



Innovating for Better Health

Teva 2014 Global Citizenship Report

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About Teva

Teva 2014 Global Citizenship Report

Teva multipurpose plant in Jerusalem, Israel.

Teva at a glance

Established in 1901, Teva Pharmaceutical Industries Ltd. is today a leading global pharmaceutical company.

We deliver high-quality, healthcare solutions for millions of patients every day. Headquartered in Israel, Teva is the world's largest generic medicines producer, leveraging a portfolio of more than 1,000 molecules to produce generic products in nearly every major therapeutic area. In specialty medicines, we have a world-leading position in innovative treatments for disorders of the Central Nervous System, including pain and migraine, as well as a strong portfolio of respiratory products. We integrate our generics and specialty capabilities in our global research

and development division to create new ways of addressing unmet patient needs by combining drug development capabilities with devices, services and technologies. Our net revenues in 2014 amounted to \$20.3 billion, we employ 43,000 people and deliver medicines to people in about 100 markets around the world. For information about our financial performance, governance and risk management, see our Form 20-F submitted to the SEC on February 9, 2015.

About Teva

We operate over 40 pharmaceutical manufacturing plants in North America, Latin America, Europe, Asia and Israel, and we continue to expand organically and through acquisitions. In addition to our manufacturing sites, we operate 20 active pharmaceutical ingredient (API) sites and more than 20 research and development centers.

In 2014, we undertook a company-wide, inclusive process to review and revise our corporate purpose and core values as the foundation of our commitment to bring the highest quality health outcomes to millions of patients around the world. Our new purpose and core values, which were formally launched in 2015, will help us work more effectively together to deliver our commitments to all our stakeholders.

IMPROVING HEALTH, MAKING PEOPLE FEEL BETTER	GETTING IT DONE TOGETHER	CREATIVITY WHERE IT MATTERS	CARING	MAKING OUR FAMILIES PROUD	LEADING THE WAY
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Highlights

We fill **1 in 8** prescriptions in the U.S.
1 in 6 prescriptions in the UK
and **1 in 10** in Germany.

We deliver medicines
to people in over
100 countries.

We changed the game in healthcare
by shaping the U.S. generics market and other markets around the world,
making medicines affordable for millions of patients,
and saving healthcare systems many billions of dollars each year.

The **lives** of hundreds of thousands of multiple sclerosis (MS) patients and their families were **improved** with our leading innovative MS treatment. In 2014, we introduced a **new formulation** for patients, enabling them to adhere to a treatment regimen with only **3 shots a week**, demonstrating our continued commitment to always improving their health and wellbeing.

We have one of the **largest and most advanced** operational networks of pharmaceutical facilities in the world.

Innovating for Better Health

Message from Teva’s President and CEO, Erez Vigodman



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

Citizenship at Teva

At Teva, the Corporate Responsibility Committee of our Board of Directors oversees and guides our strategy and program for being a responsible corporate citizen.

A dedicated team reporting to the Group Executive Vice President for Corporate Marketing Excellence and Communications leads our global strategy, policy development and reporting, and supports local teams in embedding responsible citizenship into our corporate culture and practices around the world.

“Teva has always been a values-driven business with an aim to make a positive overall contribution to society. This was the case even before anyone coined the terms citizenship or sustainability. Teva has been growing and transforming its global business infrastructure in the last year, and we are also developing a global citizenship strategy. At the same time, we are working to align our reporting to global standards that include the Global Reporting Initiative’s G4 framework.”

Ayala Miller, Vice President, Global Corporate Citizenship

Our most material impacts

In November 2012, we completed an initial assessment of our most important citizenship impacts with guidance from a range of both internal and external stakeholders. Since that time, we have reviewed the outcome of this assessment on an informal basis and believe that the impacts identified remain valid today.

Innovating for Better Health	Ethical business conduct
Patient safety	Human rights
Affordability of medicines	Anti-bribery and corruption
Availability of medicines	Health and safety
Strengthening healthcare infrastructure	Product labeling
Clinical trials	Transparency and disclosure

In 2015-2016, alongside our global business strategic planning and transformation process, we will review our material impacts and publish an updated list in our next Citizenship Report.

Engaging internal stakeholders with our Citizenship Report

In order to learn more about how our Citizenship Report is used, we conducted an internal survey among managers who were directly involved in the preparation of our 2013 report. The results provided insights that we have used in the development of this current report. **45%** of managers surveyed recommended reading the report to colleagues and **18%** referred customers to the report. **72%** of those surveyed believed the report accurately reflected the way Teva does business.

2014 citizenship highlights

We established a med-tech innovation hub in partnership with Philips Healthcare and the Office of the Chief Scientist in Israel.

In 2014, we maintained **137** clinical studies at more than **4,100** sites in **58** countries in different therapeutical areas.



We launched our EHS Excellence Awards and recognized our sites for excellence in EHS practices and outcomes.

As the largest single provider of medicines to the UK's National Health Service (NHS), we saved **\$4.3** billion from the NHS drug bill in 2014.

In 2014, we assisted flood relief efforts in the Balkan countries with medicines to the value of **\$160,000**.

We donated more than **\$108** million to support our communities around the world.



Teva's generic drug prices were reduced by **8.4%** in the U.S. in 2013 - double the average price reduction of the **280** top generic drugs sold in the U.S. market.



We invested **\$20** million in clinical development and up to **\$1** million for research into dementia in partnership with the UK's National Health Service.



We have committed to investing up to **\$15** million over **5** years to fund top researchers and research students in neuroscience at **10** leading Israeli research universities.

In 2014, we audited **26** Teva sites for EHS compliance and performed corrective actions where relevant.

We support more than **500** community partners around the world.

We launched **315** new generic products worldwide in 2014.



About Teva

In 2014, we conducted a global survey that achieved an **82%** participation rate across our global employee population.

80% of our employees strongly agree that Teva lives up to high ethical standards.

Between 2012-2014, we reduced our total greenhouse gas emissions by **6%**.



In 2014, our total waste generated reduced by **3%** versus 2013, and by **17%** over two years since 2012.

We trained more than **12,000** employees in compliance.

20,000 employees refreshed their understanding of our compliance policies online.

We significantly improved global safety performance with a **32%** reduction in recordable injuries and lost days due to injury.



We supported the development of the EGA Code of Conduct on Interactions with the Healthcare Community and adopted it in our policies.

In 2014, women represented **46%** of our permanent workforce, **49%** of our total management at all levels, and **35%** of executives and very senior management.

We were not required to pay any significant sanctions or fines relating to compliance in 2014.

In 2014, we recycled 33% of our total waste.



In 2014, we reduced our total water withdrawal by **17%**.





A European perspective on generic medicines

Adrian Van Den Hoven, Director General, The European Generic and Biosimilar medicines Association (EGA). EGA represents the generic, biosimilar and value-added medicines industries in Europe.

“Generic medicines are essential to increase patient access to high quality, cost-effective medicines.”

“Our generic and biosimilar industries are at the heart of public health delivery. Generic medicines improve the sustainability of healthcare systems where 80% of costs are linked to chronic diseases. More than 56% of prescriptions are dispensed as generic medicines but this represents only 22% of the total expenditure on medicines. In Europe, more can be done to remove barriers that limit generic competition and more efforts should be made to ensure efficient prescribing and dispensing of generic medicines by healthcare professionals.”

“Over the last ten years, generic medicines have increased access to medicines by 100% in key therapy areas.”

“Imagine what this has meant for millions of European patients in terms of access to affordable, gold standard therapies. Without generic medicines, payers in Europe would have had to pay €100 billion more in 2014. Through the EGA, pharmaceutical companies should engage with healthcare community and policy-makers to create competitive and sustainable markets where companies can invest in innovation. For years, this industry has put itself on the sidelines. Now it is the most important healthcare provider for medicines.”

“The current healthcare strategy of short term cost-cutting combined with ultra-high cost originator products for smaller and smaller groups of patients is unsustainable.”

“Our industry is best placed to bring balance to healthcare policy debates recognizing the need for greater efficiency of healthcare delivery combined with the need to invest in access and sustainable innovation.”



Innovating for Better Health

Teva 2014 Global Citizenship Report

We have been around for more than one hundred years and with every year that passes, we intensify our efforts towards Innovating for Better Health.

From our modest beginning as a small pharmacy in Jerusalem, to a global pharmaceutical company reaching millions of patients each day, we have pioneered the development and expansion of the generic drug market and introduced world-leading novel medicines to meet different therapeutic needs. Our constant quest for new and better healthcare solutions has helped transform the state of healthcare around the world, improving the lives of billions of patients and their communities and reducing the healthcare burden on national economies.

At the same time, healthcare challenges continue to evolve. Many unmet healthcare needs remain and new needs are emerging as our world changes. Population growth, life expectancies, technological developments, climate change impacts, changing lifestyles in developed and developing countries – the landscape of healthcare never stands still.

And neither do we.

As we continue our journey as a business and a responsible and accountable corporate citizen, Innovating for Better Health is both an imperative and an inspiration.

Affordable healthcare

We believe that affordable healthcare should be available to all and as a global pharmaceutical company, we make a constant effort to make this possible.



Affordable healthcare affects not only emerging economies and those living in extreme poverty. It also affects the quality of life for populations of the developed world. National economies are strengthened when their populations enjoy good health. By helping to increase access to affordable healthcare, we make a positive contribution to the global economy.

Much of our core business drives access to affordable healthcare through our ongoing investment in new generic products and their

registration in national markets for the benefit of local patients. Our continued focus on operational efficiencies enables us to maintain competitive market pricing positions. We also support the development of targeted access to medicines through collaboration with a range of institutions via our Global Health Program and through our collaborations in local markets to ensure local availability and continuity of supply.

Innovating for Better Health

Highlights - affordable healthcare

In 2014, we estimate that our global generic sales shaved **tens of billions of dollars** off the prices of medicines around the world, benefiting national economies, individual patients and their families.

We launched **315** new generic products worldwide in 2014.

In the U.S., one out of every **8** prescriptions contains a Teva generic product.

As the largest single provider of medicines to the UK's National Health Service (NHS), we saved **\$4.3** billion from the NHS drug bill in 2014.

Our generic drug prices were reduced by **8.4%** in the U.S. in 2013 - double the average price reduction of the **280** top generic drugs sold in the U.S. market.

"The off-patent medicines industry is an essential and integral part of healthcare delivery across Europe, supplying over 90% of the volume demand for medicines, while contributing just 47% of the cost. In 2014, generic medicines reduced the region's medicine bill by 61%, both through directly offering products at lower prices and by introducing competition that drives down the cost of originator brands that are off-patent. In the seven chronic disease areas analyzed, this has had the general effect of doubling patients' access to treatment, while holding costs steady. Although these benefits accrue differently across EU member countries, the implication is clear: the generic medicines industry has been vital to sustaining healthcare benefits in the region."

(IMS, The Role of Generic Medicines in Sustaining Healthcare Systems: A European Perspective, 2015)

The advantages of generics

In 2014, we again reached more than 200 million patients with our generic medicines in more than 100 countries. In the U.S., one out of every 8 prescriptions contains a Teva generic product. Similarly, as the largest single provider of medicines to the UK's National Health Service (NHS), we saved \$4.3 billion from the NHS drug bill in 2014 (IMS Health NPA, June 2014). We continue to lower the costs of generics each year. In 2013-2014, we achieved our goal of reducing net costs of generics by \$650 million, enabling us to reduce market prices of many key generic formulations. This was confirmed by independent research into the price of generics in the U.S. market (AARP, 2015).

In 2014, we successfully launched 315 generic products around the world with a value of approximately \$1 billion. With one of the

largest generic R&D teams in the industry, we invested \$517 million in R&D specifically to advance our generic offering. We continue to expand our resources to develop novel drug delivery platforms to improve accessibility and patient comfort to promote adherence to treatment regimens. As a global pharmaceutical leader, we aim to ensure the highest quality of performance in every market by using advanced simulations to analyze the performance of generic drugs in the body and conduct testing of our drugs under many different conditions.

Recognizing the dependence of patients on our generic portfolio, we are committed to continuity of supply and maintain market-driven stocks of generic medicines, especially in areas where drug shortages are a risk.

"As the largest supplier of generics in the U.S. market, we bring cost savings to patients each year and also reduce our costs on an ongoing basis. We are continuously working to make products more accessible, especially when there are drug shortages in the market. In these cases, we can step up production to fill the gap. With more than 1,000 molecules in our portfolio, there is almost no medicine that we cannot make more accessible and more affordable."

Maureen Cavanaugh, SVP, U.S. Generics Sales & Marketing

Keeping generics affordable for seniors



One of the most vulnerable populations when it comes to affordable healthcare is seniors. As they advance in age, they are challenged by increasing healthcare needs including the onset of chronic illnesses in the context of rising costs of living. According to independent research published in early 2015 by the U.S. NGO, AARP, almost two-thirds of older Americans take three or more prescription drugs at an average retail cost of \$850 per patient per year. Any decrease in the price of generics therefore brings direct, significant benefit for older Americans.

