



# Teva's Position on Human Rights

May 2024



Teva is committed to upholding the fundamental principles of human rights. Respecting human rights across our entire business and supply chain is not only the right thing to do, but also strengthens our ability to operate responsibly, builds trust with stakeholders and contributes to a sustainable future for our business and society.

Teva Pharmaceutical Industries Ltd. (hereinafter “Teva”), including all its directors, executives, employees and subsidiary and affiliated companies, is committed to respecting internationally recognized human rights. We support the spirit and provisions of the Universal Declaration of Human Rights and the subsequent guidance set forth in the United Nations Guiding Principles on Business and Human Rights as well as in the International Labor Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work (Core Labor Standards). The latter is used as a guiding reference for our policies and approach to human rights. As a signatory of the United Nations Global Compact since 2010, we have formally and publicly confirmed our resolve to take all measures that are reasonably possible within our business and throughout our supply chain to respect all individuals and uphold their human rights. We believe compliance with all applicable laws, regulations and other requirements designed to protect human rights is fundamental to our corporate well-being and that by striving for excellence in this area, we also protect, enhance and create value for our organization. This is consistent with our purpose, values and Code of Conduct.

Our position on human rights shall be applied by all companies controlled by Teva and its joint ventures, as well as by our relevant partners and direct and indirect suppliers through Teva’s Supplier Code of Conduct. Our suppliers should apply similar policies in their operations. We inform employees and key suppliers of this position to make them aware of our expectations and their responsibilities.

This position aims to protect the rights of different affected groups. These groups include our own employees (including contingency workers and apprentices) as well as those of relevant partners and joint ventures where feasible, the employees in our direct and indirect supply chain and groups of people indirectly connected to the supply chain (e.g., local communities).

## Our Human Rights Aspirations, Approach and Commitments

### Respect for All

We operate with respect for all individuals and preserve the dignity of every person with whom we interact.

### Right to Health

As a pharmaceutical company, improving health is one of our missions. We recognize the importance of access to quality, safe and effective medicines for all individuals, and we comply with all regulations related to right to health. Teva assesses and addresses barriers to accessing medicines. We work to ensure our pricing and distribution policies are responsible and our products are affordable and accessible to those who need them. We are committed to making healthcare and medicines available to those who need them, including underserved populations, through different initiatives, such as increasing regulatory submissions, supplying products included on the World Health Organization’s (WHO) Essential Medicines List (EML), strengthening and building capacity of health systems and enhancing patient centricity in our clinical trials. Further details can be found in our Position on Access to Medicines and Position on Pricing.

## **Patient Rights in Clinical Trials**

Clinical trials are an important and mandatory aspect of medicine development and help to ensure new treatments and interventions improve people's health outcomes. We are committed to upholding human rights throughout all stages of our clinical trials. This includes ensuring that the trials are conducted according to applicable regulations, in an ethical manner and with appropriate oversight. We conduct clinical trials in a way that respects and upholds the right to health and privacy of all individuals participating in the trials. Clinical trials results are disseminated in a transparent and accessible manner as per regulatory requirements. Further details can be found in our Policy on Clinical Trial Transparency & Disclosure.

## **Occupational Health and Safety**

We value employees' right to working conditions that do not place them at undue risks to personal safety or health. We comply with all applicable health and safety laws and go beyond regulatory requirements to provide a safe and healthy work environment to all employees, contingent workers, visitors and contractors at all our sites. We measure and audit our performance to make sure we uphold the highest standards. Further details can be found in our Position on Occupational Health and Safety.

## **No Discrimination, Harassment or Retaliation**

Teva values inclusion and diversity and recognizes that a tolerant working culture is one in which everyone is empowered to perform productively and without inhibition. We have zero tolerance to any form of discrimination, harassment, retaliation, intimidation, humiliation, bullying, unfair treatment or hurtful or inappropriate behavior at any time based on nationality, place of residence, gender identification, sexual orientation, age, race, ethnicity, color, religion, language, ability, income, political opinion or any other protected status. We welcome employees and clinical trial patients of diverse backgrounds, as well as suppliers that represent small or minority businesses or integrate employees of diverse backgrounds. We do not tolerate retaliation under any circumstance against individuals who have raised concerns in good faith or submitted complaints relating to discrimination, harassment or any other topic through our grievance mechanism. Further details can be found in our Global Harassment Policy and Position on Inclusion and Diversity.

## **Upholding Freedom of Association and Collective Bargaining**

In accordance with regulations, we respect our employees' right to choose whether to be part of a labor union or other framework for collective bargaining. In cases in which employees have elected to be represented by a legally recognized union, we engage in constructive respectful dialogue. We permit employees' elected representatives to conduct their affairs within the workplace, offering support, where relevant, and ensuring they are not disadvantaged because of their roles.

