



Teva Sustainable Procurement Handbook for Suppliers

-Rev. March 2025



Sustainability Letter of Intent for Suppliers



Dear Valued Supplier,

Teva Pharmaceuticals has been developing and producing medicines to improve people's lives for more than a century. We are a global leader in generic and innovative medicines. Our legacy in high-quality generics enables us to leverage our capabilities to bring forward differentiated complex generics and biosimilars that create more value for patients and healthcare systems around the world. This grants us and our supply chain partners the opportunity to have a positive impact in the world by practicing responsible environmental, social and governance (ESG) businesses.

Teva has a comprehensive ESG strategy that supports our commitment to the long-term sustainability and resilience of our company. Our approach focuses on areas viewed as critical to our business and stakeholders—advancing the health of our patients, our planet and our business. We promote responsible practices internally and externally, driving ESG improvements across all our business functions, our supply chain, our production and our people.



As a company that strives to deliver quality medicines to patients around the world with integrity and ethical business practices, Teva expects that our suppliers of goods and/or services, regardless of their size and industry sector, uphold the same spirit and vision of sustainability with us by committing to the following elements of our Responsible Supply Chain Position and ESG Program:

- Acknowledging our [Supplier Code of Conduct](#), policies and positions across Ethics, Labor, Health and Safety, Environment and Management Systems.
- Aligning with Teva's environmental target to reduce Scope 3 GHG emissions by 25% by 2030.
- Establishing a GHG baseline and reduction targets in line with [Science Based Target Initiative](#) (SBTi) guidance and becoming SBTi approved by 2025.
- Disclosing the progress towards our Scope 3 reduction target when requested by Teva
- Actively attending Teva's ESG Capability Webinar for Suppliers
- Produce [EcoVadis](#) or similar ESG assessment when requested by Teva
- Facilitating the execution of [Pharmaceutical Supply Chain Initiative](#) (PSCI) and AMR Industry Alliance audits when requested by Teva – only applicable for selected suppliers with manufacturing sites
- Familiarize with the [Enerqize Program](#), which aims to accelerate renewable energy adoption

We firmly believe your commitment to all elements of our ESG program will become the foundation for building more transparent and sustainable business relationships. Teva has embedded ESG criteria into our sourcing activities including supplier selection, contracting processes and performance management. Suppliers will be measured against a maturity model that is aligned with Teva's own ESG goals and the expectations of our suppliers as stated above.

As we look to our future, we will stay true to our unwavering commitment to perform responsible and sustainable operations in partnership with suppliers who embed sustainability into their business and abide by our ESG strategy, goals and targets.

Best Regards,


Ken Foley

Chief Procurement Officer & SVP Global Procurement and Facility Management


Amalia Adler-Waxman

SVP, Global Head of ESG and Head of International Markets Corporate Affairs



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DISCLAIMER

TEVA developed this Sustainable Procurement Handbook for suppliers solely to provide general guidance on ESG vision and matters of interest and does not constitute professional advice. It is not intended to replace professional advice, but rather as a guide that supplier can use for internal discussions.

The Sustainable Procurement Handbook provides links to external sites and references, but TEVA has no responsibility for the content of such sites and shall not be liable for any misinterpretations or damage arising from that content.

This document is intended to be used and must be used for informational purposes only.

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01 About Sustainability



What is Sustainability and why does it matter?

Sustainability covers a wide range of issues that conventional business practices do not consider, in order to serve society while also creating and seizing market opportunities.

What is Sustainability?

ESG criteria are a set of standards for a company's non-financial performance

- **Environmental** criteria consider how a company performs as a steward of the environment
- **Social** criteria outline how a company manages relationships with employees, suppliers, customers and the communities in which it operates
- **Governance** criteria deals with a company's leadership, executive pay, audit and internal controls and shareholder rights

Why is Sustainability important?

- Drives responsible and sustainable growth
- Promotes a culture of ethics and responsibility
- Mitigates risks or controversies
- Expected by stakeholders and investors
- Fosters employee pride and attracts talent
- Measured by globally-recognized standards and ranking organizations (including new EU regulations and disclosure requirements)

Material Topics for Teva & Sustainable Procurement

E



Energy Consumption & Greenhouse Gas Emissions

Efficient and eco-friendly **use of energy during operations and transport**. Direct and indirect releases of greenhouse gases



Antimicrobial Resistance (AMR)

Antimicrobial Resistance, a microorganism to stop an antimicrobial from working (e.g. antibiotics)



Environmental impact on Human Rights

Regulatory requirement to prevent and mitigate environmental negative impacts that would affect Human Rights (pollution, climate etc.)



Pharmaceuticals in the Environment

Pharmaceutical ingredients and products that have been detected in **environmental media** (e.g. surface water, ground and drinking water)

S



Inclusion & Diversity

Empowering people by respecting and appreciating **what makes them different** (e.g. race, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age)



Conflict Minerals

Minerals are minerals with high probability to be mined in conditions where **armed conflict and human rights violations occur** (e.g. tin, tungsten, tantalum and gold)



Supply chain human Rights due diligence regulation

Addresses actions to both identify and act upon actual and potential human rights risks in its operations, supply chains and the services it uses



Modern Slavery, Forced & Child Labor

This involves any **work or services that people are forced to do against their will** or under the threat of punishment.

G



Business Ethics

The application of ethical values to business behavior (e.g. corruption, fraud, conflict of interest, money laundering or anticompetitive practices)



Responsible Marketing

A **transparent and ethical promotion** of a company's products or services and any impact that may be caused by the product use



Sanctions

US Department of the Treasury's Office of Foreign Assets Control (OFAC)

The EU Global Human Rights Sanctions Mechanism



Information Security & Data Privacy

Securing of third-party information collected, process or stored by companies for business purposes. (i.e. safety and physical health at work)

Greenhouse Gas (GHG) emission scopes

Climate Scenarios

- A Climate scenario is an emissions pathway leading to particular outcome.
- Are aligned to Paris Climate Agreement and Science Based Targets Initiative (SBTi) requirements.
- The industry leading SBTi drives ambitious climate action in the private sector.
- SBTi provide methodologies for companies to set science-based emissions reduction targets aligned to Paris Climate Agreement.