We are a major influencer of the price of generic drugs in America. Of the 280 generic prescription drug products analyzed in 2013, we supplied 66 individual medicines, almost a quarter of the generic drugs available in the U.S. market, including 50% of the top ten generics by sales value. Conscious of the need to ensure generic medicines remain affordable for older Americans as well as other patients, we reduced the price of four most frequently prescribed generic drugs by 7 - 21%. Overall, our generic drug prices reduced by 8.4% - double the average price reduction of 280 generic prescription drugs examined by AARP. At the same time, the general inflation rate rose by 1.5%.

Providing resources to address healthcare needs



Teva’s Global Health Program was established in 2013 to address unmet global public health challenges in emerging markets. In this program, we provide essential R&D resources to develop solutions to treat critical diseases and address global public health issues. We have been working to address life-threatening diseases such as HIV/AIDS and necessary

new drugs for Family Planning by providing specific knowledge and development expertise, assessing the feasibility of new treatments and determining scale-up requirements. We also collaborate with other organizations to advance solutions for global maternal and child health challenges.

“Teva Global Public Health (TGPH) program provides a framework for new corporate engagements with global public health challenges in emerging markets and beyond. Being an integral part of the R&D organization allows us to bring to the table extraordinary expertise in drug development, extending the New Therapeutic Entities (NTE) approach to global health initiatives. This is quite a unique approach in the world of pharma.”

Dr. Inon Schenker, Senior Director, Global Public Health

An integrated approach to healthcare innovation

We maintain an integrated approach to our R&D efforts, leveraging our full suite of capabilities across generic, specialty and OTC medicine development. This approach is what has enabled Teva to uniquely differentiate itself through a strategy of innovation around existing molecules (the product of which are known as New Therapeutic Entities or NTEs).



We maintain a robust pipeline of products, combining the best of what we know with the opportunity of what we have yet to discover. Our annual \$1.4 billion spend on R&D utilizes our expansive scope of core capabilities to deliver innovation that combines technologies, systems and processes in an integrated and synergistic way.

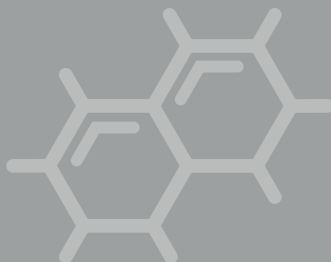
We have advanced innovation in healthcare in multiple ways throughout our hundred years' history. From the leadership of generic medicines that has transformed the accessibility and affordability of healthcare for billions, to new therapeutic entities that address unmet healthcare needs, to continued

investment in our specialty medicines pipeline, innovation is the life-blood of our company. By focusing on patient outcomes and our different capabilities, we are able to make a unique and scalable difference.

Beyond innovation in the medicines themselves, we continuously look at ways to improve patient outcomes beyond just the pill. For example, advancing personalized medicine for a better match between unique patient characteristics and treatment efficacy, or offering patient solutions that increase adherence to treatment regimens, we ensure innovation is not only integrated, but also highly efficient.

Highlights - Integrative healthcare innovation

In 2014, we submitted our new abuse deterrent opioid to the FDA – a breakthrough solution for painkiller overdose.



We are developing personalized medicine solutions to prevent disease that occurs due to shared genetic characteristics.



We established a med-tech innovation hub in partnership with Philips Healthcare and the Office of the Chief Scientist in Israel.

In 2014, we conducted **130** clinical trials for innovative medicines across **27** programs with more than **15,000** patients enrolled.

Specialty innovation

In 2014, we launched 4 new specialty medicines in the therapeutic fields of respiratory, Central Nervous System (CNS), pain management and multiple sclerosis. In addition, we submitted seven files for registration of new medicines with the U.S. Food and Drug Administration (FDA) and continued to work on many specialty medicines in our pipeline. A breath-actuated, multi-dose, dry-powder inhaler for the treatment of asthma was approved by the

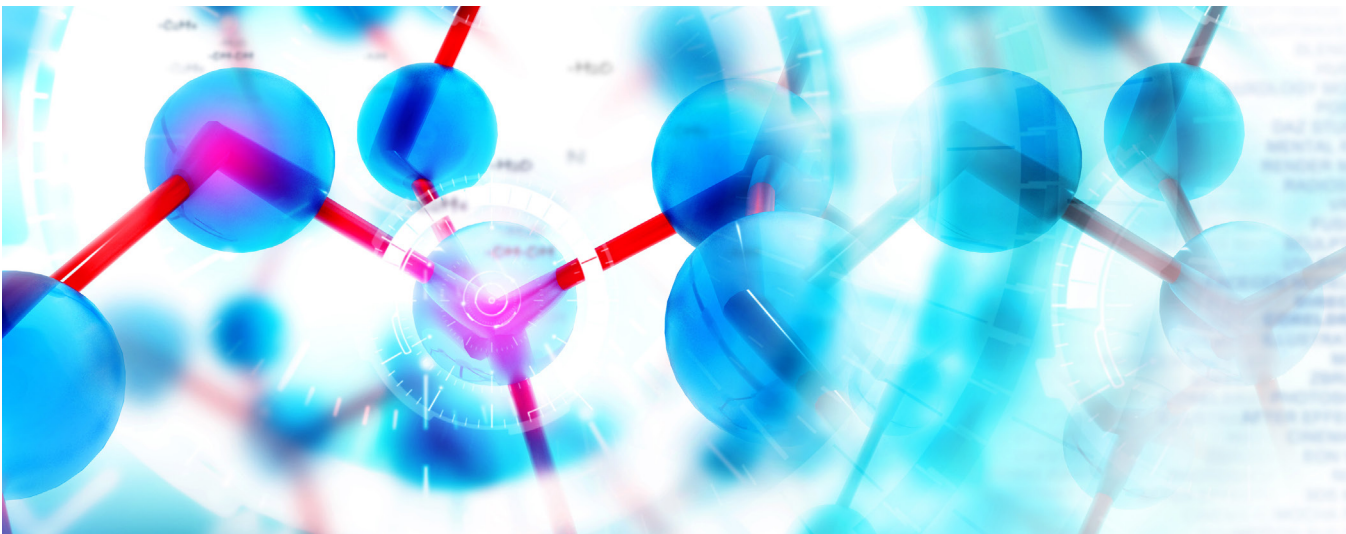
U.S. FDA in early 2015. This new product has a novel design that helps address a problem prevalent in 60% of asthma patients that do not use traditional metered-dose inhalers correctly.

The development of specialty medicines is supported by our network of clinical trials at different phases for each development. In 2014, we conducted 130 clinical trials across 27 programs with more than 15,000 patients enrolled.

“Our specialty innovation pipeline stepped up in 2014. We continue to invest in new specialty products to treat a range of conditions. We are always developing new ways to improve patient outcomes including finding innovative solutions for populations with specific treatment needs.”

Jon Isaacsohn, Chief Medical Officer

New Therapeutic Entities



One of the most promising aspects of our innovation that demonstrates our commitment to innovating for better health and healthcare outcomes for patients is the development of New Therapeutic Entities (NTEs). NTEs are new forms of generic medicines that we formulate for delivery or use in a novel way to provide solutions for specific unmet patient needs. The goal of our NTE development is to enhance patient outcomes through developing new treatment approaches using existing molecules.

As the world's biggest maker of generic drugs, with more than 250 formulation researchers in house, more than 1,000 molecules in our portfolio and more than 5 distinct complex drug delivery technologies, we are uniquely

positioned to apply all we know from our specialty medicines development with the vast experience we have in the development of generics. Putting this all together enables us to deliver breakthrough solutions to known healthcare issues. We currently have 15 NTE products in our pipeline in different therapeutic areas including respiratory, pain management and CNS and we continue to invest for rapid expansion of our NTE program. 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 more cost-effective treatment regimens with a lower pill burden.

"Because our NTEs are based on known molecules with proven efficacy, we are able to develop and deliver NTEs both faster and at lower cost than the process for new chemical entities. NTEs take three to six years to develop, at a cost of \$10 million to \$50 million, compared with new drugs that take 10 to 15 years and \$1 billion to \$2 billion. In this way, we can reach more patients with affordable and faster healthcare solutions."

Elizabeth Kogan, SVP, Global Generics R&D

Abuse-deterrent pain-killers

Opioid analgesics (pain relief medicines) are frequently used in the management of chronic pain, including chronic low back pain. However, between 1997 and 2010, the per capita use of prescription opioid analgesics in the U.S. increased more than six-fold, and was accompanied by an equally dramatic increase in the non-medical use of these drugs. This is believed to correlate to a steep increase in deaths from overdoses of such drugs. The U.S. Center for Disease Control and Prevention named prescription drug abuse and overdose as one of the top 5 health threats for 2014. The three main routes of extended release opioid abuse are crushing into a powder for snorting or swallowing, dissolving in water to inject, or dose-dumping with alcohol.

In order to address this issue, we developed an extended-release hydrocodone-based tablet to provide sustained relief from pain severe enough to require daily, around-the-clock, long-term opioid treatment and for which alternative treatment options are inadequate. Our technology includes our CIMA® Abuse-Deterrence Technology (ADT) platform and incorporates physical characteristics designed to limit the effects of alcohol and tablet manipulation on drug release (dose dumping), thus reducing the potential for abuse and adverse consequences of overdose. We have submitted our request for approval of this important medication to the FDA.

While this extended-release technology is effective, latest research shows that this is relevant for only around 15% of the known millions of opioid abusers who manipulate extended-release opioids (e.g. by crushing into powder) for snorting, injection or oral ingestion of the powder. By far the vast majority of those overdosing on painkillers are those who take several intact immediate-release opioids at the same time. This may be intentional – to feel an immediate sense of euphoria, or as a route to committing suicide. It may also be unintentional, for example, in seniors who may not recall having already consumed their dose.

By applying our NTE approach to research for deterring this kind of abuse, cited by the FDA as the most critical opioid-abuse problem, we have developed a unique 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. This means that those seeking a “rush” from painkillers won’t get it immediately, those who are suicidal have time to reconsider (and many, given the chance, regret their suicide attempts) and those who are found to have unintentionally overdosed can be taken to a hospital to receive treatment. Our approach is unique – there are no solutions on the market anywhere today that address this problem. In 2015, we submitted this technology to the FDA and are continuing clinical trials with a target to be marketing this NTE medicine during 2017.

Innovation in mobile healthcare



Erez Vigodman, Teva president and CEO; Assaf Barnea, CEO of Sanara Ventures; Frans Van Houten, president of Philips International

In early 2015, we created Sanara Ventures, a strategic joint venture partnership between Teva and Philips Healthcare in Israel, to advance innovation in medical devices and mobile health. The initiative was selected by the Office of the Chief Scientist of the Israeli Ministry of the Economy to receive funding to support technology innovation in healthcare. Through Sanara Ventures, we have committed to supporting up to 80 early stage technology companies over a period of 8 years to guide and accelerate the launch of innovative medical devices and mobile health services or products. Sanara Ventures provides financing, business mentoring and technological support to assist selected companies to reach a global

market. Each company, once approved by the program, can receive up to \$700,000 in funding to advance their initiatives. The Office of the Chief Scientist covers 85% of the funding and the remaining 15%, plus all associated support and management costs, is funded by us and Philips Healthcare through Sanara Ventures.

To date, more than 400 companies have applied to become part of the Sanara Ventures 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 in due diligence.

“Our interest was to invest in new technologies beyond our traditional core expertise in making medicines. We know that improving patient outcomes is not just about medicine. We have to go beyond the pill to ensure that relevant treatment includes resources and tools that integrate with patient lifestyles and this means using advanced technologies that we are not expert in. Therefore, a partnership with Philips Healthcare, a world leader in medical devices and technology development, seemed to be the ideal route, building on the complementary strengths of both partners. When we achieve our objective of selecting 80 companies over 8 years, our collective investment will reach more than \$25 million.”

Avinoam Sapir, General Manager, Teva Israel

Innovating for Better Health

Sanara Ventures: focus areas

- Disease management throughout the care cycle
- Telemedicine, sensors and remote monitoring
- Medical imaging
- Drug delivery and drug-device combinations
- Healthcare IT, mobile health (mHealth)

“The added value that Sanara brings is a market validation process that defines the right way to use technology in medical applications. When we invest in companies, we help them shape not only the business model but the way the technology can be best utilized for better healthcare outcomes for patients.”

