inside the person you always were.”



## Enhancing access to care for patients with multiple chronic conditions

Since 2012, Teva has worked with [Volunteers in Medicine](#) (VIM) to provide healthcare services to those without access in the US. We support the national office in establishing new clinics and providing ongoing assistance to VIM clinics across the US. We also expanded our efforts to address MCC in local communities. [Enhancing Access2Care](#), established in 2017, is a two-year program that improves access and care for underserved US populations. Funded by Teva and implemented with Direct Relief and VIM, the program supports VIM clinics in providing primary and preventive healthcare to individuals with MCC. These clinics develop creative and effective strategies to treat chronic conditions, including medication management, team-based care and health coaching. Through Enhancing Access2Care, patients with MCC, who often require complex and costly healthcare and management, receive access to the care they need.

[Community Volunteers in Medicine](#) (CVIM), an Enhancing Access2Care grantee in West Chester, Pennsylvania, expanded its comprehensive onsite service to treat MCC. The grant allowed CVIM to hire a chronic disease management clinical care coordinator who works with a team of physicians, endocrinologists, nurses and nutrition education specialists. The coordinator counsels diabetic and pre-diabetic patients to create individual care plans that include follow-up tests, CVIM services navigation support and health indicator tracking to improve patients' understandings of their health. In 2018, one-to-one visits at CVIM increased by 64% from 2017.



Staff at Volunteers in Medicine clinic in the Berkshires, Massachusetts

### PATIENT TESTIMONIAL

Pilar is a Latina patient with type 2 diabetes and other health issues, as well as a long history of smoking. She turned her life and health around after becoming a CVIM patient and shared her story at a CVIM fundraiser:



Pilar (center) with her grandson and volunteers at Community Volunteers in Medicine, Enhancing Access2Care grantee for its Expansion of Coordinated Chronic Disease Care Management Program, which has benefited 273 patients with diabetes and pre-diabetes.

“The care I received at CVIM has—I kid you not—saved my life. I came to CVIM a year and a half ago with nowhere else to turn. Type 2 diabetes, very low blood sugar, PTSD from traumatic moments in my life and a severe back injury that I sustained from a bad car accident several years ago have all ruled my life for quite some time. As you can imagine, I was broken and hopeless when I arrived at CVIM.

CVIM means the world to me—my caregivers and doctors have all been so good to me—they have treated me like a real person. I cannot imagine life before CVIM—that life seems so different now. CVIM has given my life back—and peace—even though I struggle from time to time. To control my diabetes I have lost 46 pounds and counting! I also have

come off insulin to control my blood sugar and continue my counseling sessions. I now have also nearly stopped smoking after almost 30 years—except for one cigarette a day, down from several packs a day!

It truly takes a village—and I am grateful and I have hope—something I haven't felt for a very long time. Some say I have lived a really tough life. I want you to know that the patients you are helping by your decision to be generous to CVIM will be treated with dignity and respect, and will receive the best medical and dental care. The personal care that I received was amazing. While I was a patient at CVIM, I never felt like a number. Words cannot describe what CVIM has meant to me. Thank you my dear CVIM family for welcoming me with open arms and providing me with compassionate care.”

## Elevating asthma and chronic disease in Russia

We sponsored the **All-Russian Congress of Patients**, which drew attendees from more than 100 patient organizations and 150 public councils across the country. Teva hosted healthcare professionals and patient organization leaders for a roundtable discussion, “The Problem of Multichronic Diseases and the Burden of Severe Bronchial Asthma,” to share stories, actualize the need for a national asthma care program and discuss critical healthcare needs for those with both bronchial asthma and another chronic condition.



All-Russian Congress of Patients roundtable discussion.

## Combating antimicrobial resistance

Antimicrobial resistance (AMR) is a growing public health threat, which requires action from multiple and diverse stakeholders. As a global manufacturer of medicines, and specifically antibiotics, we are committed to working with industry peers and global health organizations to identify solutions. Our efforts to address AMR focus on our manufacturing, access to medicines and environmental stewardship. In 2018, we updated our [Position on Antimicrobial Resistance](#) to reflect our commitments, aspirations and approach.