## **Prohibition of Forced Labor**

In accordance with regulations, Teva supports employees' free will to engage with and work for Teva. We prohibit any form of forced labor and modern slavery, including prison labor, labor from human trafficking, bonded labor or work that restricts employees' free choice and movement. No employee is forced or intimidated to work overtime. We proactively ensure employees are aware of their rights with respect to working hours and overtime.

## Prohibition of Child Labor

Consistent with ILO Convention No. 138 (Minimum Age) and No. 182 (Worst Forms of Child Labor) and relevant regulations, Teva does not employ individuals under the applicable minimum legal age for employment. All new hires provide identification with proof of age, and it is Teva's responsibility to ensure we have accurate information when hiring.

## Work Hours and Compensation

We are committed to promoting a healthy work-life balance and well-being. We comply with applicable regulations governing hours of work and rest in every country in which we operate. This includes, when reasonably practical, respecting weekends and national or religious holidays and regular working hours compliant with local laws. We compensate our employees fairly based on market norms and in line with legal requirements for wages and social benefits, often exceeding legal minimum levels. We aim for pay equity at all levels.

## Human Rights Aspects Linked to the Protection of the Environment

In accordance with regulations, we commit to minimizing relevant negative environmental impacts of our operations and products over their life cycle, including where environmental degradation impacts livelihoods of people and communities. We apply measures in our own operations to address and mitigate negative impacts related, but not limited to, climate change, pollution (including pharmaceuticals in the environment), use of natural resources and waste. International conventions, including Minamata, Stockholm and Basel Conventions, are considered in our Human Rights Risk Management efforts. For further information, see our Position on Environmental Sustainability.

## Security Standards

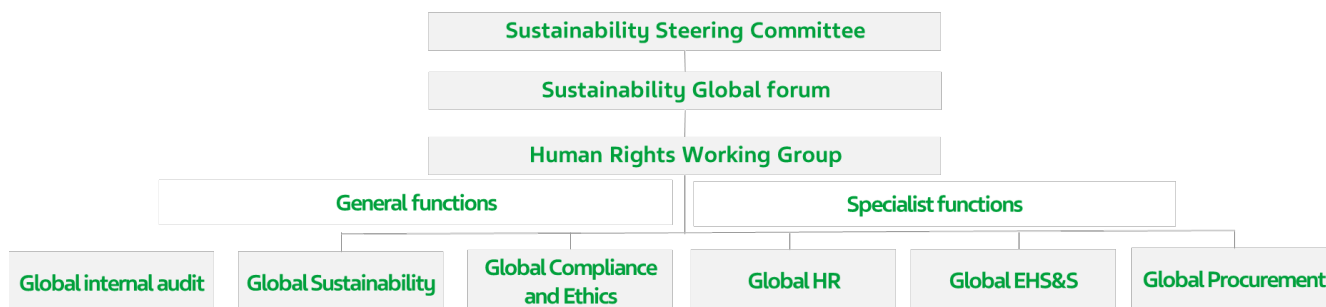
Teva operates in countries with varying security risk profiles, and it is our responsibility to protect our employees during the course of their work. In accordance with regulations, we maintain robust security measures at all our sites and provide protection, where relevant, for employees traveling for business. Security forces engaged by us are contractually obliged to respect all internationally recognized human rights and to ensure that security personnel receive adequate guidance and training.

## Collaborative Approach

We recognize the importance of working collaboratively across our industry to promote the respect for, and fulfillment of, human rights in the pharmaceutical supply chain. We are members of and participate in relevant efforts related to human and environmental rights coordinated and led by the following associations and groups: Pharmaceutical Supply Chain Initiative (PSCI), Responsible Health Initiative (RHI), Pharmaceutical Environment Group (PEG), the Antimicrobial Resistance Industry Alliance (AMRIA), Biopharma Sustainability Roundtable (BSRT), Medicines for Europe (MfE), International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) and the European Federation of Pharmaceutical Industries and Associations (EFPIA).

# Human Rights Governance

The chart below presents the overview structure of our human rights governance. Roles and Responsibilities (R&R) and acronyms are explained in the next section.



## Roles and Responsibilities

On an annual basis, our human rights progress and results will be reported through Teva's sustainability governance structure, including the Sustainability Steering Committee, composed of members of Teva's Executive Management and chaired by Teva's CEO, and the Sustainability Global Forum, composed of senior managers.

Teva has a Global Internal Audit (GIA) function, which is designed to enhance and protect organizational value by providing objective, risk-based assurance, advice and insight. With a systematic, disciplined approach, GIA evaluates and improves the effectiveness of governance, risk management and control processes. These activities include information gathering, review, analysis, evaluation, appraisal and testing for compliance and the adequacy of managerial systems and controls to mitigate risks. As relevant, GIA may assess human right risks and process.