Yossi Ofek, Managing Director, Pharma Innovative Solutions, Teva Israel

Providing resources for trialing new healthcare solutions

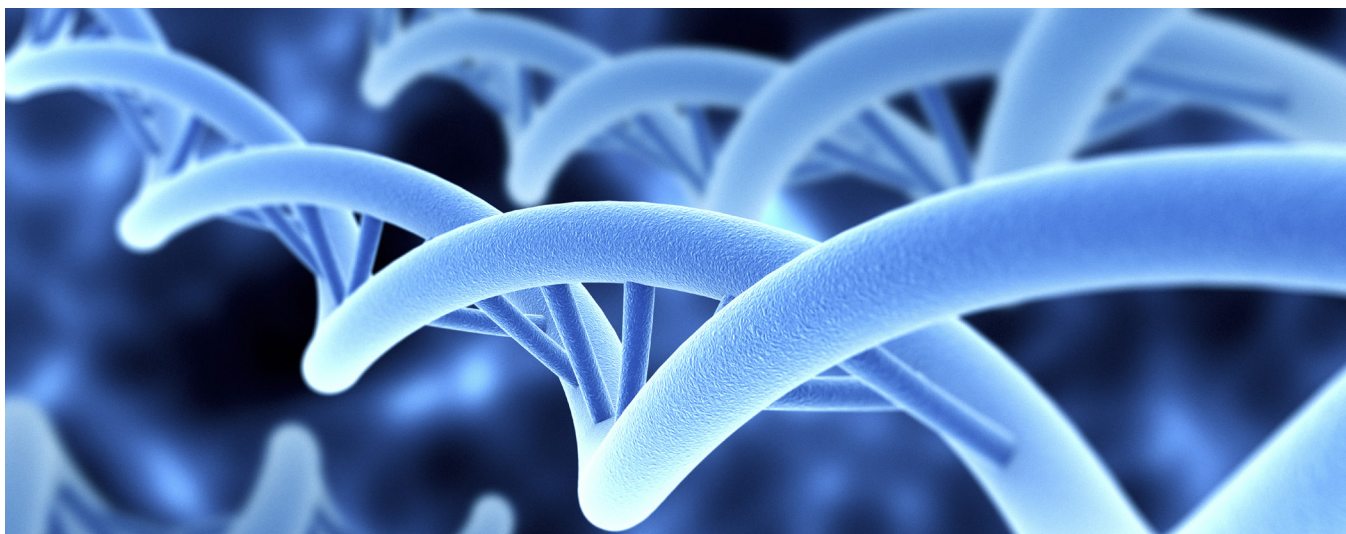
The mission of our Investigator Sponsored Studies treatment (ISS) Program at Teva is to support research that helps understanding, and treatment options of different disease states which ultimately aids the advancement of quality healthcare. The ISS Program is open to all investigators, who might be private practices, hospitals, community health centers, cooperative groups, physician networks, academic medical centers, and universities who are interested in conducting their own

research. We make our research resources and funding available to these investigators in order to support innovative trials, concepts and approaches. We award support based on scientific merit, patient safety, unmet medical need, availability of funds, and feasibility of the proposal. In 2014, we reviewed 85 ISS protocols, and approved 44 for support. In total, we are currently running 171 active protocols.

“We advance healthcare innovation by opening up our resources to new trial concepts and approaches. By making our research resources and funding available to gain new understanding of diseases entities and their treatment, we contribute to the continual improvement of patient health.”

Julie Mathena, Director, ISS & Phase IV Coordination Marketing

Personalized medicine – increasing healthcare efficacy



Through the advent of technology and research methodologies, we are closer than ever to being able to diagnose disease early, anticipate the course of disease, and identify those patients that will benefit most from a drug, as well as those most susceptible to adverse drug events. “Personalized Medicine” is the field of medicine tasked with addressing these aspects of drug and disease, resulting in optimized well-being for the individual patient.

Personalized medicine uses scientific insights, advanced technologies and big data analytics to enable tailored treatments that deliver the best disease management strategies to the patient. This branch of our research improves healthcare outcomes at a personal level and for entire communities while enabling considerable savings in healthcare costs through personalized treatment with optimal efficacy.

“Our patients don’t simply want medicines – they want better health outcomes. At Teva, we know that to achieve these outcomes, we have to change our way of thinking and working. By matching patients to the best treatments based on their genetic profile and other predictive factors, personalized medicine is changing the way drugs are developed and prescribed. It offers significant potential for improving patient quality of life and quality of care across a broad range of diseases and conditions.”

Dr. Iris Grossman, VP, Head of Personalized and Predictive Medicine and Big Data Analytics

Innovating for Better Health

Personalized response to drugs

Recently, we completed research on over 1,000 patients to assess the potential benefits of using genetic markers in multiple sclerosis (MS) to guide the therapeutic choice of available therapies. With the goal of developing a predictive tool to identify patients most likely to benefit from a particular drug, we found that a combination of genetic variants can identify a patient group with a reduced risk of relapse when treated with our drug. This is an important development as for the first time, we may provide physicians with the possibility to predict response to an MS drug via a personalized genetic test, thereby improving the efficiency of treatment for the patient and reducing the overall cost of treatment for MS patients over time.

Personalized genetic characteristics

We have supported pharmacogenomics research among Bedouin, Druze and Christian Arab populations in Israel. These populations face unique risks of genetic diseases due to the strong cultural bond within them that leads to a high instance of marriage within the community, resulting in genetic modifications over time. In collaboration with Professor Tzipora Falik-Zaccai, founder of the Institute of Human Genetics at the Western Galilee Medical Center in northern Israel, we identified specific genetic modifications that will enable us to develop targeted treatments to prevent serious disease development in these communities and others with similar social infrastructures. We shared our initial findings at Israel's 2014 Biomed Conference.

"Identifying the genetic cause of disease allows entire communities to benefit from diagnostic services and testing of at-risk couples during pregnancy. This research contributes greatly to the understanding of the biological mechanisms essential to human health and the development of novel therapeutic approaches."

Tzipora Falik-Zaccai, Associate Professor, Medical Genetics & Pediatrics, Founder and Head, Institute of Human Genetics, Western Galilee Medical Center Nahariya, Israel

Ensuring patient safety through drug insights

One of the main pillars of Personalized Medicine is to ensure that patients receive the safest and most effective medicines available. To this end, comparing medicines and determining their molecular, and ultimately clinical, impact is imperative. We are using state-of-the-art approaches to compare between drugs to maximize patient

benefit and reduce risk. In collaboration with industry leaders in genomics, Teva published in 2014 multiple articles in well-respected peer-reviewed journals addressing research into the safety and efficacy of differentially manufactured complex drugs, suggesting differential biological impacts that warrant further investigation.

Medical excellence

Excellence in research and applied solutions is the key to Innovating for Better Health. Deepening our understanding through scientific research leads to innovation that helps us address unmet patient needs.



As a large global pharma player, we feel we have a role to play in contributing to a culture of excellence throughout our healthcare systems. With patients at the center of our focus, medical excellence serves not only our business interest, it raises the bar for the broader healthcare community.

We invest almost \$1.4 billion each year in research and development in our own

operations to develop new and more effective medicines and improved delivery systems. In addition, we encourage the development of a culture of medical and scientific excellence in our industry and collaborate with a multitude of partners to encourage knowledge sharing, capability building and better outcomes for patients.

Highlights - medical excellence

We have committed to investing up to **\$15** million over **5** years to fund top researchers and research students in neuroscience at **10** leading Israeli research universities.

We helped establish a new state-of-the-art autism registry in Israel to advance discovery of new therapies.

We invested in new research centers in Israel in partnership with a leading university.



We supported **25** neuroscience publications in leading scientific journals by Teva sponsored researchers.



Teva established the world largest global research partnership collaboration in Huntington's disease research .

We invested **\$20** million in clinical development and up to an additional **\$1** million for research into dementia over 3 years in partnership with the UK's National Health Service.

"Since being accepted into the NNE program in 2013, I have had the opportunity to meet with leading scientists as I progress my research in the area of molecular and computational neuroscience. In particular, I am working on developing ways to address the progression of Alzheimer's disease. The collaborative community offered by the NNE program has been highly valuable to me."

Shahar Barbash, PhD Graduate Student, Hebrew University of Jerusalem, NNE class of 2013

Bio-medical research excellence



President of Global R&D and Chief Scientific Officer Michael Hayden in a meeting with NNE grantees during the 2014 Annual Scientific Neuroscience Conference in Israel

Teva established the Israeli National Network of Excellence in Neuroscience (NNE) in 2012 to create a collaborative scientific research community to develop therapeutic approaches for some of the most challenging neurological diseases. Israel is a world leader in neuroscience research, ranked 5th globally in neuroscience publications per capita. Focusing on new ways to understand and treat diseases of the brain, NNE builds on existing strengths of Israeli science and adds further value.

Teva has committed to invest up to \$15M over 5 years to fund top researchers and research students at 10 leading Israeli research institutes as part of the NNE program. The first cohort of more than 40 researchers is already making advancements researching the treatment of diseases such as Alzheimer's disease, Multiple Sclerosis, ALS, Huntington's Disease and Parkinson's disease. Potential new therapies have already been identified and vital work is now in progress to further validate the concepts generated by Israel's brightest neuroscientists as part of the NNE program.

In 2014, we hosted several events to encourage scientific conversations and collaboration including a series of talks on scientific medical developments at the annual Biomed conference in Israel in 2014. At our Annual Scientific Neuroscience Meeting we encouraged scientific exchanges between NNE scientists and Teva R&D leaders that led to 12 specific collaborative opportunities that are currently being progressed. We have established the NNE Young Scientists' Day as an annual Teva event at the Israeli BioMed Conference.

NNE grantees have established a strong collaborative community which has produced joint research studies, resulting in 25 publications in leading scientific journals to date. This is a tangible contribution of the NNE to advancing the field of neuroscience to help patients around the world. At the end of 2014 we published a new request for proposals for the second round of NNE grants.

Innovating for Better Health

Investing in research centers



Dr. Michael Hayden, President of Global R&D and Chief Scientific Officer at Teva; The Rabbi Prof. Daniel Hershkowitz, President of Bar Ilan University; Erez Vigodman, Teva President and CEO; Silvan Shalom, the Minister for the Development of the Negev and Galilee; Prof. Ran Tur-Kaspa, BIU Medical School Dean;

In addition to our support for neuroscience through our NNE program, we maintain several scientific research collaborations and continue to invest heavily in research. In 2014, we partnered with Bar Ilan University to invest \$4 million in the establishment of two state-of-the-art research centers in the north of Israel to advance the research in the fields of genetic diseases and autism and contribute significantly to the development of local medical services.

The Teva Center for Neuroscience Research assists the Faculty of Medicine in the Galilee to develop unique research and teaching programs, including the establishment of a new autism registry in Safed that will be available to all researchers in the country. The Teva Center for Human genetics, at the Western Galilee Hospital, Nahariya, focuses on research of the high frequency genetics-dependent morbidity in the Galilee in order to develop new therapeutic approaches to reduce morbidity.

"Teva and Bar Ilan University are constructing together a new infrastructure for scientific excellence in the northern part of Israel. By initiating a new center dedicated for autism research and an advanced institute for the study of rare genetic disorders, the Galilee will have, now and in the future, an important role in promoting scientific knowledge in Israel."

Dr. Michael Hayden, President of Global R&D and Chief Scientific Officer

"Thanks to the important contribution of Teva, we will be able to establish a national registry of people with autism spectrum disorders in Israel and collect tissue samples to enable identification of environmental factors, as well as biological pathways that are disturbed. This will lead to the identification of therapeutic targets. This information is essential to find a treatment for autism spectrum disorders."

Dr. Evan Elliott, Head of the Molecular Neurobiology and Behavioral Laboratory, Faculty of Medicine, Safed, Israel, and Director of Teva's Brain Research Program

Innovating for Better Health

Partnering with the UK Government for dementia research



Dr. Michael Hayden, Teva President of Global R&D and Chief Scientific Officer; Prime Minister of Israel, Mr. Benjamin Netanyahu; David Cameron, The Rt. Hon Prime Minister of the UK; Erez Vigodman, Teva President and CEO, launching the partnership in Jerusalem, Israel.

The global cost of managing dementia currently exceeds \$604 billion per year around the world. According to the World Health Organization, the number of people living with dementia is set to reach 115 million in less than 40 years. This places a burden on national economies, and working collaboratively to improve solutions will not only help many patients, it will free up healthcare budgets for the benefit of many other patients.

In 2014, we announced our collaboration with the National Health Service National Institute for Health Research (NIHR) Office for Clinical Research Infrastructure (NOCRI) in the UK for a joint clinical drug development initiative. The initiative features a novel model created by the NOCRI to streamline clinical development in the UK with a single point of entry into the UK health system.

This reduces complexity and increases the speed and efficiency of running drug development program. Our collaboration will provide access to advance clinical studies and to well characterized cohorts of patients from within the National Health Service.