Teva is on the board of the AMR Industry Alliance, which brings together more than 100 biotech, diagnostics, generics and research-based pharmaceutical companies and associations to drive progress to reduce AMR. In 2018, the Alliance published its first [progress report](#), detailing member companies' progress. Through the International Federation of Pharmaceutical Manufacturers & Associations, Teva also helped develop the [AMR Industry Alliance Antibiotic Discharge Targets](#), published in September. This details discharge targets for antibiotic manufacturing, referred to as Predicted No-Effect Concentrations, for environmental risk assessments of antibiotics.



In the **UK**, Teva donated samples of antibiotic medicine packages to a special exhibition, [Superbugs: The Fight For Our Lives](#), at the Science Museum in London. The exhibition explored how society is responding to antibiotic resistance and featured real bacteria, scientific research from across the globe and personal stories of those fighting the superbugs.



# Leading a Responsible Business

---

At Teva, a responsible business is one that enacts and enforces strong practices and controls to ensure all activities are carried out ethically and transparently. As a global company that influences the health and safety of millions of people, we recognize our responsibility to conduct our business with integrity and protect the environment and our employees. Operating in this manner helps ensure our long-term sustainability, allowing us to focus on what matters most—improving health.

# Compliance, Ethics and Transparency

Improving health comes with a responsibility to act with integrity. We hold ourselves to the highest professional and ethical standards, as this reflects our moral values. Our Mission & Values act as our internal compass, guiding every decision and every action, and our comprehensive, 360-degree approach to compliance was thoughtfully developed to cultivate a culture of ethics and honesty. We comply with all laws and regulations, uphold ethical engagement with our external stakeholders and enforce the right policies, processes and programs to achieve and enhance our ethical business and human conduct.

## Leading with a culture of ethics

Teva's Code of Conduct brings our Mission & Values to life, setting clear expectations for our behavior. It describes areas in which acting in accordance with our values is particularly important. Our employees are aware that compliance with laws, regulations and policies is non-negotiable and integral to our vision of the right way to operate our company.

- In 2018, 97% of new hires completed the Code of Conduct training, instilling the importance of ethics and compliance from the start.
- Last year, a three-part Our Way of Life Campaign helped inform employees of the latest dilemmas they may encounter. Leveraging a modern and innovative platform, we trained more than 16,500 employees on 10 ethical behavior topics, including communicating carefully in business, competition law, data privacy, ethically interacting with third-parties, conflicts of interest and business ethics. Collectively, the campaign achieved a 98% training completion rate.

Our 360-degree approach to compliance includes implementing systems to protect our company from within. Teva encourages employees and others who interact with our company to report potential non-compliance or Code of Conduct breaches to our Office of Business Integrity. These are handled individually and judiciously to ensure appropriate corrective action is taken.

## In 2017, the Office of Business Integrity received 324 reports



**24%** were related to business integrity and corruption and shared with our Audit Committee



**20%** of these were substantiated

## Of the substantiated reports:



**75%** resulted in termination



**25%** resulted in other actions, including formal warnings or referrals to legal counsel

Teva's [Position on Marketing and Promotional Practices](#) describes our approach and commitment to engaging in ethical, honest and fair marketing practices.

Teva's [Position on Government Affairs](#) outlines our commitment to ethically engage with policymakers and stakeholders to support public policy related to healthcare, our company and our industry.





## Maintaining ethical engagement and marketing

We often engage with government stakeholders, healthcare systems, healthcare professionals and patients to ensure proper use of our medicines and enhance patient care. Internal resources are provided to ensure ethics and transparency guide these interactions. New tools from our Global Compliance team help employees further reduce compliance risk when managing communications and engagements with healthcare professionals, healthcare organizations, patient organizations, government officials and third-party representatives. In 2018, we published three new internal compliance policies to address Conflicts of Interest, Global Customs and Trade Controls, and Due Diligence and Interactions with Third-Party Representatives. These are based on rules and regulations, as well as standards set by the industry.

