

Teva's
Position on
Environmental
Sustainability

Teva Pharmaceutical Industries Ltd (hereinafter “Teva”), including all its directors, executives, employees and subsidiary and affiliated companies, is committed to business practices that promote environmentally-responsible growth. We believe we earn our license to operate by being effective stewards of the environment and that systematic risk mitigation and resource conservation are our responsibility. Further, we believe compliance with all applicable laws, regulations and other requirements designed to protect the environment 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.

These beliefs are consistent with our Purpose and Values and Code of Conduct and form the foundation for our Environment, Health, Safety and Sustainability (EHS&S) Policy and Global Environment Health and Safety Management System (EHSMS).

Our position on Environmental Sustainability is part of our Social Impact strategy. It applies to all companies owned or operated by Teva, as well as suppliers and supply chain partners through Teva’s Supplier Code of Conduct.

Our Environmental Sustainability Aspiration, Approach and Commitments

Compliance: Compliance is the foundation of our responsible business conduct. We comply with all applicable laws, regulations and other requirements designed to protect the environment at all Teva locations and off-site activities.

Environmental management system: Our EHSMS is aligned with internationally-recognized standards and customized for Teva’s operations and management culture. It follows a standard Plan-Do-Check-Act continuous improvement cycle and is supported by a governance structure that includes monitoring, auditing, record-keeping and reporting.

Environmental risks: Proactively identifying and systematically assessing and reducing environmental risks is central to our EHSMS. We categorize risks based on severity and likelihood to assist our facilities in the analysis and prioritization of environmental risk reduction activities. We allocate resources to ensure environmental risks are addressed thoroughly and effectively and monitor our progress toward systematic risk reduction.

Energy management and renewable energy: We have a strategic and systematic approach to conserving energy through reduced greenhouse gas emissions. We strive to reduce our reliance on fossil fuels and convert energy sources to renewable sources, when possible. Each of our facilities examines opportunities for energy management and follows market-relevant action plans.

Emissions management: We follow a risk-based, systematic approach to reducing releases to the environment and have made significant investments in sophisticated technology. We aspire to achieve zero unintended releases and focus on addressing Volatile Organic Substances, Ozone Depleting Substances and particulates and, as it relates to wastewater treatment, any constituent with potential negative human or environmental impact.

Water management: We follow a scarcity-focused approach to water conservation to align with community needs and advance toward sustainable operations. This is implemented through a standardized approach, requiring all facilities to promote water conservation, understand major sources, raise awareness and reduce water use in regions of water scarcity.

Waste minimization and management: Our goal is to reduce, reuse and recycle, and we properly manage anything we, or others, cannot use as product. Our aspiration is to achieve zero waste and beneficial use of all products and by-products.

Sustainable production and design (Green Chemistry): We aim to improve our products, portfolio and processes through responsible and safer design. We seek opportunities to integrate sustainable concepts in all product development.

Responsible supply chain: We drive sustainability through our supply chain by communicating expectations in our Supplier Code of Conduct and considering those expectations in supplier selection, continued use of suppliers and partners and routine supplier business reviews. We also engage with our customers to support their initiatives and share our progress.

Pharmaceuticals in the environment: As part of an industry coalition, we contributed to the development of the Eco-Pharmaco Stewardship approach to study and address pharmaceuticals in the environment. While science demonstrates trace amounts of pharmaceuticals in the environment are not a concern to human health, it is unclear whether certain compounds have an impact on aquatic species.

Employee engagement: We ensure our employees are well-qualified and have the knowledge and tools to perform their duties with respect to environmental sustainability. We also encourage their active participation in sustainability efforts and initiatives. Our ultimate goal is for every employee to recognize that environmental sustainability impacts decisions they make both at work and at home and strive to mitigate their environmental impact.

Continuous improvement: We regularly enhance our systems and processes and integrate environmental sustainability expectations into business practices. We establish annual and multi-year goals and targets and raise the bar on performance each year.

Reporting performance: We periodically review our environmental sustainability performance with our executive management and Board of Directors. We report externally at least annually on our website, in our Social Impact Report and to the CDP [www.cdp.net/en] and other interested parties, when mutually valuable.

Governance Structure for Environmental Sustainability Management

At Teva, environment, health, safety and sustainability are everyone's responsibility. Management of environmental sustainability is an operational responsibility of each business unit's line management, who are supported by knowledgeable EHS&S professionals from Teva's Global Operations Technical Support function, reporting to the Executive Vice President, Global Operations. Our Corporate EHS&S Committee, comprised of senior executives from each business unit, ensures appropriate engagement and oversight of material environmental sustainability issues. At our global facilities, management is locally responsible for environmental sustainability compliance and performance and is supported by EHS&S professionals who drive local implementation of environmental sustainability programs and initiatives.

Application of this Position

This position is endorsed by Teva's Board of Directors. It is supported by our EHSMS, which includes policies, standards and procedures to ensure our commitments are upheld, including periodic audits. We communicate this position to our employees and on our website, and we share our progress in our annual Social Impact Report.