We will invest approximately \$20 million in clinical research in the UK as part of this initiative as well as provide funding of up to \$1 million for early stage work over three years in UK academic and medical centers for understanding new approaches to treatment of dementia and neurodegenerative diseases. We will contribute our vast expertise in speed and efficiency of drug development and leadership in Central Nervous System (CNS) research to support this partnership in understanding mechanisms of different causes and types of dementia, and creating new approaches to treatment.

"This is an excellent area for Britain and Israel to collaborate on. The meaning of Teva is nature, and it is in the nature of Israelis and Brits to be entrepreneurial. Success in technology, innovation, and the pharmaceutical and healthcare industries are a must if Israel and Britain are to compete in the global race."

The Rt. Hon David Cameron, Prime Minister, United Kingdom

Patient safety

We are deeply committed to the safety of our patients as they use the medicines we develop and market and as they participate in clinical trials to test medicines in development.



It is our ethical duty to protect our patients while safeguarding our business against risk.

Our strong record on the safety of our medicines throughout our history is a testimony to the intensive efforts we continuously invest in embedding a culture of safety and in our safety management infrastructures at all levels of our company. We are constantly vigilant regarding new legislation relating to our medicines and regarding compliance with all applicable laws. We maintain a worldwide network of highly trained local safety officers, most of whom are physicians or pharmacists, covering

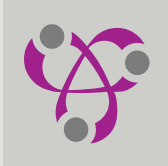
every market where our products are sold. Safety officers undergo regular training on all new drug safety regulations and guidelines, complete their knowledge through attendance at professional pharmaceutical meetings and conferences and participate in our annual mandatory global patient safety training program. Patient safety is addressed at Teva through our high standards of manufacturing and continuous quality assurance processes, through our pharmacovigilance (PhV) operations, throughout our clinical trial activity and in our fight to eliminate drug counterfeits.

Highlights - patient safety

In 2014, we maintained **137** clinical studies at more than **4,100** sites in **58** countries in different therapeutical areas.

In 2014, we wrote **1,337** periodic safety reports and **193** Risk Management Plans for our products, both generic and branded.

Our adherence to GPvP (Good Pharmacovigilance Practice), Good Laboratory Practice (GLP), Good Manufacturing Practice (GMP) and Good Clinical Practice (GCP) is recognized by FDA (U.S.) approval at **26** of our plants, and EMA (Europe) approval at **31** plants.



Maintaining world-class pharmacovigilance

Our Pharmacovigilance (PhV) unit and Risk Management Planning team work closely together to monitor, identify, analyze and report potential safety risks associated with the use of a Teva product or device. While many drugs are approved for the general population, their effects may vary when used by a mass market. These effects are closely monitored and reviewed in order to provide the most up-to-date patient safety information.

In 2014, our pharmacovigilance unit improved current safety monitoring processes. We also expanded our internal communication of pharmacovigilance-related matters and our internal PhV portal currently has almost 400 users who join monthly discussions on patient safety and PhV.

Our Corporate Safety Board (CSB) that includes our Chief Medical Officer and senior

managers in our global patient safety and pharmacovigilance, regulatory affairs, medical affairs and legal departments continued its activities in 2014, meeting almost every month to review all aspects of safety and PhV performance. During the year, the CSB oversaw 31 product safety audits of our factories and third party manufacturing sites.

Due to increased awareness of drug safety and worldwide pharmacovigilance legislation, we have seen a 10% increase in adverse event reports over the past year. The amount of cases also depends on the activities in a country or procedural approaches in different countries. Nonetheless, this is an indication of greater vigilance in matters affecting patient safety and we welcome this awareness and meticulously follow up every incident that comes to our attention.

“Our role in pharmacovigilance is all about the patient experience. Although it’s clear that there are shared characteristics, symptoms and reactions among patients that take certain treatments, in some cases, lifestyle habits or circumstances can change the way a group of patients or specific patients respond to a certain drug. We have a mission to understand the full range of reactions our drugs cause and to ensure that they are safe at all time for all patients as far as possible. We use all our resources around the world to encourage reports of adverse events, investigate them and find solutions.”

Hedva Voliovitch, VP, Global Patient Safety & Pharmacovigilance

Assuring the integrity of clinical trials

Patient safety is our primary focus throughout the process of pharmaceutical development. Clinical trials play a crucial role in helping ensure that medicines are safe and effective before they are brought to market. We follow the most advanced global standards for clinical trials, with emphasis on protecting the safety of potential patients as well as trial participants. All trials are conducted in accordance with the international Declaration of Helsinki, which lays out ethical principles for medical research involving human subjects. We conduct clinical trials only when trial data is critical to product development and we use rigorous designs in order to not unnecessarily expose participants to experimental drugs. To maximize patient safety, we have voluntarily expanded the scope of our trials to include tests and evaluations after drugs have

entered the market. In 2014, we maintained 137 clinical studies at more than 4,100 sites in 58 countries in different therapeutical areas.

In 2014, we improved our communications and streamlined processes with our Contract Research Organizations (CROs), for example, in the area of safety monitoring systems for the benefit of patients. We also worked with CROs to respond to emerging ethical issues and created a new ethical standard regarding consent and screening, for example, to fulfil our ethical obligation to include eligible patients even if our trial objectives regarding number of patients have been met. We maintain a continuous audit plan for our CROs and in early 2015 we made 135 oversight visits.

“Since 2012, we have outsourced the conduct of our clinical trials to a small number of global Contract Research Organizations (CROs) who have proven capabilities and exemplary reliability and credibility, as well as strong citizenship profiles in terms of upholding human rights. Our contracts in this area are for three years of activity, demonstrating a level of mutual trust and high quality of service.”

Limor Zeev, CMO Business Operations

Addressing counterfeit drugs

Counterfeit drugs present risks to the pharmaceutical industry and to the safety of our patients. We aim to ensure that our patients receive authentic, safe and reliable products. We combat counterfeit medicines through multiple approaches in the detection and rapid response to counterfeit activity including implementing security measures throughout the supply chain; product integrity measures such as bar codes and serialization and the support of public campaigns to raise awareness of the dangers of counterfeit medicines as needed.

Our Counterfeit Event Response team works around the world to address counterfeit issues as they arise, often in collaboration with local regulatory authorities. A recent example of our activity in a large country in South America has started to yield positive results. In this country, around 35% of all medicines sold are counterfeit, posing a major problem for the safety of patients who consume these medicines.

"In one of our large markets in South America, we are working with the national regulatory authority through the Association of National Pharmaceuticals Industries to address reported instances of counterfeiting while implementing additional measures to secure products sold. We have approved new anti-counterfeit technology for certain products and initiated an informational campaign for distributors and customers to help them understand the complexity and prevent counterfeit medicines entering the market as far as possible. Similarly we are conducting audits at printing companies to ensure security measures are in place, and are closely monitoring facilities for storage and destruction of rejected products. At the same time, we are pursuing counterfeit operations through legal means and initiating civil and criminal actions against those who break the law and endanger patients."

Yehudah Livneh, Global Government Affairs

"We maintain a formal anti-counterfeit policy with a goal to protect the safety of our patients and preserve the integrity of our supply chain. We aim to minimize and mitigate the risk of counterfeit drug penetration. We play an active role, along with many other players in the industry and with governments to vigorously drive collaboration for the adoption of anti-counterfeit measures for all generic products."

Kobi Mor, Head of Global Corporate Security

Quality metrics



We are continually looking for new ways to collect, manage and analyze a broader set of metrics and at the same time improve our quality metrics system across the company. With broad data analysis capabilities, we will be able to better support product quality, build predictive analytics and develop knowledge management. We have worked with teams at the International Society for Pharmaceutical

Engineering (ISPE) and commenced a pilot program on new metrics such as compliance quality, tracking of recalls, remediation efforts and more. The goal is to establish a set of harmonized metrics across the industry that will enable comparable and meaningful understanding of quality impacts in the pharma supply chain.

“The data used to ensure quality supply chains is changing rapidly in the pharmaceutical industry. We are evolving a robust set of metrics and at the same time sharing our knowledge with regulatory agencies such as the U.S. Food and Drug Administration (FDA). Both regulatory agencies and pharmaceutical companies are looking to improve how these metrics are used within the industry to ensure the highest possible degree of patient safety.”

Laura Cannon, Senior Director of Quality

Quality in manufacturing and supply



The scope of our global quality team includes the entire spectrum of our supply chain from sourcing through manufacturing and supply to our customers. Teva continued in 2014 to proactively enhance regulatory compliance of our manufacturing sites, and of our third party suppliers and distributors. For example,

we had 104 regulatory inspections in 2014 at 66 of our sites by 43 different agencies which resulted in zero critical observations. In addition, we continued to enhance the processes and controls to ensure the quality of our products for the entire product life cycle from development through commercialization.

“Our manufacturing network is continuously optimized so that our customers can have full confidence in our supply chain. This is enabled by high-volume, technologically-advanced manufacturing and distribution facilities that allow us to deliver new products swiftly and reliably. We continually review our capabilities and capacity to ensure we can consistently deliver best-in-class products.”

Uri Hillel, Senior Vice President, Quality Compliance & R&D Quality

Patient support

Innovating for Better Health means taking a holistic approach supporting patients and promoting proper adherence to treatment regimens.

We care about improving health, so we care about helping patients get the best out of the medicines and treatments available to them. This also serves our business – we do better when our patients do better.

Through our patient solutions division, we provide assistance to patients to help them get the best out of their prescribed therapies.

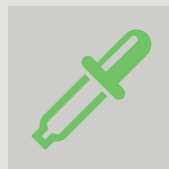
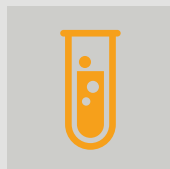
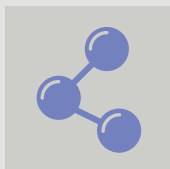
In addition, in our local markets around the world, we maintain collaborative and supportive relationships with numerous patient associations and organizations that assist patients to understand their rights, improve access to medicine and offer practical support to patients as they deal with the day-to-day challenges of fighting disease.

Highlights - patient support

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.

We advanced a host of patient support initiatives in dozens of countries around the world designed to increase awareness, adherence and prevention in several therapeutic areas.

We ranked second among **18** pharmaceutical companies in a global survey of **165** neurological patient organizations for our record of patient safety, useful high-quality products and stakeholder transparency.



Providing practical support for patients



Healthcare providers are charged with the responsibility of prescribing medicines and treatment regimens for patients, but they do not have the ability to monitor the way their patients follow the prescribed treatment. As a pharmaceutical manufacturer, our interest goes beyond having our drugs prescribed. We are most interested in the health of the patient and her or his recovery. We are therefore becoming more focused on how medicines are used and not only what medicines are prescribed.

For more than ten years, we have maintained Patient Support Programs to assist patients in adhering to Multiple Sclerosis treatments, with extremely positive results and high levels of patient satisfaction. In 2014, we created

Global Patient Solutions, with a dedicated team of nurses and other patient support professionals to provide patient services both virtually and by visiting patients in their homes and instructing patients or caregivers how to administer their medicines properly. We also have established call-centers staffed with trained professionals who provide important information to patients. In addition, we partner with many patient organizations around the world, such as the MS International Foundation, and over 250 global, regional and local patient organizations, to provide assistance in developing programs for enhanced MS care and adherence to treatment.

“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. Non-adherence may derive from multiple factors such as memory, motivation or difficulty of administering or simply understanding their treatment. Similarly, patients affected by more than one condition may have several treatments to be taken in parallel. Taking medicines in a way that does not cause conflict or reduce the efficacy of other medicines is also important.”

Jason DeGoes, Senior Vice President, Patient Solutions

Avoiding errors in taking medicines



In France, in order to improve adherence to prescribed treatments, we launched the Marguerite Prevention program targeting multi-medicated, independent elderly people. A multidisciplinary working group consisting of doctors, pharmacists, psycho-sociology experts and elderly persons' associations met over a nine month period in order to better understand the healthcare journey of older patients and the circumstances and behaviors leading to poor adherence. Following analysis, the group published a White Paper listing 20 recommendations for solutions for both health professionals and older patients to foster better adherence to treatments. The recommendations include greater coordination between different healthcare providers and caregivers and practical tips to help make

adherence easier, such as standardization of numbers of tablets in each packaging unit and adapting medicine boxes to the needs of elderly patients. Building on this, we launched a public campaign in 2014 to raise awareness while taking action at Teva France by implementing some of the recommended tools, such as new packaging for certain generic medicines and publishing helpful materials for patients for distribution by pharmacists.

So far, our 20 recommendations have gained significant attention in France with key players in the healthcare sector. We have met with leaders at the Ministry of Health and other national offices and they are considering how this approach can be applied more broadly in the healthcare system in France.

In France, 10% of hospitalizations amongst people over 70 years old are attributed to errors in taking medicines. On average, patients over 75 consult more than 3 doctors (general practitioner, cardiologist, ophthalmologist, urologist, nephrologist, etc.) and take an average of 4.5 medicines each day. Over 43% of them take between 5 and 10 medicines per day.