Alongside our global peers, Teva is proud to be a part of associations that foster compliance and ethical conduct. We are a member of [Medicines for Europe](#), the generics self-regulatory body, and the [International Federation of Pharmaceutical Manufacturers & Associations \(IFPMA\)](#). We adhere to IFPMA's Code of Practice, which governs marketing practices and all interactions with healthcare professionals, medical institutions and patient organizations. We also support and apply the [Pharmaceutical Research and Manufacturers of America Principles](#) and the [European Federation of Pharmaceutical Industries and Associations Code](#). These ensure our activities are governed by ethical standards and aligned with industry expectations.



## Ensuring data privacy

Teva is committed to meeting data privacy and protection obligations for employees, healthcare professionals, patients and all others who entrust us with their personal information. In 2018, we established a comprehensive global privacy program and implemented global privacy standards to provide the framework, tools and information for our management of privacy obligations across countries and regions. These standards support our certification under the [EU-US Privacy Shield](#) and the implementation of the [EU General Data Protection Regulation \(GDPR\)](#).

In May 2018, the EU GDPR—the most important change in data privacy regulation in 20 years—took effect to standardize and enhance data privacy and protection in all EU countries and all companies that process the personal data of EU data subjects, wherever the organization is geographically located. In preparation, we provided organizational resources to meet these new or enhanced obligations. We recently launched the GDPR Resource Portal to house the GDPR policy and implemented the OneTrust software for affiliates to maintain required internal records about processing activities. Additionally, regional and local teams have been organized to manage GDPR implementation, and employees continue to be trained on data privacy and protection topics. Our Global IT Security team also established an approach to assist business and IT owners with evaluating a Teva system and adopting technical and organizational security measures in accordance with the GDPR and industry best practices.

In December 2016, Teva resolved certain claims under the US Foreign Corrupt Practices Act with the Securities and Exchange Commission and the Department of Justice. The settlement included the retention of an independent compliance monitor for a period of three years.

# Environmental Sustainability

As the threat of climate change intensifies, we increasingly recognize the importance of reducing our environmental impact on the planet. Despite recent business challenges and restructuring, our commitment to preserving the environment has not wavered. We continuously seek new initiatives that are both beneficial to the environment and sustainable for our business. As the leading supplier of quality generic medicines and Active Pharmaceutical Ingredients (APIs), and with 70 manufacturing facilities around the world, it is our fundamental responsibility to comply with all applicable laws, rules, regulations and other requirements designed to protect the environment. We also proactively set targets to reduce our impact, collaborate with stakeholders and take a precautionary approach to environmental risk. **Teva's Global Environment Health and Safety Management System (EHSMS)** reflects expectations that often go beyond local laws and regulations to ensure we effectively manage environmental health and safety risks, compliance obligations and performance.

## Reducing the impact of our operations

We aim to limit our waste and reduce our energy and water use. Between 2012 and 2018, we reduced greenhouse gas (GHG) emissions by 23%. This was largely driven by renewable energy use, which accounted for 29% of our global electricity consumption in 2018. We recycled 52% of waste, 30% more than in 2017 and the most in four years. This reflects our continued focus on moving waste from treatment and disposal to recycling and beneficial reuse. In 2018, less than 6% of waste was sent to landfill, and 54% of total waste was hazardous, a 16% reduction from 2017. While all indicators improved in absolute terms compared to 2017, the intensity factors (when normalized by total headcount) increased due to the company's extensive restructuring actions.

## Establishing new targets

Teva previously established and publically communicated targets for reducing the environmental footprint of Teva legacy entities by 2020. Last year, we reported that we met or exceeded these targets, with one exception. While we did not meet our energy efficiency target, we made solid progress and are proud of these achievements. We are currently in the process of re-evaluating our external environmental improvement commitments and intend to communicate our path forward in the near future.



### CDP climate disclosure assessment

The CDP climate disclosure assessment is an important external feedback mechanism for our efforts to reduce energy use and associated GHG emissions. We received an A- score from CDP for 2018 progress to address climate change.