Limit Temperature increase:

- Well below 2C°
- 1.5C°



Scope 1

Greenhouse gas (GHG) emissions that Teva generates **directly**.

E.g. running boilers at Teva sites and emissions from vehicles owned by us.



Scope 2

Emissions Teva generates **indirectly** over which we have control.

E.g. The electricity or energy Teva buys for heating and cooling buildings, is being produced on its behalf.



Scope 3

Emissions Teva generates **indirectly** over which we have no control (In the value chain).

E.g. Buying products from suppliers or products when customers use them.



02 Sustainability at Teva



Our Healthy Future Focus Areas

Access to Medicines & Healthcare

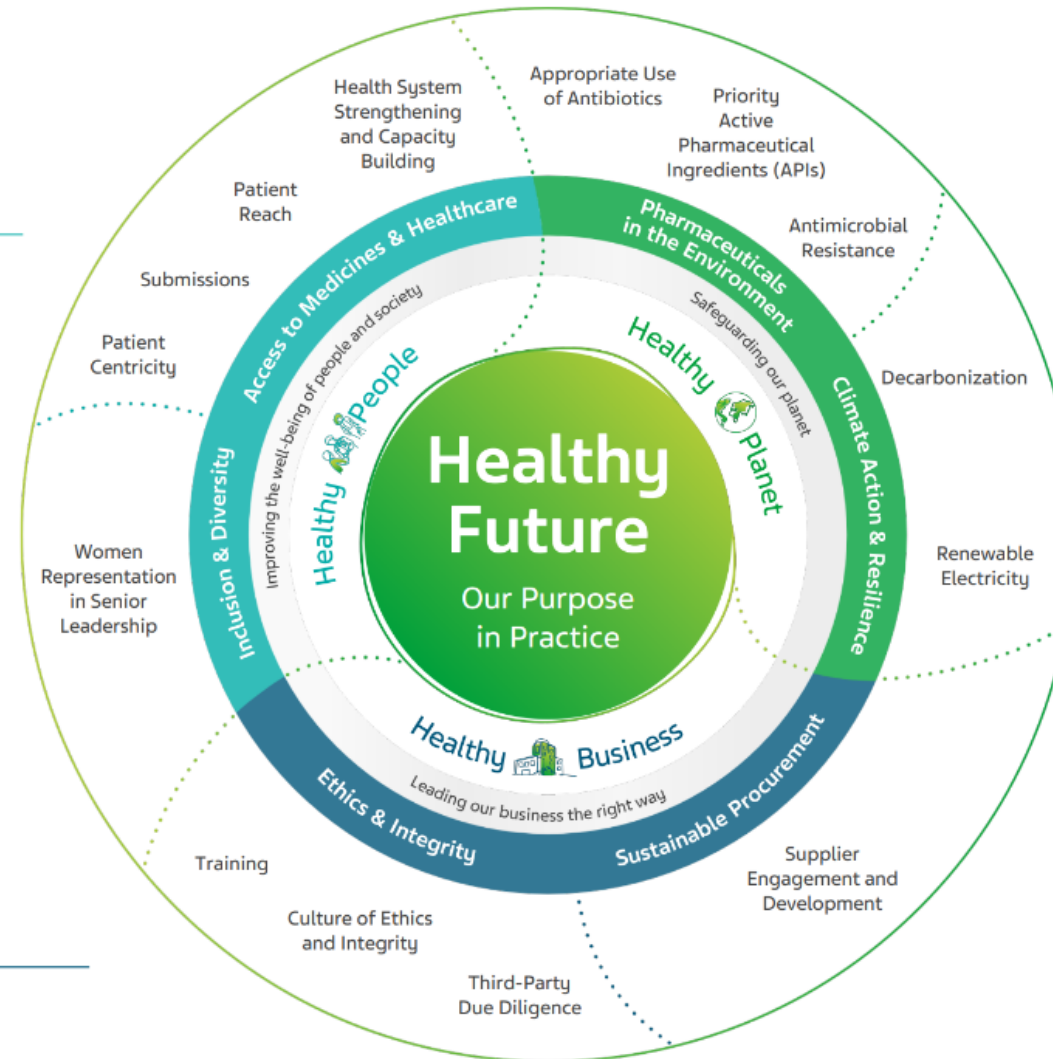
Create equitable and sustainable solutions to enable more people to get the medicines they need, while contributing to health systems strengthening

Inclusion & Diversity

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

Ethics & Integrity

Uphold the highest standards of business conduct



Pharmaceuticals in the Environment

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

Climate Action & Resilience

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

Sustainable Procurement

Further integrate priority sustainability factors in our engagement with suppliers

2023 Sustainability Highlights

Our Progress

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

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

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

Awarded:



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



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

¹AMR: Antimicrobial Resistance



Healthy People

7

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

46

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

18.8M

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

\$40.9B

in savings from Teva's generic medicines across 20 countries

49%

Women in management positions

68%

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

20%

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



Healthy Planet

Signed agreement for supply of

100%

renewable electricity for all operations in Israel

27%

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

AMR¹ Certification

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



Healthy Business

~100%

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

94%

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

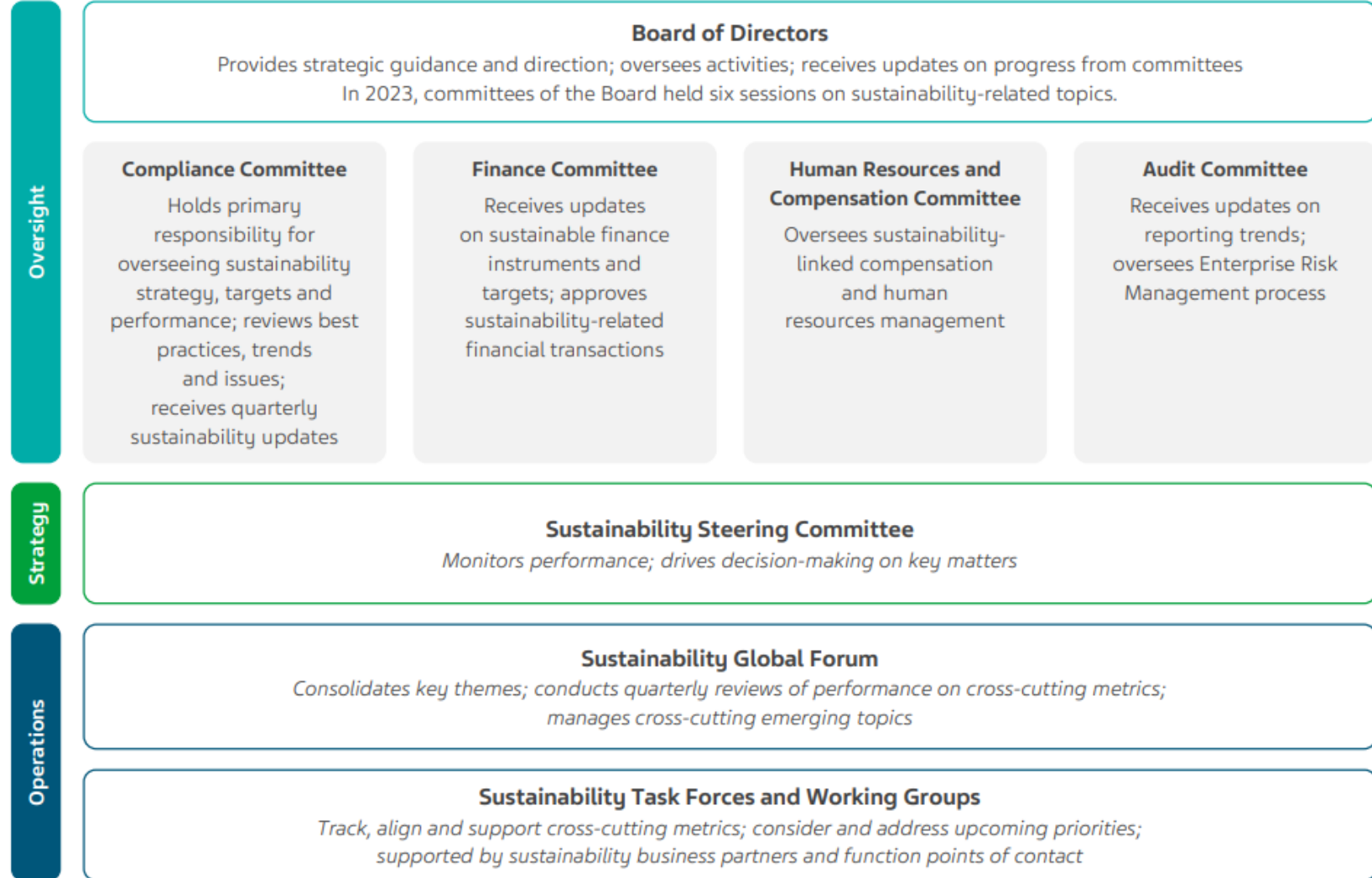
60%

of significant suppliers evaluated on sustainability topics

Teva's Integrity Hotline Complaints Procedure published

Sustainability targets implemented for global procurement sourcing managers

Sustainability Governance at TEVA





03 Responsible Supply Chain

Responsible Supply Chain

With one of the **largest pharmaceutical supply chains in the world**, Teva's suppliers play a **critical role** delivering quality treatments to our patients, customers and communities.

Overview of Teva Global Operations

27 Countries

~70 Markets



~36,800
Employees

>41k
Suppliers in
100 Countries

Teva's EcoVadis 2024 Rating is 87/100 pts.

Our Sustainable Procurement score is the
Top 5% Percentile
of Pharma companies assessed through EcoVadis

Responsible Supply Chain

> Governance

- Our **responsible supply chain strategy** is defined by Teva Global Operations & Teva's ESG team
- Our **Teva Global Operations Sustainability Task Force** monitors and coordinates initiatives that deliver on several **ESG targets, including those related to our supply chain**
- This task force is made up of **work streams across Teva's business units**: EHS&S, ESG, Procurement, Global Engineering, Global Facilities Management, Global Supply Chain, Manufacturing and IT

> Responsible Supply Chain approach

Teva RSC positions and policies

[Teva's Position on Responsible Supply Chain](#)

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

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



> Process



Healthy Business: Sustainable Procurement

Further integrate priority Sustainability factors in our engagement with suppliers



Supplier Engagement and Development

Engage significant suppliers and support development on Key Sustainability topics, target commitments and ratings **by 2030**, including:

- Evaluate **95%** on Sustainability topics
- Ensure **70% score >60 pts in EcoVadis'** Sustainability Scorecard which measures performance across 21 indicators on environment, labor, and human rights, ethics and sustainable procurement.



Decarbonization

Achieve **25%** Scope 3 reduction by 2030 (vs 2020 baseline)

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

- Ensure **80%** of suppliers have committed to or had commitments approved by the Science Based Target initiative (SBTi).