(Paquid Study, Bordeaux Segalen University)

Advancing diabetes care

In Teva Poland, we supported the Polish Diabetes Association with a campaign to improve the detection of diabetes. In Poland, approximately 3 million people suffer from diabetes, but it is estimated that a further 2 million are not aware of their disease and remain undiagnosed and unsupported. Our 2014 campaign, “A Coalition for the Early Diagnosis of Diabetes” included a team of specialist physicians that delivered more than

100 video training sessions for over 1,100 general practitioners to raise awareness and enlist their support to help increase the detection rate of diabetes in Poland. The goal is to create a register of diabetes patients in Poland which will help the Polish Diabetes Association assess the scale of the disease and ensure appropriate resources are allocated to provide treatment.

Living with your liver

Another successful approach to innovating for better health at Teva Poland included a special offer of free liver ultrasound scans that reached more than 2,500 patients. Research shows that only 25% of the population has any understanding of their liver functioning and about one in three Poles are able to detect abnormalities in their liver function. In collaboration with the Polish Association for the Study of Liver, we supported the first ever

liver health study in Poland and engaged in a preventive campaign to “Know Your Liver”. In 2014, our HepaBus, a medical truck designed especially for this project with two built-in ultrasound units, covered 4,500 kilometers in three weeks, visiting 15 cities in Poland, offering liver ultrasound scans free of charge to all local residents who came to be tested. We performed 2,590 patient liver scans with the help of 24 physicians.

Ask about urology

Teva Poland established a urology call center pilot program to help overcome the challenge of insufficient availability of physicians to address all patient queries and needs. In Poland, the average number of patients per urologist exceeds 3,500. To make an appointment with a specialist, patients

sometimes have to wait longer than 6 months. Our Urology Call Center was a pilot project to facilitate access to an urology specialist for an initial consultation. During the 28 days of the initiative, more than 400 patients contacted the call center and received advice.

Helping make more medicines available to patients

Globally, we support patients with financial assistance and product donations through a range of channels at an investment of tens of millions of dollars each year. In the U.S. alone, in 2014, we donated over \$66 million to ensure that thousands of patients can benefit from increased access to multiple sclerosis and other essential medical treatments. A large share of this sum was routed to the Patient Access Network Foundation (an independent non-profit organization that supports access to medication for people with medical insurance such as Medicare) while remaining funds were donated through other channels to help patients afford the drugs they need.

In addition, our Teva Cares Foundation works to improve patient access to medication by providing Teva medications for treatment of

cancer, pain and other diseases at no cost to patients in the U.S. who meet certain insurance and income criteria. In 2014, we provided medicines worth \$41 million (Wholesale Acquisition Cost, WAC) to patients through our Teva Cares foundation in the U.S.

Another route that we employ to support patients is through donation of medicines via different channels, mainly via Direct Relief, an organization that helps people affected by poverty or emergency situations by mobilizing essential medical resources. In 2014, we donated medicines worth more than \$27 million (cost value) to Direct Relief and other organizations. We are one of Direct Relief's most significant contributors of medicines for those in need.

Recognition for supporting patient groups

We were pleased to be recognized in an independent 2014 global survey carried out by PatientView, a research and publishing company focusing on the patient agenda. The survey, entitled "The Corporate Reputation of Pharma in 2014", assessed reputational factors of the top 18 pharmaceutical companies worldwide through a survey of 165 patient groups from 32 countries with an interest in neurological conditions. We were ranked in second place overall with high

scores for our record on patient safety and transparency. Patients noted our dedication to the continued development of CNS-focused treatments and our patient support programs. In addition, fair pricing and the high quality of our generics portfolio contributed to this ranking. The strength of our R&D portfolio addressing neurological diseases is also a key factor in patient appreciation for our efforts. 2014 was the first year we were included in the PatientView survey.

"We are honored to be recognized by neurological patient groups who do such important work on behalf of those they support around the world. At Teva, our focus on CNS (including multiple sclerosis, neurodegenerative diseases, pain and migraine) is at the core of what we do, and we are committed to the continued development of safe and effective treatments, innovative technologies and comprehensive support programs that address the unmet needs of those who live with debilitating neurological diseases."

Mike Derkacz, Senior Vice President and Head of Global CNS

Innovating for Better Health

“Teva’s commitment to patients cannot be underscored. Due to their ongoing support, we are able to take guidelines-based clinical messages and present them in a simplified, patient-friendly manner in English & Spanish. One key impact area is the awareness and advocacy work for dose counters on all inhalers. We know this project alone has saved many lives by ensuring patients receive active ingredient at the time they need it most. Together, Teva and Allergy & Asthma Network are dedicated to ending needless death and suffering due to asthma, allergies and related conditions.”

Tonya Winders, President & Chief Executive Officer, Allergy & Asthma Network

“As a global leader in respiratory medicine, the American Academy of Allergy, Asthma and Immunology is at the forefront of the finest in research, education and clinical care of the patient with allergic disease. Teva Pharmaceuticals has exhibited commitment to both the allergy/immunology specialty and the allergy/immunology patient by supporting many of these initiatives, and the AAAAI is proud of our professional relationship with Teva Pharmaceuticals. We continue to work to enhance the expertise of the specialty and the clinical care addressing patient needs.”

Robert F. Lemanske, MD, AAAAI President



Responsible Business Conduct

Teva 2014 Global Citizenship Report

Our business is dependent upon the trust of our stakeholders who demand that we operate with integrity and accountability for our social and environmental impacts.

We have a responsibility to all our stakeholders, beyond our commitment to patients, to embed a culture of citizenship and make an overall positive contribution to society now and for generations to come.

Ethical standards

We care deeply about continuing to make a positive contribution to society and we value the trust of our stakeholders, recognizing that we must prove ourselves worthy of that trust with every action and interaction, every week, day and minute.



Trust provides us with our social license to operate.

We maintain our Code of Business Conduct in 22 languages to guide employees in required ethical behaviors. All new employees receive ethical training upon joining the company and all employees participate in refresher training in the Code of Conduct every two years. In 2013, 95% of our employees worldwide completed an in-person or online training course in our Code of Conduct. In 2014, 95% of new hires completed the training, which represents around 8% of the Teva population in that year. Beyond our Code of Conduct, we publicly commit to upholding ethical standards throughout our business through our participation in the UN Global Compact since 2010.

We remain committed to the UNGC’s ten principles and annual publication of a Communication on Progress.

In addition, we play an active role in advancing ethical frameworks in our industry through, for example, the European Generic and Biosimilar Medicines Association (EGA). Additionally, during 2014, we have been strengthening our global ethical standards with the addition of focused policies on different aspects of our interactions with stakeholders such as regulators, healthcare professionals and others. We have been establishing and embedding policies and procedures in these areas for relevant employees within the company at a global level.

Responsible Business Conduct

Supporting improved industry-wide ethical standards

“We have consistently adopted the most rigorous compliance standards globally in line with European regulations. We also wanted to help raise the standard of ethical behavior for the generics industry as a whole. As a member of the European Generic Medicines Association (EGA) a non-profit, non-governmental organization representing industry associations and companies from across Europe, we took a leading role in the working group to develop an industry-wide Code of Conduct. The working group consists of industry compliance experts collaborating to help shape and develop a uniform ethical code to guide generics companies on their interactions with the healthcare community.”

Erick Tyssier, Head of Government Affairs Europe

The EGA Code of Conduct on Interactions with the Healthcare Community (EGA Code) was published in March 2015 following extensive collaborative work in the prior year. This EGA Code aims to set a framework of standards and principles that promotes trust, responsible behavior and respect, between pharmaceutical companies and the healthcare community, including healthcare professionals, healthcare organizations, patients and patient organizations. It includes guidelines for

transparency, such as disclosure of financial and non-financial support as well as guidelines for promotional materials and information for patients and healthcare providers. A requirement of the EGA membership is that EGA national associations accept the conditions of the EGA Code or a comparable code that is at least as strict as the EGA Code. Teva has incorporated the provisions of the EGA Code in all our European internal corporate policy positions.

“As a member of the EGA working group, one of our areas of contribution was to raise the standard regarding interactions with healthcare providers, in order to ensure that pharmaceutical companies act ethically and avoid potential conflicts of interest. While the EGA code is a leap forward in our industry, there is still more to be done and Teva continues to be actively involved in the EGA’s compliance activities.”

Michael Gyr, European Regional Compliance Officer

Responsible Business Conduct

Political contributions

As a corporation, Teva made \$29,300 in contributions to state political parties and candidates in the United States. We did not make political contributions in any of the other countries where we operate. In our U.S. subsidiary, we maintain a Political Action Committee (PAC) to which employees may choose to make personal contributions. The Teva PAC makes donations to candidates

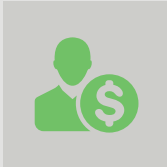
seeking elected office at the State and Federal level that we believe align with our interests as a corporation with an objective to advance affordable and accessible healthcare for patients. All contributions to the PAC are voluntary and in accordance with the Federal Election Campaign Act. In 2014, the Teva PAC contributed \$146,000 to State and Federal candidates.

Highlights

All our employees are trained in Teva’s Code of Conduct at least once every two years.



We supported the development of the EGA Code of Conduct on Interactions with the Healthcare Community and adopted it in our policies.



Ethical supply chain



In 2014, we spent more than \$9 billion with more than 50,000 suppliers. 40% of our procurement expenditure is for direct materials for production and the remainder covers non-manufacturing and services. 47% of our procurement expenditure is in Europe, 25% in the U.S. and 17% in Israel.

Our supply network is an essential part of our ability to deliver our medicines and healthcare products to our customers and patients, and we rely on suppliers to support not only our business continuity, but to help protect us against risk arising from environment, health, safety and human rights considerations. As a minimum, our suppliers are expected to comply with all applicable regulations in all relevant markets, and conform to our

demanding quality and service standards. We perform quality audits against our manufacturing and quality standards on hundreds of suppliers each year and closely monitor their performance in meeting relevant standards and implementing identified corrective actions.

In addition to meeting price, quality and service requirements, we also expect our suppliers to adhere to a set of values and approaches to doing business that align with our own. We are working to develop a Supplier Code of Conduct that will formally lay out our expectations in this area with a target to implement this using a risk-based approach through our supply network.

Environment and safety

Our employees are the passion, spirit and expertise that Teva needs to make a positive difference to healthcare and patients around the world.



Our journey towards environmental, health and safety (EHS) excellence ensures that we will protect, enhance, and create business value for our organization, while at the same time furthering our ability to expand global access to affordable medicines for the benefit of patients.

Highlights – Environment & Safety

In 2014, we self-audited **26** Teva sites for EHS regulatory compliance and established corrective and preventative actions plans that are being tracked to closure where gaps were identified.



We launched our EHS Excellence Awards and recognized sites for excellence in EHS practices and outcomes.


We significantly improved our global safety performance with a **32%** reduction in recordable injuries and lost days due to injury.

In 2014, we reduced our total water withdrawal by **17%**.



In 2014, we used **4%** more energy and generated **2%** more greenhouse gas emissions than in 2014. However, since 2012, we've reduced our energy consumption by **4%** and our emissions by **6%**. We continue to implement initiatives to reduce both energy and GHG emissions.

In 2014, hazardous waste was **77%** of total waste, of which **30%** was recycled or reused.



In 2014, we recycled **33%** of our total waste. Some of our best sites recycle more than **90%**.



EHS strategy

“We are building a culture within Teva that values and rewards excellence in EHS, visible leadership commitment, and meaningful employee involvement. We strive to incorporate Environment, Health and Safety (EHS) considerations throughout the full life cycle of Teva’s products. We continue to implement our new global EHS Management System which goes beyond basic compliance, establishing expectations for all operations and guiding our facilities to reach world class levels of EHS performance. In 2014, we issued 19 new global EHS standards that strengthen our global governance and oversight of EHS management. Our long-term goal is Target Zero - zero incidents, zero injuries and zero releases.”

Peter Taschner, EVP, Global EHS and Engineering

Following the establishment of TargetZERO in 2012, we have been developing and implementing a suite of global EHS processes to align our global organization, ensure the right performance, and monitor our progress. We are establishing the direction and standards for each aspect of our activity. This ranges from risk management to integration of EHS into product and process design as well as to engagement of our employees around the world. The energy, enthusiasm and actions of all employees will create our future success. The first and most basic step is to ensure compliance at all our sites with regulation and internal policies

and standards. We are on track to complete the roll-out of our global EHS management system by mid-2016. Operating facilities will then have a couple of years to become fully compliant with expectations.

In addition, our EHS management system is fully aligned with international quality standards such as ISO 14001 and OHSAS 18001. Many of our sites around the world have achieved certification to one or both of these standards. For others, compliance with our EHS management system facilitates future certification.

