INNOVATING FOR BETTER HEALTH

TEVA GLOBAL CORPORATE SOCIAL RESPONSIBILITY HIGHLIGHTS
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I am proud to share with you Teva’s Global Corporate Social Responsibility Highlights, which outlines the different ways in which we work to meet our patients’ needs and improve people’s health around the world.

The needs of patients, caregivers and healthcare systems today are in the midst of unprecedented change. Population growth, environmental transformations and emerging health concerns create new challenges for communities, companies and governments around the world. As one of the world’s largest pharmaceutical companies, with a broad reach and depth of impact, we recognize the need to evolve and innovate in order to meet—and overcome—these challenges.

We are committed to improving health and making people feel better, continuously looking at our portfolio of solutions and beyond. This commitment is embedded in our strategic direction and guides our business decisions. We take action wherever our knowledge and expertise can create better outcomes, and this includes our commitment to improve healthcare, act responsibly, nurture our employees’ potential and engage with the communities in which we live.

In this report, we share with you the stories of how we are meeting this commitment: how we innovate and collaborate with our stakeholders to address unmet patient needs, develop new therapies, expand the availability and affordability of our medicines and respond to the needs of our local communities.

In 2014, we reached over 200 million patients every day and launched 315 new generic products and four new specialty medicines. We have been working to reinforce our world-class portfolio of generic medicines, specialty medicines and the combination of the two, optimize our operational network, and explore innovation areas such as personalized medicine and e-health through partnering with leading healthcare and research institutions. In that same year, we donated over $108 million to support our communities around the world. We also reduced the price on gold-standard therapies and medicines in key markets, helping healthcare services, payers and patients save billions of dollars.

We continue to build Teva’s industry-leading pipeline of promising new products and medicines that support wellness and prevention, as well as treatment and cures for diseases across a broad range of therapeutic areas and unmet needs. In 2014, we invested over $1.4 billion in research and development and committed to invest over $20 million in clinical development.

Our passion—as great today as it was when Teva was founded as a single pharmacy in Jerusalem—is the fundamental aim to save money for healthcare systems, allowing for efficient use of resources and ultimately achieve better outcomes for patients. I am proud of what the people of Teva have accomplished. Guided by our unwavering commitment to conducting our business responsibly and ethically, we continue to influence healthcare decisions for billions of people around the world.

Sincerely,
Erez Vigodman
For nearly 115 years, we at Teva have thrived by keeping patients at the center of our mission. Through more than 35,000 formulations, covering nearly every major therapeutic area, we have improved the health of billions worldwide. In our partnerships with other organizations, we deliver services beyond medicines to improve health outcomes and enhance patient comfort.

Our success derives from our relentless drive to understand patient needs and meet them through innovation, identify global trends and respond using our flexible business model. Our portfolio of generics greatly expands access to affordable medicines around the world. At a time when healthcare systems in both developed and developing nations struggle with rising healthcare costs, generics are filling a critical need, particularly for the most vulnerable communities.

In specialty medicines, Teva is a world leader in innovative treatments for disorders of the Central Nervous System (CNS), including pain, and has a strong portfolio of products to treat respiratory disorders. Our growing work innovating around existing molecules to create New Therapeutic Entities (NTEs), offers further promise. To develop an NTE, we take an already known molecule and modify or use it in a novel way to meet patient needs and bring added benefit. Specifically, we seek to enable patients to be able to take their medicine in an easier form, less frequently, enjoy better outcomes, or experience fewer side effects.

As a leading global healthcare company, we are deeply engaged with the issues relevant to our stakeholders and our business, such as accessibility and affordability of medicines; patient safety and patient support services; strengthening healthcare systems and acting ethically and responsibly.