Teva's Human Rights Working Group, composed of various functions, meets periodically to track the implementation of human right processes and to assess the performance of the different components (risk assessment, preventive measures, remedial measures and grievance mechanism). These functions include:

- General functions:
  - Global Sustainability: Responsible for the company's overarching human rights risk assessment and oversight of the human rights processes in other functions to promote alignment with relevant legislation and for reporting human rights global process and results.
  - Global Compliance and Ethics (C&E): Responsible for managing grievance mechanisms, including human rights complaints.
- Specialist functions:
  - Global Human Resources (HR): Responsible for disseminating the global policies and measuring certain labor aspects (child labor, forced labor, discrimination—unequal treatment, adequate wages and freedom of association) in human rights high risk locations. Act on internal audit observations related to HR policies.
  - Global Environment, Health, Safety and Sustainability (EHS&S): Responsible for leading, setting global guidance and measuring performance related to environmental compliance, environmental sustainability, occupational health and occupational safety in our own operations and the surrounding communities.

- Global Procurement: Responsible for ensuring our suppliers maintain and follow similar human rights policies as Teva in their own operation and supply chain and comply with relevant human rights laws. Responsible for integrating sustainability policies to relevant procurement processes.
- Local teams (countries): Responsible for implementing all global commitments, policies and measures at the local level; raising additional requirements related to human rights management; and developing, submitting and/or publishing human rights reports as applicable. At their discretion, particularly where required by law, country managers can appoint local human rights officers. According to specific legislations, local teams shall define process and frequency for reporting to local management.

The global functions above utilize a range of means and approaches to define, manage and disseminate to the local level, requirements under their authority. These include Management Systems, Processes and Standard Operating Procedures (SOP).

## Human Rights Due Diligence Process

We conduct risk-based due diligence throughout our operations and for suppliers, to assess, prevent and address potential or actual adverse impacts on human rights. This process aims to cover our own employees and third-party employees, regardless of age, gender, origin and cultural background. We aim to apply the same due diligence approach for risk assessment and management in selection processes of strategic suppliers, joint ventures and mergers and acquisitions.

In summary, the due diligence process includes:

- 1) A periodic overarching **risk assessment**, covering Teva's operations and key suppliers, is performed by Global Sustainability. This assessment is complemented by analysis from specialist functions.
- 2) Specialist functions implement **preventive actions** and **remedial actions** in their respective domains as defined in the Roles and Responsibilities above.
- 3) Adverse human right impacts can also be identified and managed via our **grievance mechanism**.

The main due diligence steps in bold above are detailed in the following section.

### Risk Assessment

Our risk management measures are based on the results of an overarching risk assessment, by which we evaluate potential human rights and environment-related adverse impacts on both an annual and an ad hoc basis. In preparing this risk assessment, we consider the nature and scope of Teva's business activities and our global supply chain. We extend this analysis on an ad hoc basis to indirect suppliers. We conduct this systematic data analysis making use of internal and external information that may indicate the potential for human rights and environmental-related risks. External data sources, not related to personal data, are used to determine country- and product-specific risk as well as to prioritize risks based on likelihood and severity. The assessment covers several sustainability topics, including labor (e.g., forced labor, migrant workers, human trafficking, child labor, freedom of association, right to collective bargaining, equal remuneration, discrimination), health and safety, environment, business ethics and management systems. This assessment also includes input from a media screening tool and complaints received by Teva's Office of Business Integrity (OBI).



The assessment process described above is supplemented with specialist functions' risk assessments findings, whose processes are defined as part of a management system or SOP. The main additional assessments are listed below:

- EHS&S: risk assessment, risk register and audits
- HR: employee central database assessment
- Global Procurement: supplier desk-assessment and site audits

Based on the outcomes of the consolidated risk assessment, where warranted, additional preventive and remedial measures may be defined and implemented.

## Preventive Measures

Preventive measures are those that aim to avoid or reduce adverse impacts.

### Commitments

We have formal public commitments and statements that guide all Teva employees and our suppliers on a range of human rights aspects. These include, but are not limited to, Teva's Code of Conduct, Global Prevention of Corruption Policy, Conflict Minerals Policy Statement, Teva's Position on Environmental Sustainability, Pharmaceutical in the Environment Position, Global Harassment Policy, Teva's Position on Inclusion and Diversity, Talent Recruitment and Development Position, Teva's Position on Occupational Health and Safety, Access to Medicine Position, Position on Pricing, Policy on Clinical Trial Transparency & Disclosure, and Patient Safety Position. In addition, our Position on Responsible Supply Chain and our Supplier Code of Conduct explicitly detail expectations for our supply chain partners.

See all our public policies, positions and disclosures [here](#).