Pharmaceuticals in the Environment

Minimize the environmental impact of pharmaceuticals in supply chain:

- **100%** of antibiotic suppliers and API supplier sites to have their discharge levels assessed by 2030
 - at least 50% to have safe discharge levels within safe limits
 - For those with discharge levels above safe limits, 50% to have mitigation plans in place

04 Teva expectations from suppliers

- ✓ Collaborate in a responsible manner
- ✓ Take Climate Action
- ✓ Participate in sustainability assessments
- ✓ Facilitate the execution of audits

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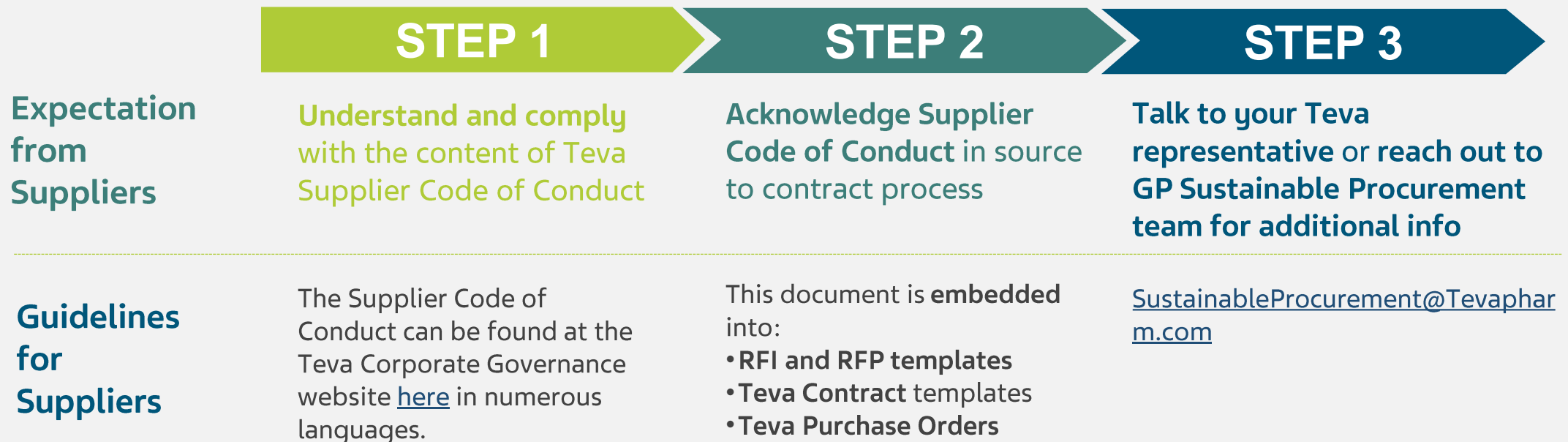
#1 Collaborate in a responsible manner

Dedicating Ourselves to Ethics and Transparency

Acknowledge our Supplier Code of Conduct (SCOC)

Key information

- Teva SCOC complies with the [Principles of the Pharmaceutical Supply Chain Initiative](#) (PSCI), of which Teva is a member.
- This document includes guidelines aligned with several Teva functions, including EHS&S, Legal, Compliance, Global Quality and ESG.



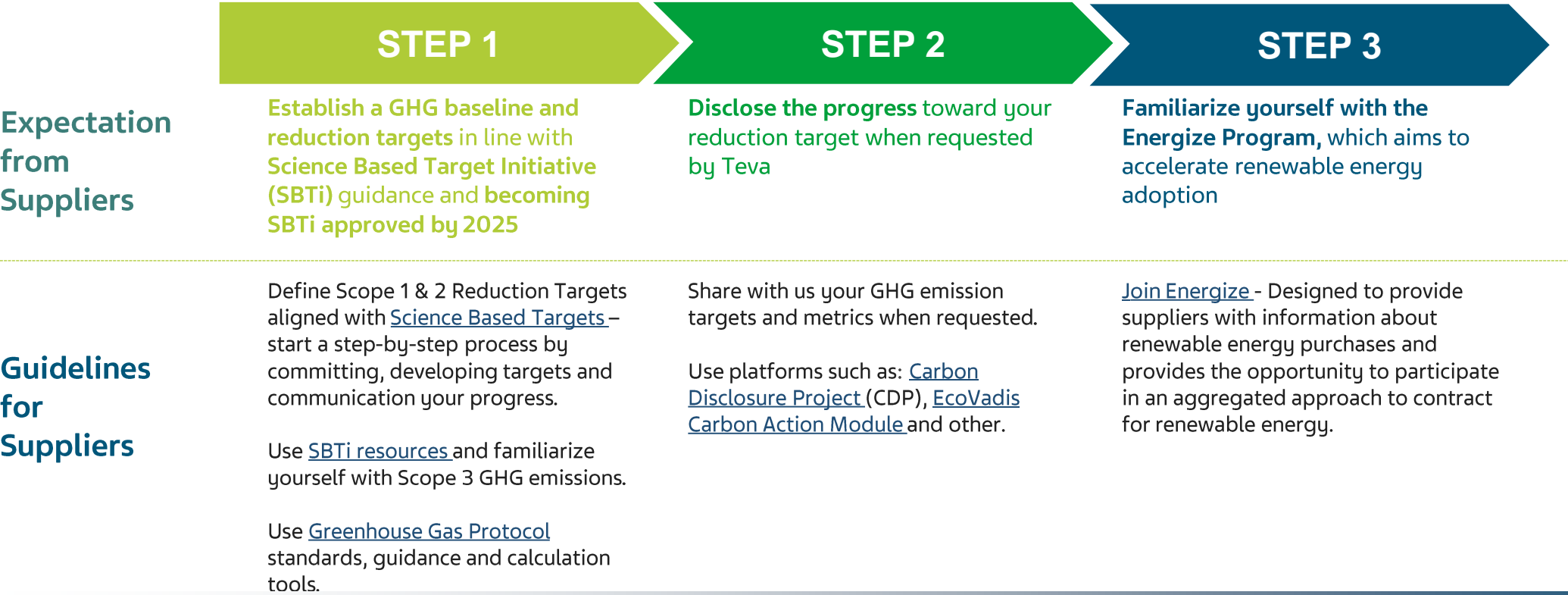
#2 Take Climate Action

Minimizing Our Impact on the Planet

Align with Teva’s environmental targets to **reduce Scope 3 GHG emissions by 25% by 2030**

Key information

- According to Teva’s 2022 Scope 3 GHG Emission baseline, more than 76% of Teva’s Scope 3 GHG emissions are generated by our 3rd Party Suppliers.
- On 2022 Teva obtained Science Based Target Initiative approval for our Scope 1, 2 and 3 GHG reduction emission targets.
- In 2022 Teva joined Energize collective initiative to engage pharmaceutical industry suppliers in climate action.