Since 2010, Teva has upheld ethical standards throughout our business by participating in the United Nations Global Compact, the world’s largest corporate responsibility initiative, and ratified our commitment to act with the highest ethical standards in our renewed Code of Business Conduct set in 2013. And with our Target Zero aspiration, launched in 2012, we are setting our sights on zero incidents, zero injuries and zero releases into the environment. We seek to systematically curb emissions and accidents, every year, by 2020. These targets will inspire us to safeguard each other’s well-being and also that of our neighbors in the communities where we do business. We intend to further examine our material impacts in the coming year.

In an era of remarkable changes to the world’s population, economy and society, many new healthcare needs continually emerge while others remain unmet. As Teva progresses to respond to these challenges, we continue our legacy as a company driven by patient needs, where patient intervention is as important as chemical intervention. Our success is measured by the improvement of people’s lives.
We again reached more than 200 million patients with our generic medicines in more than 60 countries.

Generic products launched: 315
Value of approximately $1 billion

Clinical trials conducted: 130
Clinical trials conducted for innovative medicines across 27 programs with more than 15,000 patients enrolled

Generic drug prices (US): 8.4%
Single largest provider of meds to UK NHS, saving country $4.3 billion in drug bill in 2014, estimated savings of tens of billions worldwide

Savings (UK): $4.3B

Teva Donations: $108 million
Donated to more than 500 partners to support communities around the world

Environment:
- Recycled waste (2014): 33%
- Greenhouse gas emissions (2012-2014): 6%
- Water usage (2014): 17%

People:
- Ethical standards: 80% of employees strongly agree that Teva lives up to high ethical standards
- Female workforce (2014): 46%
INNOVATION TO MEET AND EXCEED PATIENT NEEDS

To find new ways to make healthcare available to and affordable for all, in 2014 Teva spent nearly $1.4 billion on research and development. In generics alone, we invested $517 million, an increase of five percent from 2013, to enhance the most affordable and accessible drugs in our product line.

We combine our broad scope of core capabilities—technologies, systems and processes—to create generic and specialty medicines and over-the-counter products. We maintain a robust pipeline of products, leveraging the best of what we know as we pursue further discoveries and customize existing treatments.

In addition to our broad portfolio of medicines, we are enhancing our commitment to comprehensive patient care by investing in other promising companies and future healthcare technologies. In 2014, we reinforced our leadership position in CNS disorders with the acquisitions of NuPathe Inc. and Labrys Biologics Inc. in the U.S. These additions expanded our portfolio of medicines and delivery technologies for treating CNS disorders and opened the door to a strong and novel migraine prevention and treatment franchise within our CNS portfolio. And through our recently established partnership in Sanara Ventures, we are helping to advance innovation in medical devices and mobile health.
IMPROVING EXISTING DRUGS

NTEs are among Teva’s most promising innovations. We are uniquely positioned to apply our development of specialty and generics medicines to deliver powerful solutions to known healthcare issues, drawing on more than 250 formulation researchers in house, more than 1,000 molecules in our portfolio, and more than five distinct, complex, drug-delivery technologies.

The NTE products in our pipeline include medicines for respiratory, pain management and CNS disorders. Many of our NTEs are in advanced stages of development, such as a longer-acting, ready-to-use treatment for schizophrenia that is subcutaneously injected and easier to administer than current treatments and a new portfolio of HIV medication that will enable patients to take fewer pills, resulting in a more cost-effective treatment. By improving the ways patients can take medicines, we help make their treatments less burdensome.

We continue to invest in development, manufacturing and distribution of innovative pharmaceutical solutions, such as NTEs, to reduce the burden of disease. From 2015 to 2019, we expect to launch 27 new products.

TAILORING TREATMENT TO MATCH GENETIC MAKEUP

Owing to hereditary factors or to lifestyle, not everyone reacts in the same way to a given drug. As with all matters that affect patient outcomes, we are keen to understand this field of personalized medicine. Further exploring this field and using other predictive methodologies are part of our commitment to improve healthcare outcomes for individuals and entire communities, while saving time and money through effective treatment.