We also have internal-facing policies for the specialist functions, which set corporate global expectations to be applied across the business. These include policies related to Environmental, Health, Safety and Sustainability and Labor Rights connected to recruitment and compensation.

### Control Measures

Our measures to further assess and control potential risks are predominantly focused on our own operations which present high risk, according to the risk assessment, and to suppliers that present high risk and high leverage. These measures vary according to the different functions, and their R&R are summarized below.

- EHS&S: Implementation of additional engineering controls, trainings; identification and management of requirements; risk register; development and management plans; performance measurement; monitoring and reporting; Management of Non-Conformities; Incidents and Regulatory Inspections; Management of Audits and Workplace Inspections; and Management of Corrective and Preventative Actions.
- HR: Employee register which includes age; contract template and register; Organization Health Survey (OHS); salary market benchmark and analysis; percentage of employees covered by collective agreement; assessing specific sites to check if policies and measures are being applied; and acting on Internal Audit observations relating to Human Resources policies implementation.

- Global Procurement: Significant suppliers and procurement team training and capacity building; significant supplier training and communication regarding sustainability; acknowledgement of the Supplier Code of Conduct, requesting our suppliers to implement the same sustainability policies in their supply chain; sustainability assessment on Request for Quote/Proposal processes; suppliers' desk assessment; and audits. On an ad hoc basis, we may apply these or other measures on our indirect suppliers. As part of our continued efforts to assess our supply chain, we also participate in industry associations and group initiatives to share under strict ant-trust conditions self-assessments, and audits performance regarding sustainability, including human rights.
- Compliance and Ethics: Sanction screening, code of conduct and other ethics training.

Teva reserves the right to engage potentially affected people, their legitimate representatives and/or other stakeholders during the design, implementation and review of preventive measures.

## Grievance Mechanism

To effectively prevent and remediate adverse human rights and environmental impacts, we have a comprehensive grievance mechanism in place that enables concerns to be raised regarding Teva employees, suppliers and supply chain actors. Concerns can be reported by anyone confidentially and anonymously (where locally permitted) in multiple languages, through the Teva Integrity Hotline, which includes telephone and web-based reporting options. The Teva Integrity Hotline is managed by Teva's OBI. Processes to report concerns are communicated internally and externally and are accessible to our employees and throughout our supply chain.

We systematically investigate all reports where there is reasonable suspicion that human rights or environment-related standards may have been violated. We protect anonymity of the reporter and ensure confidentiality by sharing information strictly on a "need-to-know" basis. Anyone who raises in good faith a concern about a possible violation will be supported by management and will not be subject to retaliation. Any act or threat of retaliation will be considered a serious violation of our Code of Conduct and values.

The OBI will ensure that all reports are managed in a timely and confidential manner. All reports will receive an objective and complete assessment and, if warranted, an investigation. Individuals providing information will have the opportunity to receive feedback (including, as applicable, feedback delivered via a method that will not compromise their confidentiality).

Teva Integrity Hotline information, including options on reporting misconduct, can be found in Teva's website, Code of Conduct and [tevahotline.ethicspoint.com](http://tevahotline.ethicspoint.com). The OBI can also be reached via email at [Office.BusinessIntegrity@tevapharm.com](mailto:Office.BusinessIntegrity@tevapharm.com)

## Remedial Measures

To correct any imminent or actual violation identified via media screening, control measures, grievance mechanisms or another way at our facilities, suppliers or in our supply chain, we implement remedial actions. For our own operations, these actions could include, but are not limited to, policy/process reviews, warnings, retraining, coaching, reduction in compensation and/or employee terminations. For our suppliers, action plans to remediate any risks or violations shall be implemented and, in specific cases, violations could result in vendor disengagements.

Teva reserves the right to engage potentially affected people, their legitimate representatives and/or other stakeholders during the design, implementation and review of remedial measures.



# Effectiveness Assessment

At least once per year, Teva's Human Rights Working Group assesses the effectiveness of the Human Rights Risk Management process implemented to prevent or mitigate adverse human rights and environmental impacts. For this purpose, Global Sustainability, Compliance and Ethics and each of the specialist functions will review the results of the measures implemented through effectiveness KPIs and, when relevant, related thresholds.

If the results of the annual review indicate that the management approach is not meeting effectiveness expectations, appropriate action will be determined and implemented to improve them. These improvements can be related to roles and responsibilities, risk analysis and prioritization process, preventive measures, remedial action, complaints procedure, documentation or other relevant aspects.

## Application of this Position

Teva's Executive Management and Board of Directors endorse this position. It is supplemented by internal procedures that ensure our commitments are upheld. We communicate this position to our employees and suppliers and on our website, and we share our progress in our annual Sustainability Progress Report and relevant local country websites. This position will be reviewed annually by the human rights working group and updated as needed.