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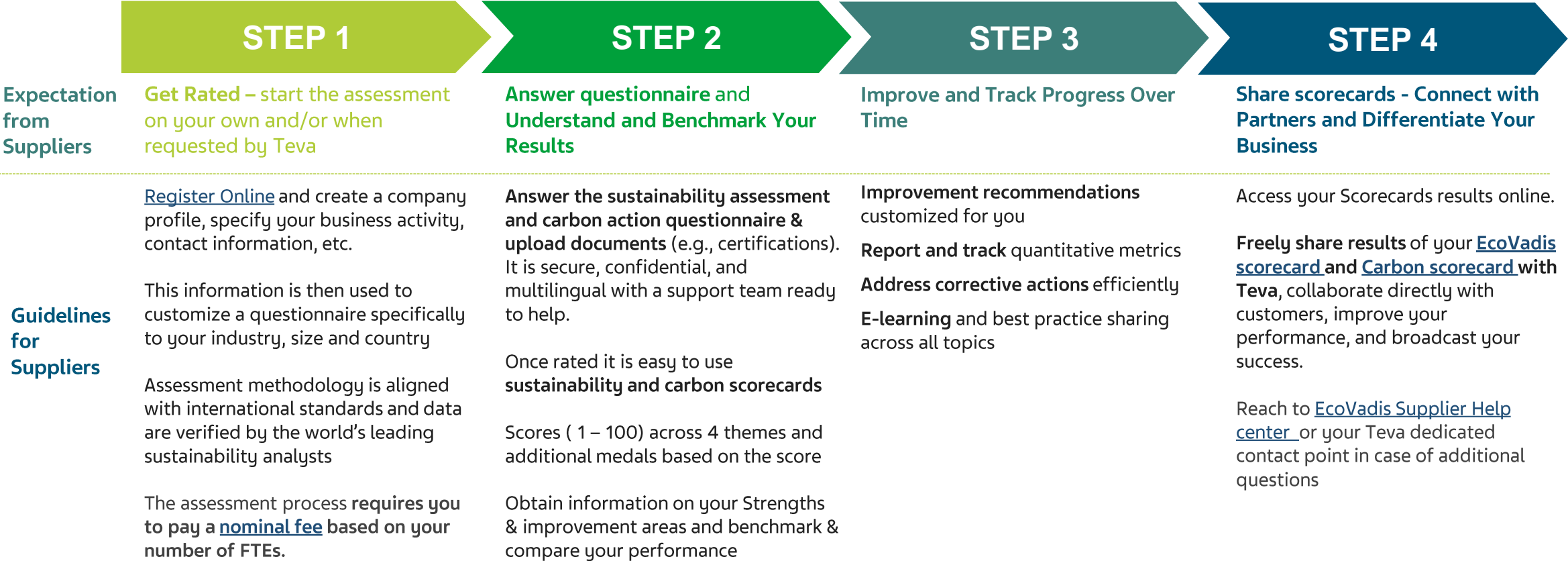
#3 Participate in sustainability assessments

Maintaining a Resilient Supply Chain

Participate in periodic Sustainability Assessment of your ESG practices conducted by EcoVadis

Key information

- Teva has selected [EcoVadis](#) as the vehicle to perform Sustainability Assessment of our supply chain partners
- Sustainability assessment covers ESG information on Environment, Labor & Human Rights, Ethics and Sustainable Procurement
- Teva's EcoVadis 2024 rating is 87/100 pts.



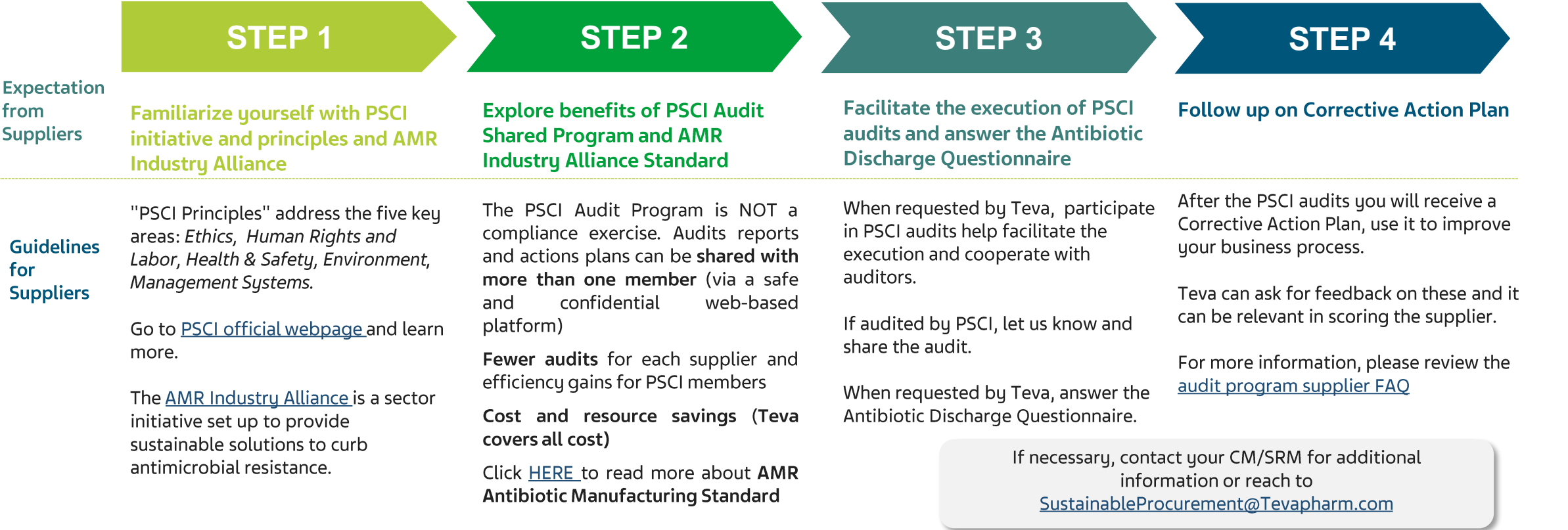
#4 Facilitate the execution of audits

Compliance as the responsibility

Facilitate the execution of Pharmaceutical Supply Chain Initiative (PSCI) & AMR Industry Alliance audits *(only applicable for selected suppliers with manufacturing sites)*