Recently, for example, we used predictive genetic markers to guide the choice of available therapies for more than 2,000 patients with Multiple Sclerosis (MS). Our results showed a significantly higher rate of positive response to treatment and reduced risk of relapse. For the first time, our technology allows physicians to predict response to an MS drug via a genetic test. In Israel, our pharmacogenomics research among certain defined populations that characteristically have a high rate of marriage within their own closed communities allowed us to identify specific genetic modifications among members of these communities. Our findings will enable us to develop targeted treatments that can prevent serious diseases in these populations and others with similar social infrastructures.

PROPELLING THE NEXT GENERATION OF HEALTH STARTUPS

In early 2015, we created Sanara Ventures, a strategic joint venture partnership with Philips Healthcare and in collaboration with the Office of the Chief Scientist in Israel. Together, over eight years, the health innovation launchpad has committed to investing approximately $26 million and will support up to 80 early-stage technology companies as they develop and introduce innovative medical devices and mobile health services or products. The key areas of focus are disease management throughout the care cycle; telemedicine, sensors and remote monitoring; medical imaging; drug delivery and drug-device combinations; healthcare IT and mobile health.

Sanara Ventures supports the selected companies with financing, business mentoring and technology. To date, more than 400 companies have applied to become part of the innovation hub, and the Sanara team has met with more than 55 early-stage companies with promising potential. Four of these have already been selected to move to the next stage while several others are under review.

“OVER THE LAST TEN YEARS, GENERIC MEDICINES HAVE INCREASED ACCESS TO MEDICINES BY 100% IN KEY THERAPY AREAS.”

Adrian Van Den Hoven, Director General
The European Generic and Biosimilar medicines Association (EGA)
Prescription opioid analgesics are legitimately used to manage chronic pain. However, between 1997 and 2010, the per capita use of these drugs in the U.S. increased more than six-fold, as did their non-medical use, possibly correlating with a steep increase in deaths from overdose.

To address this problem, Teva is developing immediate-release technology that is capable of delaying the onset and lowering the magnitude of the clinical effects of painkillers when multiple intact tablets are ingested, thus reducing the potential for abuse and adverse consequences of overdose, whether accidental or intentional.

Our approach, powered by Teva’s immediate-release technology, is unique – there are no solutions on the market anywhere today that address what the U.S. Food and Drug Administration has cited as the most critical opioid-abuse problem. In 2015, we submitted this NTE medicine to the FDA and continue to conduct clinical trials, hoping to bring it to market in 2017.
JOINING FORCES WITH OTHER ADVANCED RESEARCHERS

Teva has built and sustains one of the largest generic research and development teams in the industry. We play an important role in contributing to healthcare systems worldwide, and our stakeholders increasingly want us—and the industry—to be even more active. We participate in advancing a culture of medical and scientific excellence by collaborating with a multitude of partners, sharing knowledge and advancing capabilities with leading academic institutions, nonprofits, governments and corporations that demonstrate a meaningful commitment to advancing global health through R&D. We apply this process both to developed world and developing world needs.

For example, our Global Public Health Program, launched in 2012 under our R&D group, focuses on developing and manufacturing NTEs to provide solutions for public health needs in developing countries. We aim to expand sustainably and tackle challenges of access and affordability through our business, not philanthropy. In line with the United Nation’s Millennium Development Goals, we are currently creating new medical solutions in two critical public health domains: family planning and child mortality from diarrhea.
PROGRESSING CLINICAL AND DEMENTIA RESEARCH
In 2014, we began to partner with the UK National Health Service and committed $20 million to clinical research in the UK and fund additional $1 million of early stage research into dementia in an effort to find potential new treatment approaches. Making progress on neurodegenerative disease is urgently needed. According to the World Health Organization, the number of people living with dementia is set to reach 115 million in less than 40 years, and the global cost of managing this disease currently exceeds $604 billion a year.

TARGETING DEGENERATIVE BRAIN DISEASES
Israel is a world leader in neuroscience research, ranked fifth globally in neuroscience publications per capita. It is one of the most daunting and rewarding areas in medicine, and Teva is well-positioned to help advance global understanding of the causes and continue to modernize urgently needed therapies that will make many people's lives better.