## Collaborating with external stakeholders

We proactively engage with key external stakeholders regarding environmental matters and are committed to being transparent about our performance. Teva also routinely responds to investor and customer queries and participates in other external evaluations and ratings, such as EcoVadis, MSCI and Sustainalytics.

In 2018, we engaged with regulators, industry groups and key customers regarding our approach to managing pharmaceuticals in the environment and antimicrobial resistance (AMR). Teva is a member of the Pharmaceutical Supply Chain Initiative, the AMR Industry Alliance and the Pharmaceutical Environmental Group and an active participant in environmental working groups, such as Medicines for Europe, the International Federation of Pharmaceutical Manufacturers & Associations and the European Federation of Pharmaceutical Industries and Associations.

### Promoting environmental sustainability in our local communities

We aim to protect the environment and limit the impact of our operations in our communities around the world. The following stories provide a snapshot of some of our local efforts.



#### Enhancing biodiversity:

The land surrounding Teva's Gajraula plant in **India** was cleaned up and developed to improve biodiversity. Teva contributed \$31K to the project and collaborated with the government and local administration to increase the township's hygiene levels by providing restroom facilities.



#### Implementing ecological and safety solutions:

**Teva Czech Industries (TCI) Opava Company** voluntarily signed an agreement with Moravian-Silesian Region, promising a \$870K investment in ecological and safety solutions by 2020, \$22K in annual maintenance of vegetation and roads within the company's complex and planting of new vegetation. TCI Opava Company will also purchase 100% green energy in 2019. "We are aware of the environmental impact of our manufacturing activities and endeavor to minimize this impact by continuously improving technological processes, using effective systems for capturing emissions and limiting the amount of pollutants discharged into the atmosphere," said Jaroslav Chylík, Director, TCI Opava Company.



#### Reducing electricity consumption:

After successfully adapting HVAC systems to operate in savings mode in quality control labs, the production/packaging department and part of the warehouse, **Teva Poland** set out to expand HVAC savings mode in its largest area—the Oral Solid Dosage Manufacturing Department. This work is estimated to generate 450-750 MWh in annual electricity savings, equivalent to \$38K to \$65K per year.

# Supply Chain

Suppliers play an integral role in our business and impact our ability to provide quality medicines to patients every day. We expect the highest ethical standards throughout our supply chain and only work with those who share these goals. Our [Supplier Code of Conduct](#) ensures our core values—and the principles and expectations that reflect them—are echoed across our supply chain. Our thorough approach includes industry collaborations that work to improve environment, social and governance standards across our supply chain and risk assessments that mitigate issues and promote sustainable procurement.

## Partnering for sustainable sourcing across the industry

In partnership with EcoVadis—the leading provider of sustainability risk and performance ratings for global supply chains—GlaxoSmithKline and Takeda, Teva launched the [Responsible Health Initiative \(RHI\)](#). The effort is intended to increase shared value across the industry's supply chain by enabling key players in the global health sector to boost not only their own sustainability performance, but also that of the industry's collective suppliers. Powered by EcoVadis' platform and scalable methodology, which offers deeper transparency and insight into supply chain partners' corporate social responsibility (CSR) practices, RHI members will be able to identify suppliers with high-performing CSR efforts and best practices, mitigate risk and drive value with suppliers.

**In 2018, we established a risk mitigation framework in the EcoVadis platform and tracked high-risk suppliers' corrective actions.**



**9** high-risk suppliers tracked

### Of tracked suppliers:



**2** were reassessed and improved their scores



**4** are in the process of being reassessed



**3** are providing additional documentation in the EcoVadis platform prior to reassessment



Teva was awarded an **EcoVadis Silver Medal** for responsible conduct in environment, labor and human rights practices, ethics and sustainable procurement in 2018. This improved EcoVadis score placed Teva in the **top 16%** of pharmaceutical companies.



## Increasing supplier diversity in the US

Our supplier diversity program focuses on our US efforts in alignment with our US government contracts. In 2018, we exceeded our annual goal for spending with US small businesses. We also expanded relationships with partner organizations to drive additional engagement with the small and diverse supply base at a regional level, participating in 15 outreach events to develop and grow relationships with small and diverse suppliers.