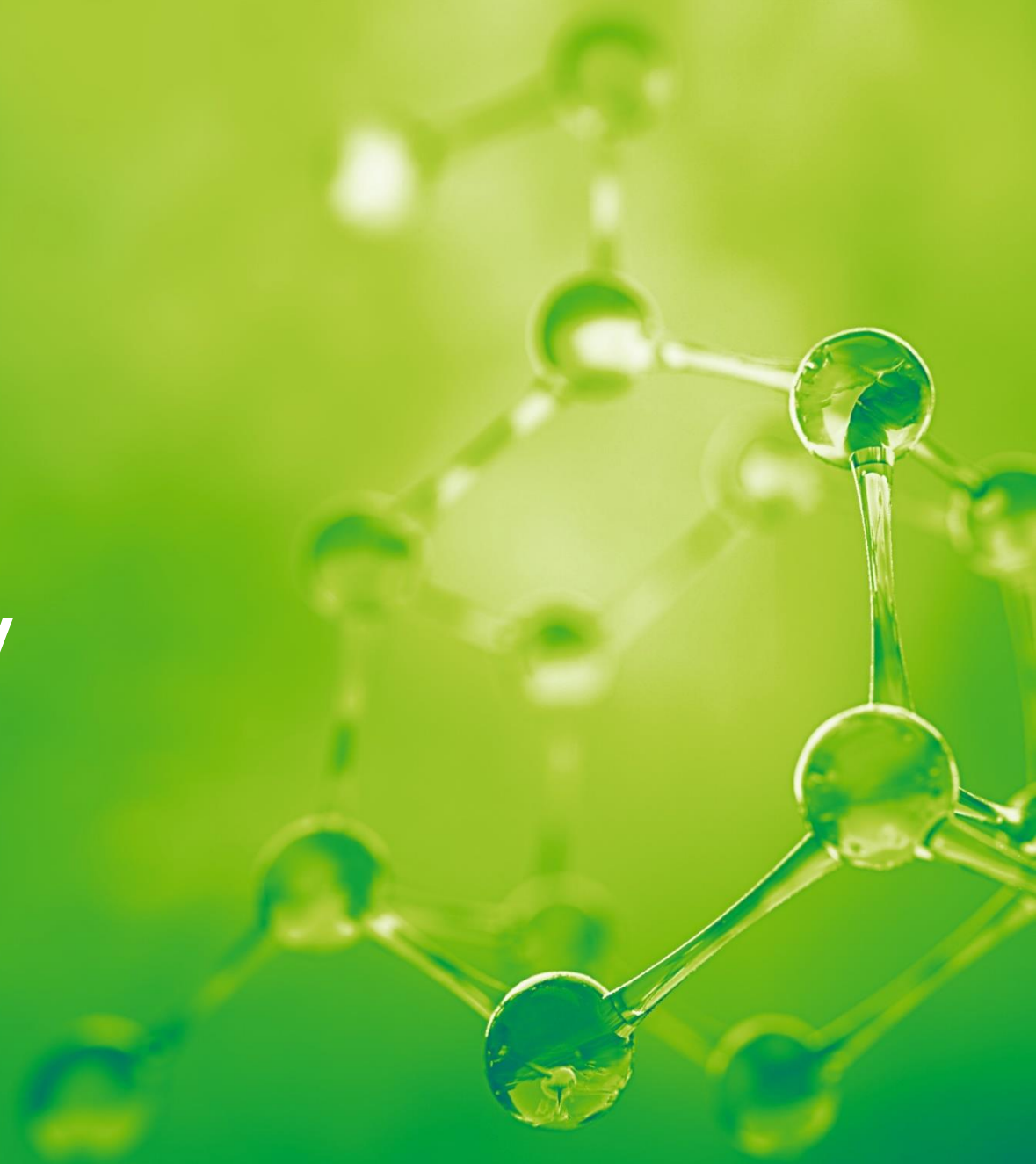
Key information

- Teva, as a member of the [Pharmaceutical Supply Chain Initiative](#) (PSCI), supports its [Principles for Responsible Supply Chain Management](#) and participates in audits on PSCI principles.
- Antimicrobial Resistance (AMR) happens when bacteria become resistant to antibiotics, making antibiotics ineffective, so addressing AMR is the shared responsibility of all stakeholders.
- Our [Position on AMR](#) is part of our ESG strategy, applying to all companies owned or operated by Teva, as well as suppliers and supply chain partners through Teva's Supplier Code of Conduct.





05 Supplier Diversity





Supplier Diversity Program

Teva values inclusion & diversity and embraces it in all aspects of its business — from Teva's workforce, to external partners, to engagement in the community.

What is Supplier Diversity?

Supplier Diversity is a strategy focused on incorporating small & diverse-owned businesses into a company's supply chain.

What are Diverse-owned Businesses?

Diverse-owned businesses are typically companies that are **at least 51% owned and operated** by underrepresented groups.

Business Value:

Helps gain a competitive edge through inclusive strategic sourcing creating an innovative, agile, & sustainable supply chain.





Current scope: Teva USA

Teva USA has been proactively creating equal opportunities for small & diverse businesses in their sourcing events.