EHS Journey to Excellence



As part of TargetZERO, in early 2014, we implemented a new global EHS audit program as a uniform, centralized approach to identifying gaps and implementing corrective and preventive action. All Teva locations including manufacturing, research laboratories, offices and warehouses undergo a periodic

audit for compliance with local regulatory requirements and Teva EHS Management System standards. During 2014, we completed 26 audits and established corrective and preventative actions for all findings.

Energy and emissions management

We are implementing a cost saving energy management masterplan to achieve a 15% reduction of CO2e emissions by 2020 compared to our 2012 baseline.



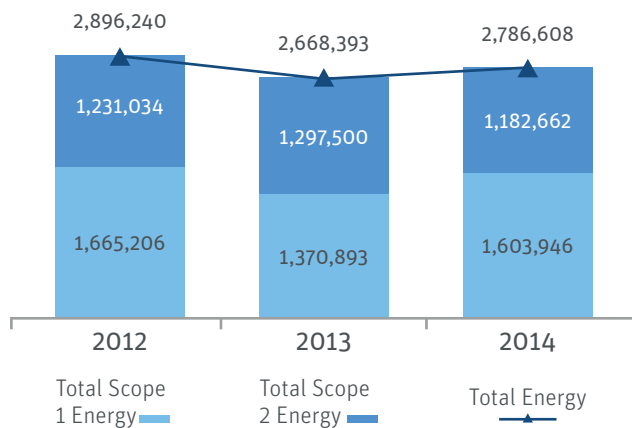
Teva's API plant "Teva-Tech" in Israel

We will achieve energy efficiencies through investment in engineering improvements, energy management systems, adopting new technologies, and applying “Energy by Design” principles to seek energy savings in every project. At the same time, we are taking advantage of independent power sources based on natural gas, such as the conversion of our Indian site in Goa to sourcing from an independent power provider producing electricity from natural gas. We continue to consider opportunities to source renewable energy and establish cogeneration or green energy production where possible.

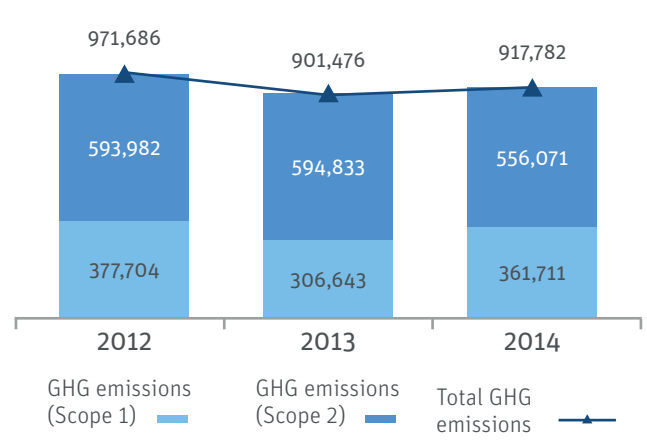
We have started to implement new solutions at a range of our facilities. One of the most immediate investments we can make is in our lighting systems. In 2014, for example, we completed a lighting retrofit at one of our facilities in Toronto Canada that provides packaging and distribution of our products for the Canadian market. The facility area is 340,000 sq.ft., and it delivers 26 million units to the market each year. In 2014, we retrofitted 384 lighting fixtures within the warehousing areas from metal halide to T5HO lighting with motion sensors. This initiative saves over 1 million kWh per year and more than 170 metric tons of greenhouse gas emissions while reducing waste due to longer replacement times of new fixtures.

Environmental performance

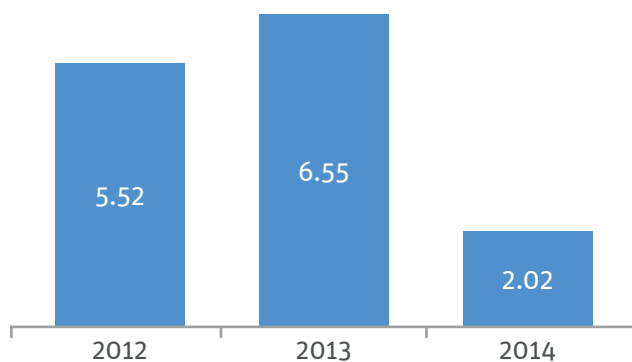
Total energy by Scope in MWh



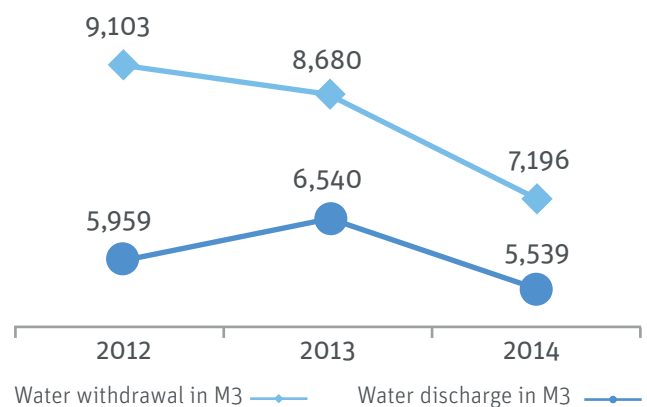
Total GHG emissions by Scope in tons CO2e



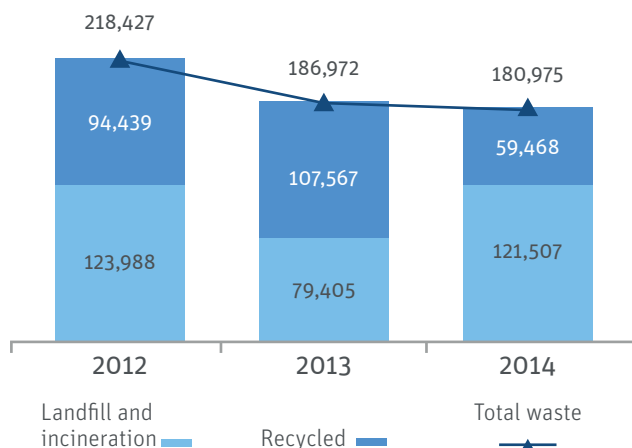
Emissions of ODS - R22 in tons CO2e



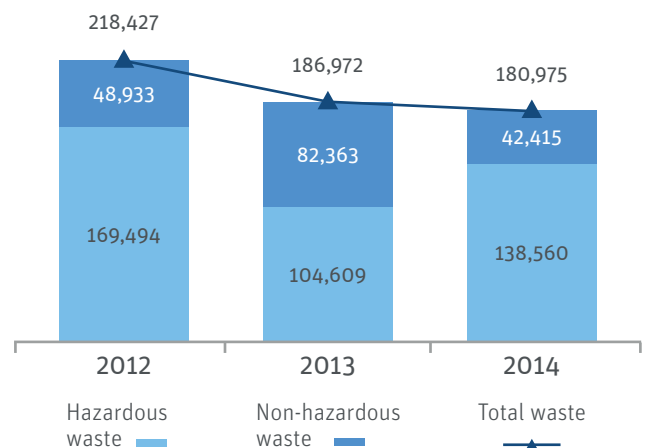
Water performance in M3 000s



Waste in metric tons



Hazardous and non-hazardous waste



Notes:

- Environmental data covers all Teva's owned or managed facilities around the world.
- Some data from 2012/2013 has been restated to account for improved data monitoring.
- CO2e emissions and other emission factors are calculated using the GHG Protocol set guidelines.
- We record only R22 as our main ODS. Minor amounts of other solvents are not included.

- Most of our water is withdrawn from municipal supplies. A minor amount is sourced from ground wells.
- Scope 1 energy includes: natural gas, diesel fuel, kerosene, LPG, propane and motor gasoline. Scope 2 energy includes purchased electricity and purchased steam.

Good environmental practice from around Teva

In 2014, we launched our EHS Excellence Awards to recognize outstanding performance in different aspects of EHS and to share learning among all our sites. More than 40 Teva sites submitted good practice examples. These included reducing emissions in the Czech Republic, reducing pollutants in Ireland and increasing operational efficiencies and reducing waste in Italy.



Reducing emissions: In our Opava factory in the Czech Republic, we made a change that saves more than 3,000 metric tons of greenhouse gas emissions per year. In 2014, we installed a condensing economizer to increase the efficiency and utilization of natural gas, the basic source of energy for the central steam boiler room at the site. Utilizing the condensing heat of water, which is produced during the combustion of natural gas, significantly increases the efficiency of the boilers and reduces our natural gas consumption.

Reducing pollutants: In Waterford, a new process was introduced to recover and safely dispose of the propellant gas, HFC 134a. We developed a state-of-the-art liquid and vapor phase gas recovery system to capture HFC 134a and prevent its release into the environment. Emissions of HFC

134a have been minimized to the lowest levels technically possible and the waste management systems have been configured to ensure that the waste gas is of a high quality which can be readily converted for resale.

Increasing efficiencies: In our Villanterio site in Italy, we manufacture the active pharmaceutical ingredient allopurinol that is used to prevent the buildup of uric acid in the body to prevent liver or kidney diseases. The allopurinol process yields different types of waste. Following detailed analysis of the waste streams, we improved the process by segregating process elements, increasing recovery of solvents and installing new equipment. As a result, we increased the yield of active ingredient by 2.4% and reduced the total unrecovered waste generated through this process.

Occupational health and safety performance

At Teva, we believe that everyone has the right to a safe and healthy working environment, and that all injuries and incidents are preventable.



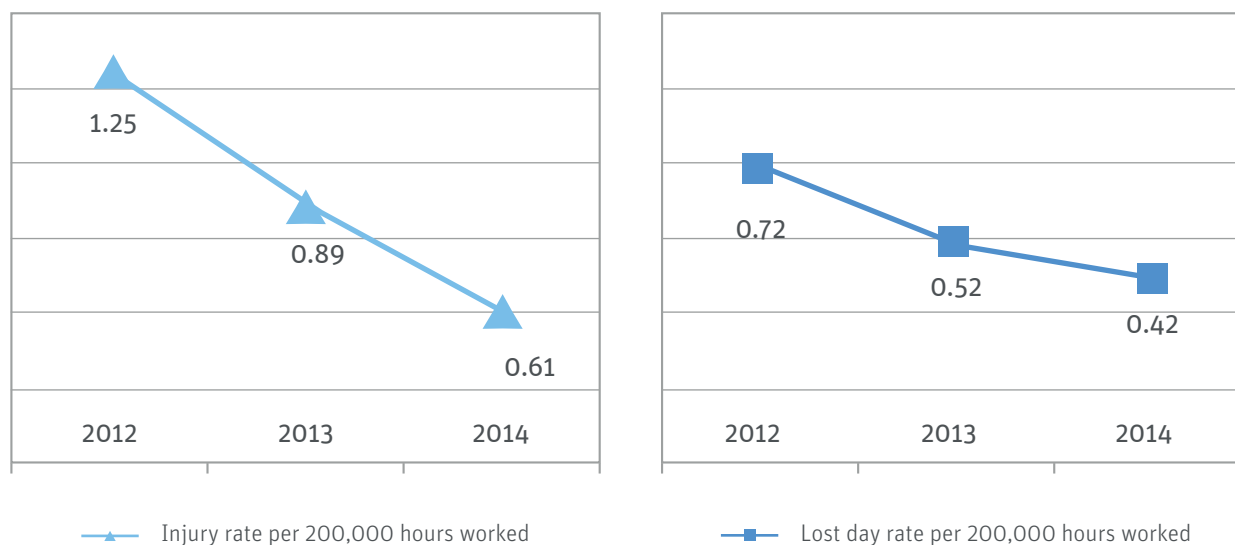
Our long-term goal of TargetZERO drives meaningful continuous improvement of safety risks in the workplace and the safety for all our employees. In addition to compliance with all applicable safety regulations throughout our operations, we are striving to create a culture of safety excellence that will impact the way our employees approach everything they do.

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. Since 2012, we have almost halved the number of injuries and lost days due to injury, indicating a reduction in both the number and the severity of injuries.

We rigorously investigate all workplace injuries and near-misses, developing and implementing corrective and preventive actions to prevent recurrence.

We were deeply saddened by the loss of two Teva employees this year as a result of a flash-fire that occurred during a manual cleaning operation using flammable solvent. Following this incident, we have developed and globally implemented expectations to re-evaluate the use of flammable solvents for manual cleaning and minimum safeguards to be followed where they cannot be substituted with a safer alternative.