## Supplying active pharmaceutical ingredients

**Teva Active Pharmaceutical Ingredients (TAPI)** is the leading international active pharmaceutical ingredients (API) manufacturer. With the industry's broadest portfolio of more than 400 high-quality API products, we serve nearly 1,100 customers in more than 75 countries.

### Supplier diversity in the US in 2018



#### TAPI at-a-glance

**\$745.5M** in sales

Supports **75%** of top 50 global pharmaceutical companies

Operates **17** plants, **5** R&D centers and **7** sales offices



# Patient Safety

Each day, 200 million people take our medicines, a responsibility we do not take lightly. By ensuring our medicines follow strict safety standards, we allow them to serve their intended purpose: improving health. Our approach to medicine quality and safety is comprehensive, transparent and uncompromising. We carefully monitor all of our medicines and conduct thorough evaluations at every stage of their life cycles.

## Driving pharmacovigilance across our company and our industry

Teva's global pharmacovigilance (PhV) division monitors, analyzes and reports potential safety risks associated with Teva medicines or devices. We continuously work to ensure compliance with all relevant global PhV regulations.

Teva is an active participant in the Pharmacovigilance and Drug Safety Working Group of Medicines for Europe. We also participate in public consultation on new PhV guidance, European Medicines Agency stakeholder platform meetings, joint trainings and other authority-industry initiatives to improve patient safety.

## Using social media to understand patient safety in the Netherlands

In May, Teva Netherlands sponsored a national social media campaign, launched by [WOMENINC](#), to raise awareness of migraine. The campaign garnered more than 9.5 million impressions across social and traditional media. Teva's patient support, medical and PhV teams collaborated to monitor social channels daily, identifying migraine side effects hidden in user comments. Discussions and stories arose in which patients expressed concerns and debated potential solutions. The innovative approach to understanding patient needs and safety concerns yielded new insights into the experience of those living with migraine.

## Innovating real-time data evaluation in the US

In 2018, we launched Spotfire, an interactive visualization tool for reviewing real-time clinical and operational data. As we aim to increase our internal data oversight capabilities in the US, Spotfire enables us to monitor study data for subject eligibility and compliance and ensure risk signals are detected, communicated and mitigated as quickly as possible. To date, dashboards have been created for Clinical Project Physicians, Clinical Project Managers and Centralized Monitoring groups. We are refining these dashboards and plan to make Spotfire available for all new Phase II and III studies moving forward.

We identify opportunities to reduce the risk of counterfeit drugs, which are a threat to patient safety and public health. In November, when the Drug Supply Chain Security Act (DSCSA) went live in the **US**, all Teva packages carried unique identifiers. This was successfully implemented at:

**20+**  
Teva sites

**110+**  
packaging lines

**50+**  
CMO sites

## Global pharmacovigilance performance in 2018



**185,648** adverse event reports



**1,879** periodic reports



**284** Risk Management Plans (RMPs) prepared



**187** health hazard assessments completed



**56** internal and third-party PhV audits



**51** PhV inspections by regulatory authorities and third-parties



# Our People

Teva's more than 41,000 employees are the ones who bring our mission to life. In 2018, Teva was responsible for 19,000 direct and indirect jobs in Israel, the place we were born, representing 0.5% of total employment.<sup>7</sup> Our employees uncover our novel health solutions to support and protect patient health. They ensure our company operates sustainably and ethically. When our employees are engaged, healthy and safe, they can work to their full potential. It is our responsibility to invest in their well-being and success and provide an enriching, rewarding work environment where people are treated with respect and can be proud of the work they do.

## 2018 company-wide employee survey

33,000 employees (80%) completed our annual Teva Organizational Health Survey. Respondents felt Teva has improved significantly in terms of confidence in strategic direction, trust in business unit leadership, support, cooperation and empowerment. **77%** of respondents reported positive care and respect for employees. Areas noted for improvement include more opportunities for growth and development.