Teva's Supplier Diversity program provides **equal opportunities** for the following **qualified underrepresented groups**, where it makes sense:

- ✓ Woman owned
- ✓ Ethnic Minority owned
- ✓ Disabled owned
- ✓ LGBTQ+ Owned
- ✓ Veteran Owned
- ✓ Small Business Enterprise

All Diverse and/or Small suppliers seeking to do business with Teva, must register in our Supplier Diversity Management System.

To successfully register with us
visit: <https://teva.gainfront.app/accounts/registration/>

For additional information
about Teva's Supplier
Diversity Program or
eligibility requirements,
please contact:

Supplierdiversity@tevapharm.com



06 Human Rights & Regulations



HuRi: **What** is, **Why** is it important & **How** to protect it?



What are HuRi?

- The basic rights and freedoms that belong to every person in the world, regardless of their nationality, race, gender, religion, or any other status.
- Human rights are based on international norms and standards, such as the Universal Declaration of Human Rights, the
- Human rights include but are not limited to the right to : The right to life, liberty, security, dignity, equality, non-discrimination, fair treatment, privacy, health, education, work, and remedy.



Why are HuRi important for Teva's suppliers?

- A growing external demand to avoid cause or contribute to adverse human rights impacts, and to address them when they occur.
- As a manufacture and supplier, **you have a responsibility** (and Teva requires you to) **to respect and protect** human rights in your own operations and in your supply chain.
- **Respecting** human rights means **avoiding causing or contributing to adverse human-rights impacts and addressing them when they occur.**
- Protecting human rights means taking steps to prevent or mitigate adverse human rights impacts that are directly linked to your operations, products, or services by your business relationships.
- Added value t the organization- Respecting and protecting human rights can benefit your business by enhancing your reputation, reducing risks, improving stakeholder relations, and increasing competitiveness.



How to respect and protect HuRi in your supply chain?

- Conduct human rights due diligence.
- HuRi Due-Diligence is a process of identifying, assessing, preventing, mitigating, and accounting for how you address your actual and potential human rights impacts.
- Human rights due diligence involves four steps:
 - **Identify** the HuRi risks and impacts in your supply chain
 - **Assess** the severity and likelihood of the risks & priorities for action
 - **Prevent and mitigate** by taking effective measures to avoid, reduce or remedy (adopting policies, standards, and codes of conduct, implementing monitoring and auditing systems, providing training and awareness-raising, engaging with stakeholders, and establishing grievance mechanisms)
 - **Account** by being transparent and communicating your performances

Make sure to learn and familiar yourself with human-rights and human rights due-diligence

Teva's Human Rights Assessment Process



Where can
you find
more
information
and guidance
on human
rights in
supply
chains?