Reduction in workplace injuries and lost days - 2012-2014



Detailed safety performance data 2012 - 2014

Injuries	2012	2013	2014	Change in 2014
Number of recordable injuries	440	306	209	-32%
Rate of injuries that resulted in lost workdays per 200,000 hours worked	1.25	0.89	0.61	-31%

Lost days	2012	2013	2014	Change in 2014
Number of lost days	2,428	2,028	1,383	-32%
Total number of injuries resulting in lost workdays	252	179	144	-20%
Rate of injuries that resulted in lost workdays per 200,000 hours worked	0.72	0.52	0.42	-19%

Fatalities	2012	2013	2014
Number of fatalities	2	1	2

Excellence awards for safe operations

In 2014, our U.S. Salt Lake City site was recognized as part of our annual EHS Excellence Awards for a holistic approach to improving safety culture and practice and positive results to date.



Teva Salt Lake City site, U.S.A

The site undertook a safety culture change initiative that included activities to improve awareness, new communications practices, regular departmental meetings, safety inspections, risk assessments and recording of near misses and investigation. Overall, Salt Lake City site’s safety performance improved dramatically in just a couple of years. The site

management was proud to receive the U.S. National Safety Council Safety Leadership Award in 2014 for 5 consecutive years without a lost time incident. Also in 2014, the Salt Lake City site received the U.S. National Safety Council Million Work Hours Award for working 1 million hours without a lost time incident.

“The benefits of TargetZERO have been to focus on safety, an increased culture of safety, a reduction of our Total Recordable Incident Rate (TRIR) and maintaining our Lost Time Incident Rate (LTIR) at zero. Employees feel more engaged and feel more ownership of the site’s safety programs. By improving culture and performance, the site benefits from having healthy and safe employees on the lines, improving production efficiency. Incidents have decreased from 27 in 2008 to 13 in 2013.”

Cody Andrew, Salt Lake City site.

Employee Engagement

Our employees are the passion, spirit and expertise that Teva needs to make a positive difference to healthcare and patients around the world.



Teva multipurpose plant employees in Jerusalem, Israel

For our business to succeed, we must remain attractive to the tens of thousands of employees that currently form our organization and to those who will join in the future. This means maintaining a workplace where individuals can grow and develop and find expression for their creativity. We aim to empower employees to contribute to advancing our sustainable business objectives.

We provide professional development opportunities for over 40,000 employees, investing in their training and career development. We reward employees

competitively and embrace an open and diverse culture where all are free to contribute at their best. As a healthcare company, our drive toward Innovating for Better Health is relevant to our employees as it is to our patients, so we promote health and wellbeing in our workplace. We observe globally recognized human rights standards in our workplace, ensuring freedom of association, and avoidance of discrimination in all its forms. We do not condone child or forced labor.

Highlights

In 2014, women represented **46%** of our permanent workforce, **49%** of our total management at all levels, and **35%** of executives and very senior management.

In 2014, we had a total workforce of just over **43,000** employees.

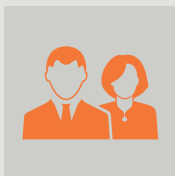
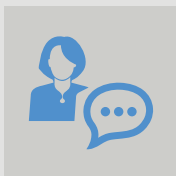
In 2014, employee turnover was **11%**.

In 2014, women represented **47%** of new hires.

80% of our employees strongly agree that Teva lives up to high ethical standards.

In 2014, we conducted a survey that achieved an **82%** participation rate across our global employee population.

In 2014, we completed the development of a new **Standard for Leadership framework** that clearly sets expectations for leadership and management behavior in Teva.



Responsible Business Conduct

Our employees by the numbers

Total workforce FTE

Year	2012	2013	2014
Total workforce FTE	45,948	44,945	43,009

Permanent employee FTEs in 2014

December 31			
Location	2012	2013	2014
United States	8,011	7,372	6,608
Europe	19,749	19,811	18,232
Rest of the World (excluding Israel)	10,791	10,599	11,202
Israel	7,397	7,163	6,967
Total	45,948	44,945	43,009

Global workforce by employment type and gender in 2014

Contract Type	Female	Male	Total
Permanent full time	18,512	22,276	40,788
Permanent part time (FTE)	262	28	290
Supervised workers	966	965	1,931
Total	19,740	23,269	43,009

Permanent workforce in 2014	<age 30	age 30-50	>age 50	Total
Female new hires	583	926	132	1,641
Male new hires	650	993	180	1,823
Total new hires	1,233	1,919	312	3,464
Female leavers	438	1,235	354	2,027
Male leavers	515	1,463	528	2,506
Total leavers	953	2,698	882	4,533
Net workforce change in 2014	280	-779	-570	-1,069
Turnover (%)	2%	6%	2%	10.9%

Responsible Business Conduct

Creating Teva for the future

Overall, we have four main strategic goals for our global Human Resources activities.

- Support Teva’s 2021 business strategy.
- Build a strong and enduring culture with engaged employees.

- Grow talented employees and inspirational leaders.
- Enable an integrated employee experience to transform the way we work.

“During 2014, we continued the Human Resources (HR) Transformation, in full alignment with Teva’s Transformation Journey. HR is supporting this journey by creating better people management practices and providing a better employee experience as we shape our processes and as we migrate into a service-oriented operating model. In everything we do, we are putting our people at the center. I believe that the strong connection between our leaders and our employees, supported by our HR professionals is key to our success. We will continue to build a professional HR organization that will take us – and Teva – forward, well into the future.”

Mark Sabag, Group EVP, Human Resources

Employee opinions

In 2014, we conducted a global survey that achieved an 82% participation rate across our global employee population. In particular we wanted to check whether employees are engaged with our values as an organization and the meaningful contribution to society

that we make through our work. We believe this is one of the most important aspects of attracting and retaining employees. Overall, our employees confirmed that Teva appreciates diversity, operates ethically and responsibly and makes a difference to society.

Statement	% agree
My team appreciates similarities and differences among employees.	82%
My job makes a difference in people’s lives.	70%
Teva has a positive impact on society and the communities in which it operates.	73%
Teva is environmentally responsible.	78%
Teva lives up to high ethical standards.	80%

Employee leadership and development



Teva China employees in a training session

In 2014, we completed the development of a new Standard for Leadership framework that clearly sets expectations for leadership and management behavior in Teva to help deliver our overall business strategy and direction. The new framework defines four key leadership characteristics that we are cascading through our entire organization through 2014 and in coming years.

- Imagine & Inspire – to redefine what’s possible
- Experiment & Adapt – to accelerate breakthrough
- Connect & Build – to realize our full potential
- Design & Act – to transform our business

We have already engaged hundreds of leaders in workshops to embed these new leadership behaviors and supplemented these workshops with training and development toolkits available to all employees on our internal virtual network. At the same time, we have advanced a new talent review process, using the new Standard for Leadership to identify the leaders of the future and ensure development opportunities are in place for them and others that are following on their heels.

“At Teva, one way in which we are fostering the development of our people is through Functional Academies. These Academies target strategic capabilities for the function and take a blended approach to development by combining current job experience, managerial coaching, and experiential learning in a classroom (e.g. via simulations) to maximize development and business outcomes. In the past year, for example, we have run a Brand Academy for European marketing managers, with more than 500 managers participating in 2014, and a similar Sales Academy, with more than 300 European first line sales managers taking part.”

Steve Kortick, Senior Director, Leadership & Development

Encouraging diversity



We value diversity and believe that an inclusive workplace helps us do better business and contributes to creating a strong and vibrant society where we all embrace and appreciate differences. Throughout our global business, we aim to live up to the principles of inclusion and take a strategic approach to proactively encourage diversity among our employees as well as in our interactions with patients and communities and business partners.

An example of our commitment to diversity is in our U.S. and Canada operations, where, in early 2014, we launched our inclusion network with a total of eight Employee Resource Groups (ERGs) to improve the sense of community among our employees

and encourage mutual support for those with similar needs and challenges. Each ERG has an executive sponsor and co-leaders to help drive programming and enhance employee engagement. Each of the ERGs is in a different stage of development, and while some are just getting started and reaching out to potential participants, others have already developed a program of events and activities that members are starting to find beneficial. There is also programming that spans the ERGs with a goal of creating forums to share and learn from each other. In total, around 1,000 employees are already members of one or more of our ERGs with the Women’s Network being the largest at 400 members.



Teva Inclusion Networks: Abilities (People working with Disabilities), African Heritage Network, Asian Heritage Network, Hispanic/Latino Heritage (LGBT) Pride Network, Men at Teva, Vets at Teva, Women at Teva.

Employee wellbeing



Healthy employees who invest in their own wellbeing are most likely to be a positive influence in the workplace and be more productive at work. They also present less risk to work continuity through lower sickness rates and absences. When employees lead healthy lifestyles, they benefit and we benefit as a business, and of course, our patients

benefit as we are more effective in delivering our objectives. Throughout Teva, we aim to encourage and support employees to lead healthier lifestyles and we maintain a wide range of global health and wellbeing programs in each country in line with local norms, needs and preferences. In 2014, innovative wellbeing programs were advanced in several countries.

Health and wellbeing in our U.S. facilities

1,777

Active employee members of Teva onsite fitness centers

2,437

Employees who completed a Biometric Screening and Health Risk Questionnaire in the U.S. in 2014

25

Number of Employees used our Smoking Cessation program

163

Employees participated in our Weight Watchers program

Responsible Business Conduct

Wellbeing programs around the world

"We subsidize gym memberships at all U.S. sites and operate on-site fitness centers at our larger sites. We offer a regular schedule of group exercise classes and personal fitness coaching throughout the year. In 2015, Teva U.S. launched a new initiative to create a culture of health, including incentives to motivate employees to better understand and improve their health through wellness checks and biometric screenings. We continue to offer additional options, including smoking cessation and weight reduction programs and Employee Assistance Programs to provide emotional and mental health support to employees and their families. We also encourage our employees to participate in health-focused athletic events in our communities where they can represent Teva."

Lesley Billow, SVP HR, Teva Americas

"In Croatia, we provide sports and active lifestyle activities, healthy food and medical check-ups. We also offer education on preparing healthy food and our company restaurants serve healthy meals following the advice of the country's most famous nutritionists. In addition, we provide medical screenings as a benefit for our employees - about 90% of our employees regularly check their medical condition."

Blagica Petrovac Sikic, Director HR, Croatia, SEE, Italy, Bulgaria

"In Germany, we promote sports and have an on-site sports hall on site and cooperate with external sport activity providers to make health activities convenient and accessible for employees. This includes yoga courses in the lunch break or badminton competitions after work and more. We also offer medical support through an in-house physical therapist. In 2014, we installed our internal Rehabilitation Management program to assist employees to improve their overall health."

Jens-Peter Stehnke, HR Director, Teva Germany, Austria, Switzerland

"In Teva UK, we enable flexibility for employees to select health benefits to fit their lifestyle. Possible benefits include private medical insurance, critical illness insurance, corporate gym membership, dental insurance, cycle to work scheme, health cash plan and health screening. We offer free fitness sessions across all our sites on a twice weekly basis and also provide employee assistance for emotional and mental health support to employees and their families."

Lynda Wilebore, FCIPD HR Director, Teva UK

"In Israel, we maintain one of the best packages available in the local market for our employees, focusing on health insurance and encouraging sport and work-life balance. We offer full health and dental insurance for all employees and in 2014, we introduced a new program that we believe is the best available, offering all employees an annual complete health screening program at a nominated medical center close to their place of work or their home. The screening is fully funded by the company and takes a full day, half of which is paid work time. In Israel, if all employees participate, and we hope they do, it means a potential investment of more than \$2 million per year."

Galit Slavin, Wellbeing Center Manager, Teva Israel

"In Israel, we provide a holistic offering to employees to help them feel and be well. This includes a nutrition program with dieticians and nutritionists at each site - all employees can book a consultation and attend workshops to improve their awareness and overall diet. We maintain several exercise groups onsite including yoga, Pilates and other forms of light exercise. We encourage employees to take part in sports events and Teva is the largest employer in Israel in terms of employee participation in corporate sports leagues and other sponsored sports events in different cities. Just recently, for example, we started a group of 50 women with little sports experience and coached them up to participation in a national Women's Triathlon event."

Lior Cohen, Get in Shape Manager, Teva Israel

Community solidarity

Our 43,000+ employees are all members of local communities in the countries where we operate and they want to feel proud to work for a company that supports local needs and strengthens local social infrastructure.



Teva Poland employees renovating a children's hospital playroom

The focus of our community support is advancing health and wellbeing in the communities where we operate. In addition, we support initiatives to promote and improve science education and show solidarity by

contributing funds and employee time to help improve the quality of life in local communities in diverse ways. In all cases, we aim to build lasting partnerships with social organizations to help create long-term systemic change.

Responsible Business Conduct

Highlights

In 2014, we held our first national three-day volunteering campaign in Israel and **2,500** employees donated thousands of hours in tens of separate activities around the country.



We support more than **500** community partners around the world.