To capitalize on this concentration of expertise in research and in medicines, in 2012 Teva established the Israeli National Network of Excellence in Neuroscience (NNE) as a collaborative research community, helping to deliver research and research pathways that make a significant difference. The NNE has proven successful in engaging leading universities and teaching hospitals in Israel behind this cause.

As part of the NNE program, Teva is contributing $15 million over five years to fund top researchers and research students at 10 leading Israeli research institutes. The first cohort of more than 40 researchers is already making progress toward the treatment of diseases such as Alzheimer’s disease, MS, ALS, Huntington’s disease and Parkinson’s disease.

INVESTING IN PARTNERSHIP WITH UK NATIONAL HEALTH SERVICE TO SUPPORT CLINICAL RESEARCH
We began to partner with the UK National Health Service and committed to fund $1 million for early stage research into dementia.

INVESTMENT IN RESEARCH CENTERS
Last year, we expanded our research funding by partnering with Bar Ilan University. Our joint $8 million investment will establish two state-of-the-art research centers in the north of Israel to advance understanding of autism and rare genetic diseases.

The Teva Center for Neuroscience Research will help the Faculty of Medicine in the Galilee establish a national registry of Israelis with autism spectrum disorders. Correlated to tissue samples, the registry will help researchers identify environmental factors and disturbed biological pathways and then develop targeted therapies. The Teva Center for Human Genetics, at the Western Galilee Hospital, Nahariya, will focus on research into the high frequency of genetic causes of death in the Galilee to develop new therapeutic approaches to reduce morbidity.

We hope to create brighter futures for those whose genetic makeup impedes on their overall health and well-being.
GOING BEYOND THE PRESCRIPTION THROUGH OPERATIONAL EXCELLENCE

Improving health and making people feel better also means taking a progressive and holistic approach to patient care. Behind the scenes, we support patients with a carefully monitored supply chain to ensure our medicines are safe, reliable and effective.

As people are at the heart of everything we do, our interests go beyond prescriptions to include the entire ecosystem of support and services. Since we recognize efficacy is not only about medicine, but also the environment around our patients, we are interested in how medicines are used as well as what medicines are prescribed.
VALIDATING THE HIGHEST QUALITY
Our strong record in producing reliable medicines is attributable to the culture of safety and accountability at all levels of our company. Our high-volume, technologically advanced manufacturing and distribution facilities allow us to deliver best-in-class products swiftly and reliably. In 2014, we had 104 regulatory inspections at 66 of our sites by 43 different agencies, which resulted in zero critical observations. Our customers can have full confidence in our quality and supply chain.

While many patients will have the same reaction to a given treatment, others will not. Our commitment to pharmacovigilance means we devote ourselves to understanding the full range of reactions to our drugs and ensuring that our medicines are safe at all times, for all patients, as far as possible. In 2014, we have maintained 137 clinical studies at more than 4,100 sites in 58 countries in different therapeutic areas. One of our new best practices is creating the narrative of any clinical study before its conclusion, so we can identify potential issues or trends and adjust trial protocols in real time to produce more accurate outcomes.

Counterfeit drugs threaten the safety of our patients in particularly dangerous ways. We maintain call centers in all local markets to immediately resolve quality complaints, and in 2014, we focused on the quality of response and defined actions to improve our performance.

EMPOWERING PATIENTS TO ACHIEVE BETTER HEALTH
We have found time and time again that factors often unrelated to a disease or its prescribed treatment can influence healthcare outcomes for the patient. If the patient does not adhere to the treatment regimen, then its success may be compromised. In the U.S. alone, wasted healthcare costs an estimated $100 billion to $289 billion.