United Nations

Guiding Principles on
Business and Human
Rights



International
Labour
Organization



Organization for
Economic Co-
operation and
Development



Business & Human Rights
Resource Centre



BSR

Business for Social
Responsibility NGO



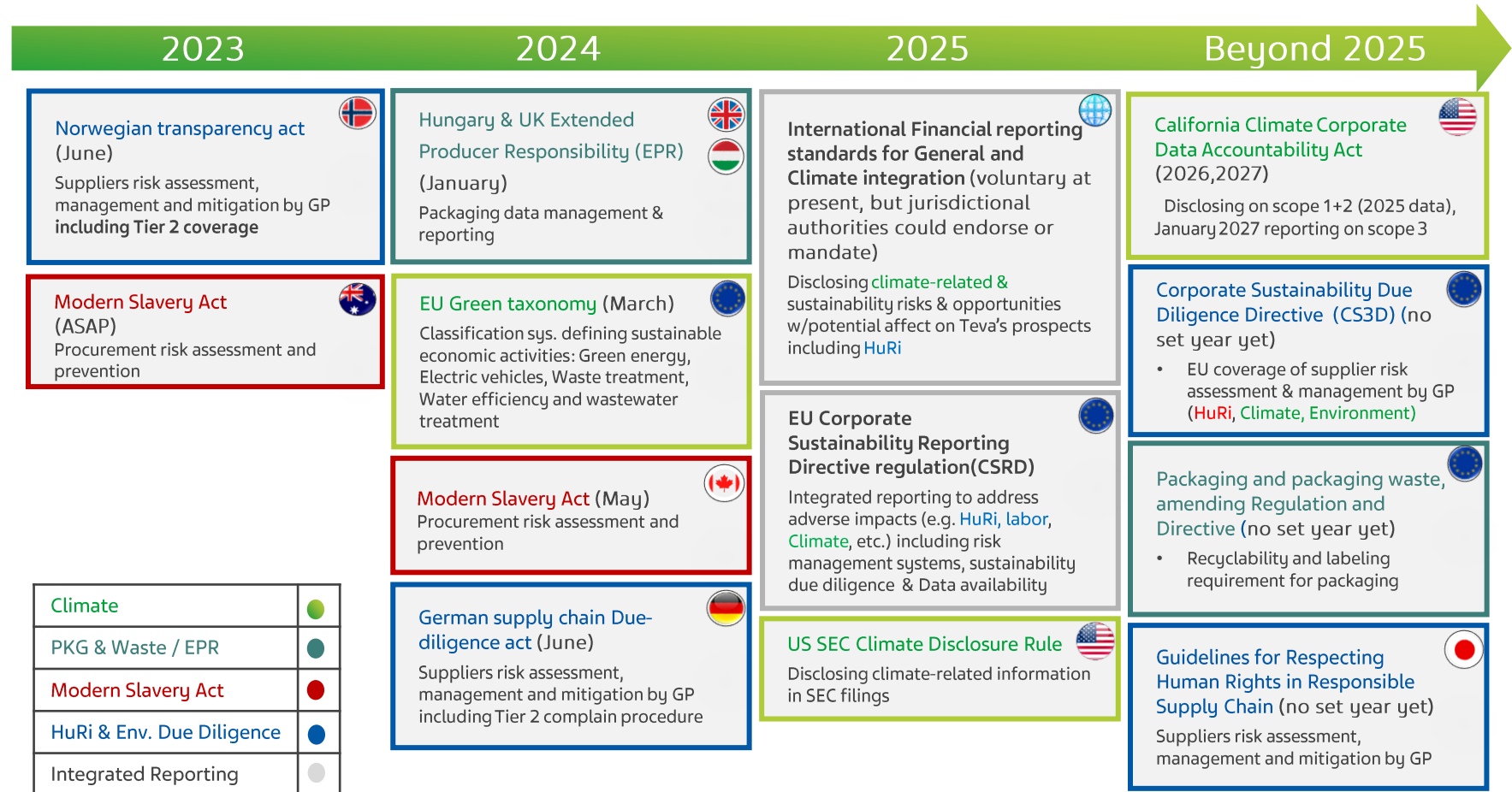
PSCI

PHARMACEUTICAL SUPPLY
CHAIN INITIATIVE

Make sure to comply with relevant regulations, Inform yourself and look to prepare for incoming requirements from Teva

Key information

- Regulation landscape is expanding, mandatory Human Rights due-diligence is on the rise.
- Companies face shift from Voluntary Disclosure to Mandatory disclosure to Mandatory due-diligence.
- Dates may vary according to your company's industry, size and revenue.



Thank you.

Learn more about Our Impact at [Our Impact | Teva Pharmaceutical](#)

Contact us at:

SustainableProcurement@Tevapharm.com

SupplierDiversity@Tevapharm.com



teva



07 Additional resources



Frequently Asked Questions

General FAQ

Who can I contact for inquiries?	Global Procurement Sustainable Procurement – SustainableProcurement@tevapharm.com Supplier Diversity - SupplierDiversity@tevapharm.com Travel policy - GlobalTravelOperations@tevapharm.com Teva Supplier Code of Conduct - TevaSupplierCodeofConduct@tevapharm.com
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Energize FAQ

What is renewable energy aggregation?	One of the objectives of Energize is to "aggregate" participating supplier electricity demand into appropriately sized and diversified groups (cohorts), that will go-to-market together to procure energy from new renewable energy projects. This renewable energy aggregation approach aims to create more buying opportunities for more companies while reducing costs by leveraging collective buying power.
What does the registration process require?	Registration is simple. Click the Register tab of this website. Shortly after registration and verification by your participating pharmaceutical company, you will receive an invitation to an onboarding process from a Schneider Electric representative and be provided access to Energize Knowledgebase. There is no obligation or cost to participate.
Is there a deadline to register?	No. Suppliers can register at any time.
What will I have to do after registration?	Once you have registered and your supplier status has been verified, you will be contacted to schedule an onboarding call with the Schneider Electric team. Following the onboarding, you will receive your login credentials for the Energize Knowledgebase where you can access program resources and register for a series of curated educational webinars to help you learn more. These educational resources are designed to help you learn about your renewable energy options and assess whether your organization would benefit from participating in a PPA purchase individually or alongside other participating suppliers via a buyer's cohort. Throughout the program, you may be asked to share details about your business that will allow Schneider Electric to assess your fit for the program. This information will be kept in confidence; the participating pharmaceutical companies will not receive or review this information.

Frequently Asked Questions

EcoVadis FAQ

Do I have to pay for the EcoVadis assessment?	Yes, but you only pay the part you own (the scorecard, including all the benefits that go with it). TEVA company pays the program. The assessment process begins with a custom questionnaire at no cost, but there is a nominal fee based on the your number of FTEs.
What is the value for me?	The key value is to be able to review your own CSR performance and how you perform in your industry. You will also receive clear and actionable results on what you can improve on – effectively receiving very affordable consulting against a leading methodology. Performance can also be shared a competitive advantage, and your scorecard can be shared with other customers, to reduce the number of individual CSR/sustainability assessments they must undergo.
What happens if I don't want to participate in EcoVadis assessment?	EcoVadis assessment is not mandatory, but it is increasingly important to your company and in the future we will be looking more key business partners with this lens. EcoVadis assessment is not a “trick” or “punishment” – it’s instead a collaborative-and improvement-oriented approach and will provide you clear and actionable results. Since you are a material suppliers to TEVA we expect you to participate.
I have a technical issue and want to reach out to EcoVadis.	You should contact https://support.ecovadis.com/hc/ where you will be able to reach EcoVadis support team in 10 languages by chat or telephone.

SBTi FAQ

How can I set a SBTi targets? How to start?	Follow this five-step process to set science-based targets and demonstrate your climate leadership by cutting your company's greenhouse gas emissions. See detailed guidance https://sciencebasedtargets.org/step-by-step-process . There is a separate streamlined pathway for Small and Medium-Sized Enterprises (SMEs). Learn more here .
Do I have to pay for the SBTi services in setting targets?	Yes, based on the type of target/s you are committing to. Please see here for more details.

PSCI audits

Do I have to participate at PSCI audits proposed from Teva?	PSCI audits are not mandatory, but we do expect from our valued suppliers to help facilitate audits and benefit from this free of charge (Teva covers costs) screening and findings for improvements in the area of ethics, labor, health & safety, environment, and management systems.
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ESG Terminology

Acronyms & Abbreviations

Acronym	Meaning
AMR	Antimicrobial Resistance
CAP	Corrective Action Plan
CDP	Carbon Disclosure Project
CMRT	Conflict Minerals Reporting Template
CSR	Corporate Social Responsibility
GDPR	General Data Protection
GHG	Greenhouse Gas Emissions

Acronym	Meaning
PiE	Pharmaceuticals in Environment
PPAs	Power Purchase Agreements
Product End-of-Life:	Direct environmental impacts generated from the end-of-life of the products
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
SBTi	Scientific Based Targets
TCFD	Task Force on Climate-Related Financial Disclosures
SBTi + TCFD	Connecting the SBTi with the TCFD

teva