## Supporting our employees

In 2018, we continued Teva's restructuring to address financial commitments and regain stakeholder trust. Throughout these changes, we supported employees with development resources to address topics such as leading change, resilience and engagement. In the future, we will provide opportunities for employees to learn new ways of working, enhance skills and be a part of exciting changes in the pharmaceutical industry.

## Promoting health and well-being

Optimal health and quality of life is as important for our employees as it is for our patients. With a holistic approach to well-being, we provide practical tools and locally-tailored programs that address the physical, financial, social and emotional needs of our employees and their families.

We celebrate health and wellness across many of our sites through programs and initiatives that promote healthy diets, physical activity and mental well-being. For example, in Poland, we provide free fruit and vegetables to our employees every week, and in Bulgaria, we offer yoga and mindfulness training sessions. In the US, Teva Wealth Coordinators provide personal financial planning and offer web-based, self-guided tutorials on important financial topics to help employees plan for today and save for a secure financial future. Meanwhile, Teva Care Coordinators assist employees in identifying benefits and services that help them understand their health status, lose weight, quit smoking, register at onsite fitness centers and access free Teva medications.

In the **US**, our total well-being program offers innovative services. In 2018, we achieved 100% on the Human Rights Campaign Foundation Corporate Equality Index, which measures companies on non-discrimination policies, employee benefits, organizational competency around LGBTQ diversity and inclusion, and responsible citizenship. We also changed the family medical leave policy to have no gender bias and updated our transgender health benefits to include surgical and non-surgical benefits.

## Managing safety

During 2018, Teva continued to execute on a balanced portfolio of improvement initiatives designed to move the company toward our aspirational objective of **Target Zero: Zero Incidents, Zero Injuries, Zero Releases**. In 2018, this included continuing to install Teva's Global **Environment, Health and Safety Management System (EHSMS)**, driving effective implementation of high-risk work procedures, completing loss prevention improvements (e.g., fire protection, risk reduction) and sharing best practices related to environmental health and safety (EHS) incidents with all sites.



Teva **Czech Republic** decreased exposure levels at its highest-risk production areas, where highly-active API (HAPI) products are opened. Three new gloveboxes led to significantly decreased exposure to HAPI products for our operators.



Our EHSMS brings our Occupational Health and Safety (OHS) Policy to life and establishes a global standard for health and safety. By the end of 2018, it was more than 80% implemented globally. We have worked hard to establish a catalog of more than 50 online EHS learning modules, which are available to all employees via our online learning management system. These modules are mandatory for all Teva EHS professionals and individuals with significant responsibility under our EHSMS.

Teva is a member of the International Process Safety Group (IPSG) and hosted its annual meeting at our Zagreb facility in June. This was an opportunity to share best practices, including methods for eliminating the potential for unwanted releases of material or energy that could impact people in and around operating sites.

**With continued significant improvements, Teva achieved our best recorded safety management performance to date in 2018:**



**13%**

reduction in total recordable injury rate



**10%**

improvement in lost time injury rate



**43%**

improvement in total lost workdays



# About This Report

---

This report describes our approach to sustainability and responsibility, as well as our key actions in 2018 to improve health and maintain ethical business conduct. We report on Social Impact annually, and our last Social Impact report covered our activities in 2017.

An [accompanying content index](#) has been prepared in accordance with Global Reporting Initiative (GRI) Standards, core option. GRI is a not-for-profit, multi-stakeholder organization which works to increase the level of business transparency through sustainability reporting. GRI Standards are considered to be the most advanced sustainability reporting framework available today. For more information, please see: [www.globalreporting.org](http://www.globalreporting.org).

Additional information about Teva and our global business can be found on our global corporate website: [www.tevapharm.com](http://www.tevapharm.com).

Thank you for your interest in this report. Please contact Amalia Adler-Waxman, Vice President, Social Impact & Responsibility, with any feedback or suggestions: [Amalia.Adler-Waxman@tevapharm.com](mailto:Amalia.Adler-Waxman@tevapharm.com).