For more than 10 years, we have maintained well established Patient Support Programs in local markets around the world to help patients adhere to MS treatments, with extremely positive results. In 2013, we expanded it to include a dedicated team of nurses who could visit patients in their homes to show them or their caregivers how to properly administer medicines. We also hold collaborative relationships with over 250 patient organizations that offer practical support to patients as they deal with the day-to-day challenges of fighting disease. We ranked second among 18 pharmaceutical companies in a global survey of patient organizations for such programs.

Our success in applying what we know about how to improve health has been advantageous in several other programs in recent years. In Poland, we created two diagnostic campaigns to detect diabetes and liver disease. To improve adherence to prescribed treatments, we launched the Marguerite Prevention program in France, targeting multi-medicated, independent elderly people. The program recommends improvements such as greater coordination between healthcare providers and caregivers and modifying medicine packaging to suit elderly patients.

We strive to help patients get the best out of the treatments available to them. This intention brings us closer to fulfilling our purpose of making people feel better.

OUR PATIENT SUPPORT PROGRAMS REACHED NEARLY 300,000 PATIENTS IN THIRTY COUNTRIES, PROVIDING ASSISTANCE AND SUPPORT TO HELP THEM GET THE MOST OUT OF THEIR MEDICINES.
SECURING A SAFE & HEALTHY FUTURE

Climate change is an increasing global challenge that impacts everything we at Teva care about: our patients, our employees and members of our communities. We are committed to reducing our environmental footprint and safeguarding the planet for our communities and our stakeholders. As part of our Target Zero aspiration, we aim to reduce energy consumption by 20 percent and reduce greenhouse gas emissions 15 percent by 2020.
CONSERVING VALUABLE RESOURCES

Teva is undergoing a transformation. As we have grown significantly over the past few years—primarily through acquisitions—we are developing a unified, world-class approach to managing our environmental performance and promoting responsible economic growth in all of our facilities.

To that end, we’re building the foundation, focusing on the basics—investments that enable us to provide a safe and healthy workplace, improved working environments and benefits for the planet. Many efforts currently center on reducing energy and water use (through optimizing processes and improving equipment) and waste reduction and recycling. While fundamental, these methods have achieved impressive reductions and positive financial impacts.

For example, our Ulm-Weiler facility in Germany was using a highly complex waste-water treatment plant. The reverse osmosis units satisfactorily purified water; however, the process was expensive and difficult to maintain. By analyzing the process and measuring the energy consumed, the team identified opportunities to optimize upstream sections of the plant. This saved nearly 50 percent of the energy used prior to implementing new measures; reduced chemicals and waste; and resulted in savings of approximately $107,000.

15% ↓

AS PART OF OUR TARGET ZERO ASPIRATION, WE AIM TO REDUCE ENERGY CONSUMPTION AND CURTAIL EMISSIONS BY 15 PERCENT BY 2020.

Last year, we launched our EHS Excellence Awards to recognize outstanding performance among our workplaces and share learnings. More than 40 Teva sites submitted worthy examples of environmental stewardship, including reduced energy use in the Czech Republic, reduced emissions in Ireland and increased operational efficiencies and reduced waste in Italy.

Each year since 2011 Teva has responded to the climate change information survey by the Carbon Disclosure Project, an international organization that works with thousands of companies and shareholders to disclose corporate emissions data and foster climate action. In 2014, Teva scored 96B out of a highest possible score of 100A—a significant improvement from 2013.

We are just at the beginning of our journey. In the coming year, we intend to work toward our reduction goal by investing in engineering improvements and energy management systems, adopting new technologies, and applying “Energy by Design” principles to every project. We also expect to set tangible goals for waste reduction and increased recycling while creating better workplaces for our people and the community.
At Teva, we believe that everyone has the right to a safe and healthy working environment, and that all injuries and incidents are preventable. Our aspiration Target Zero establishes a profound commitment to workplace safety and ensures a strong connection between the health and well-being of our employees and their work environments. With it, we seek to instill a culture of caring within Teva that values continuous decrease in risks in the workplace and increased safety for our employees.

During 2014, we continued to significantly reduce the number of work-related injuries at our facilities around the world and the total number of lost workdays. We rigorously investigate all workplace injuries and near-misses, developing and implementing corrective actions to prevent recurrence.

“WITH TARGET ZERO AS OUR GUIDE, EMPLOYEES FEEL MORE ENGAGED AND EMPOWERED TO PREVENT ACCIDENTS AND WATCH OUT FOR EACH OTHER. AS A RESULT, THE CAMARADERIE IN OUR WORKPLACE HAS GONE UP SUBSTANTIALLY.”

Cody Andrew, EHS Manager, Salt Lake City
DEEPENING ROOTS IN OUR LOCAL COMMUNITIES

With better health as our bottom line, it’s our responsibility to improve the lives of patients around the world, especially for those who need it the most and regardless of their ability to pay.

In addition to supplying both money and products in partnership with proven social organizations, we encourage and create opportunities for our employees to volunteer their time and expertise to help our partners address social challenges worldwide. At Teva, we are all members of communities in the countries where we operate and are committed to strengthening local social infrastructure. Together we aim to create long-term, systemic change for patients most at risk.
In the past year, we supported more than 500 community partners on initiatives where our people live and work—from renovating playrooms for hospitalized children in pediatric wards in Poland to collecting books and clothes to donate to those in need in the UK. We are steadfast in our responsibility to advancing health and well-being in local communities and are working to more strategically align on giving and community investment programs.

HELPING OTHERS TO HELP THEMSELVES

In 2014, we became the National Corporate Partner of Volunteers in Medicine to make healthcare services more readily available to uninsured patients in approximately 1,100 clinics across the U.S. Through our newly established U.S. Bulk Donations Program, we can contribute medicines that reach thousands of patients via these clinics. These donations allow Volunteers in Medicine to provide low-income patients with treatment from medical, dental, behavioral and other professionals. In the U.S. alone, this year we donated over $66 million to ensure that thousands of patients can benefit from increased access to essential medical treatments.

Lately we have supplemented these two aspects of patient care with the Teva Community Partnership Program, which connects Teva employees with opportunities to donate to and volunteer with supportive services for patients. Our employees have participated in a range of activities, from sewing pillowcases for children in hospitals to donating to an organization that pays everyday expenses for cancer patients.

MAKING A DIFFERENCE GLOBALLY

We believe that one of the most effective ways of tackling global health issues is to build sustainable partnerships with leading non-profit organizations. Our longstanding partnership with Direct Relief continues to set the standard for safe handling of products directly to those who can benefit from them. Donating our own medicines is a large and welcome contribution to global health, and the organization’s ability to distribute medicines within two to three weeks ensures they can be used before the expiration date would require them to be destroyed. At the end of 2014, Direct Relief prepared the largest shipment of medical goods in its 66-year history. Teva worked quickly to help with this rapid response and contributed more than 65,000 units of medicine that were included in an emergency shipment to address the urgent needs of healthcare workers and people affected by Ebola throughout West Africa.

The need for access to medicines is especially critical when natural disasters strike vulnerable communities. In 2014, we assisted relief efforts in the Balkan countries Serbia, Bosnia and Herzegovina and Croatia following the heaviest rains and floods in 120 years that affected close to 3 million people. Teva donated medicines valued at more than $160,000 and we established a fundraising campaign that raised more than $20,000 from employees.

$66 MILLION

In the U.S. alone, this year we donated over $66 million to ensure that thousands of patients can benefit from increased access to essential medical treatments.

CONTRIBUTIONS WORLDWIDE

CASH DONATIONS

$79.5M

PRODUCTS AND IN-KIND DONATIONS

$29.4M

We assisted flood relief efforts in the Balkan countries with medicines valued at $160,000.

$160,000

We assisted flood relief efforts in the Balkan countries with medicines valued at $160,000.

COMMUNITY PARTNERS

500

Community partners on initiatives where our people live and work.