In 2014, we assisted flood relief efforts in the Balkan countries with medicines to the value of **\$160,000.**



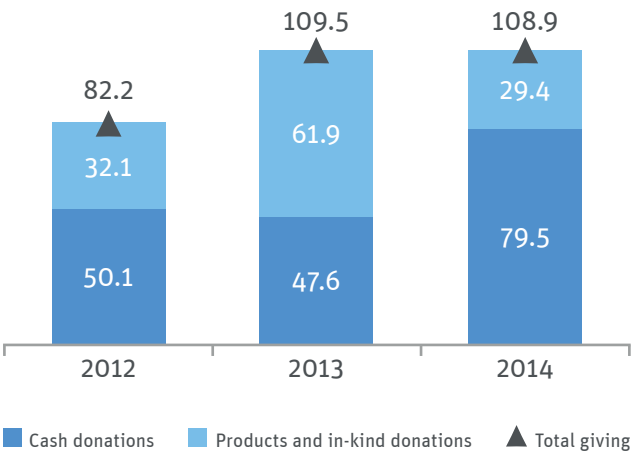
We donated more than **\$108** million to support our communities around the world.



Corporate giving

In 2014, we again contributed more than \$100 million to community causes, with a strong focus on initiatives that advance health and wellbeing, as well as supporting the advancement of science education and community needs around the world. Overall, we supported more than 500 community partners in our different countries of operation.

Teva corporate giving in \$millions



Community activity highlights around the world



In Poland, more than 60 employees were involved in renovating playrooms for hospitalized children in pediatric wards that Teva funded. The playrooms are professionally designed to support the therapeutic process. The first playroom was completed in November 2014 and the program continues in hospitals in the Łódzki, Podlaski and Mazowiecki regions.



In Hungary, Teva launched a new initiative to teach employees and members of the community resuscitation techniques to potentially help save lives before the arrival of an ambulance. We launched the campaign nationwide with 40 Hungarian journalists to help raise awareness.



In Israel, as part of National Science Day, Teva set up a temporary interactive science center in Tel Aviv welcoming thousands of young visitors to learn about science topics. Many Teva scientists gave lectures around the country for young audiences.



In the UK, Teva was awarded the Gold Quality Mark award at our Castleford site where more than 10% of employees donate to their chosen charities through Payroll Giving. Employees also supported fundraisers such as a fancy dress day in aid of children in need, Movember, and cycling races to support MS.




In Israel, we held a nationwide three-day volunteering event for all Teva employees, offering a wide selection of activities that employees could select in line with their personal passions and preferences. More than 2,500 employees got involved in activities ranging from picking fruit and vegetables for the needy, renovating nine homes, recreational club centers for at-risk youth and foster homes.




In Estonia, Teva employees participated in a charity run to raise funds. Teva matched every \$ raised by employees with more than \$5 from the company. All funds were donated to the Tartu University Children's Hospital fund to support therapeutic water programs for children suffering from juvenile rheumatoid arthritis.



In the U.S., Teva employees in Kansas donated toys to our annual toy drive, partnering with the Shadow Buddies Foundation that provides condition-specific dolls that help educate newly diagnosed children and their families about a medical condition and its treatment.



In Israel, Teva employees helped fill more than 1,000 wishes for children living in foster homes as part of the Teva volunteering week initiative.



In Canada, Teva employees supported the Teva Canada Survivor Scholarship Program at Childhood Cancer Canada through a variety of fundraisers including raffles, pizza sales, cafeteria collection boxes and payroll deductions.

Community activity highlights around the world



In Croatia, Teva maintains four annual blood drives in cooperation with the Croatian Red Cross and the Croatian Institute of Transfusion Medicine. Hundreds of employees donate blood each year.



In Lithuania, Teva employees engaged in many activities, including raising funds for a children's charity and donating furniture and candles at Christmas time.



In Latvia, Teva employees raised funds for the local Palliative Care Society.



In Italy, more than 160 employees again participated in Teva Italia's annual V-Day (volunteer-day), held at ten different social organizations across Italy, supporting disadvantaged children, families in need and victims of abuse.



In Chile, our employees contributed funds that were matched by Teva to a total of almost \$70,000 to Fundación Nuestros Hijos, to purchase computer equipment and birthday gifts for children suffering from cancer. Also, around 80 Teva employees in Chile host monthly "fun chemistry" classes for children supported by the Fundación.



In the Czech Republic, our employees support one of the largest children's hospitals with donations and fundraising, and a Teva Day where employees spend time entertaining hospitalized children.



In the UK, Teva employees at Castleford and Eastbourne sites took part in Business in the Community's Responsible Business Week with activities such as collecting litter, donating to food banks, and collecting books and clothes to donate to those in need.



In Israel, we again honored Teva's former CEO with the Teva Award for Excellence in Memory of Eli Hurvitz by recognizing excellence in education, science and culture.



In the UK, 24 Teva employees took part in the 112 mile course of the Étape du Dales cycling challenge, raising funds for the MS Trust.



In Israel, we again honored scientists making groundbreaking biological discoveries that contribute to the development of medicines with the annual Teva Founders Prize and research grants for researchers who excel in life sciences and biomedical fields. The prizes are awarded by Teva in partnership with the Israel National Academy of Sciences and the Israel Science Foundation.



In the Czech and Slovak Republics, Teva teams held a joint Christmas party in support of MS patients. Employees purchased products made by MS patients supported by the Multiple Sclerosis Association HOPE that helps MS patients improve their physical condition through arts and crafts activities.



In Canada, 40 Teva employees engaged fellow employees during a month-long raffle, auction and loads of fun prizes to raise funds and awareness for prostate cancer, testicular cancer and male mental health initiatives in support of the work of the Movember Foundation.

Caring for communities when disasters strike

The need for access to medicines is especially acute when climate disasters strike vulnerable communities. We believe we have a duty to assist, and we do so by donating medicine through well-established humanitarian organizations that coordinate and support relief efforts.

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, including more than 100,000 that were displaced from their homes. Teva donated medicines to a value of more than \$160,000 and we established a fundraising campaign that raised more than \$20,000 from employees including Teva’s matched funds.

At the end of 2014, in response to a severe Ebola outbreak, Teva’s NGO partner, Direct Relief, prepared the largest shipment of medical goods in its 66-year history. We worked quickly to help with this rapid response, and contributed more than 65,000 units of medicine which were included in an emergency shipment. Direct Relief’s ability to send emergency aid rapidly is heavily dependent on contributions from corporate partners such as Teva. Our support enabled the immediate mobilization of resources to address the urgent needs of healthcare workers and people affected by Ebola throughout the region.



Governance and reporting

Teva 2014 Global Citizenship Report

For a complex global business such as Teva, robust governance, detailed compliance and proactive risk management are the foundations of doing business in a sustainable way.

We aim to go beyond minimal compliance with legislation to create a culture of compliance that proactively assesses all forms of risk and ensures frameworks are in place to protect our business, our patients, our employees and

all the stakeholders we impact. Within this approach, transparency is the key to ensuring our stakeholders know that we take their interests seriously and operate ethically.

Governance, compliance and risk management

Our business continuity depends on strong corporate infrastructures led right from the top of our organization and aligned through every level and stage of our activity.



We face risk with each action and interaction, whether this is economic, reputational, social or environmental risk. We care about being able to improve healthcare for patients as our core mission. Good governance, compliance and effective risk management is the platform for all our activities for the benefit of patients.

We adhere to best practice in terms of corporate governance and our Board of Directors retains a key interest in our role as a good corporate citizen through the Corporate Responsibility Committee of the Board. Our Board of Directors is composed of 15

independent directors and overall, maintains six standing committees to advise and guide the Board in fulfilling its duties. Full details of our governance structure and policies can be found on our website and in our filings to the U.S. Securities and Exchange commission (SEC). Beyond the support of the Board of Directors, we maintain active compliance and risk management programs supported by communications and training and due diligence processes. In the last year, we have updated key compliance and risk-related policies and developed new guidance in key areas for applicable managers and employees.

Governance and reporting

Highlights - governance and reporting

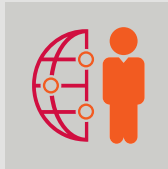
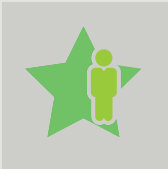
We held compliance training sessions with more than **12,000** employees in attendance.



20,000 employees refreshed their understanding of our compliance policies online.



We introduced a **new policy** for interactions with healthcare professionals.



Governance and reporting

Expanding compliance education



Our Global R&D employees during a compliance training, Frazer PA, USA.

In 2014, we published internally our new Teva global policy on interactions with members of the healthcare community that clearly defines the standards of engagement and payments to healthcare professionals, including but not limited to fees for services, serving as experts in marketing or scientific meetings, and speaking on our behalf or participating in advisory boards as subject matter experts

on different topics. The policy is designed to ensure that we always comply with applicable local legislation wherever we operate, but also, that we take precautions to ensure that all gifts are modest and payments are substantiated and relevant to the business need with no influence on the prescribing of medicines or other direct marketing efforts.

“In 2014, we have continued our momentum in terms of building our culture of compliance and we have implemented more extensive communications and training programs and published updates to some of our compliance policies while developing new ones to fill the gaps. In 2014, we trained over 12,000 employees on global compliance policies in face to face training and more than 20,000 employees read our global compliance policies online and confirmed they understood. One of our key areas of focus has been creating greater clarity around guidelines for giving gifts, hospitality and medical samples. We are also taking a more proactive stand by, for example, sending out reminders of relevant policy statements relating to gifts to all applicable employees ahead of the holiday season.”

Rachel Batykefer, Associate Director, Global Compliance

Governance and reporting

Intensifying risk management

Our new risk management approach is based on advancing actions in each of the four areas of doing more.



“2014 was a year where we intensified our risk management infrastructure and processes, and expanded our risk management network throughout the organization. We now have 16 trained and qualified risk officers throughout the company. In 2014, we mapped all parts of the business for current and potential risks, and shifted our thinking toward making risk management more strategic and embedding it as part of our corporate culture. This has become our risk management evolution – and it’s based on doing more in four key areas. In each of these areas we have started to engage with new processes and install new procedures. This is an ongoing process for Teva.”

Adina Fishman, Head of Global Risk Management Unit

In 2014, we specifically addressed opportunities to improve our risk countermeasures in a range of areas including:

- Working with European finance specialists to help us identify gaps in identification of risks and in creating mitigating action plans for a range of risk management procedures that we have in place relating to anti-money laundering, anti-fraud and regulatory compliance.
- We worked on our due diligence process and improved communication, collaboration, design and implementation of a more robust corporate due diligence progress.
- We worked with an IT security team to identify cyber risk scenarios at some of our main operational sites and prepared new incident response documents.

About this report

This is Teva's third annual global Citizenship Report and our sixth report overall (the first three reports reflected our operations in Israel only). This report describes our approach to citizenship and the key actions we have taken during 2014 to improve our contribution to healthcare around the world and maintain ethical practices.

Quantitative data in this report relates to the 2014 calendar year unless otherwise stated. Our last report covered 2013. The selection of content for this report was driven by our materiality assessment of 2012, management assessments of currently relevant topics and insights from stakeholders gained through our interactions with them during the past year.

This report adopts disclosures from the Global Reporting Initiative (GRI) G4 sustainability reporting guidelines and includes a G4 content index. We expect to report against G4 core option with our next report.

GRI is a not-for-profit, multi-stakeholder organization that acts to increase the level of business transparency through sustainability reporting. The G4 guidelines are considered to be the most advanced sustainability reporting framework available today, used by many of the thousands of companies that publish annual sustainability reports. For more information, please see: www.globalreporting.org.

This report also complies with our commitment to submit an annual Communication on Progress to the UN Global Compact.

This report adopts the principles for defining report content set out in the G4 guidelines. These are: Materiality (the issues most important for our long-term business growth and which are of most importance to stakeholders), Stakeholder Inclusiveness (responding to stakeholder expectations and interests), Sustainability Context (presenting our performance in the wider context of sustainability issues) and Completeness (inclusion of all the information that reflects significant economic impacts in order to enable stakeholders to assess our performance).

We do not seek external assurance for our report. As a complex global operation, we maintain many internal checks of our information and will reconsider external assurance processes when we have fully adopted the G4 reporting framework and all necessary data collection infrastructures are in place.

Additional information about Teva and our global business can be found on our global corporate website, www.tevapharm.com.

Thank you for your interest in this report. We welcome your feedback and suggestions. Please contact our Corporate Responsibility Vice President **Ayala Miller:** teva.social.responsibility@tevapharm.com

UNGC Principles

The UN Global Compact (UNGC) is a strategic policy initiative of the United Nations which encourages companies around the world to adhere to ten principles of responsible business relating to human rights, labor standards, environmental protection and anti-corruption. Teva has participated in the UNGC since 2010.



	Global Compact Principles	GRI G4 Aspects / Disclosures	Our Position
1	Businesses should support and respect the protection of internationally proclaimed human rights.	Human Rights	We conduct our business responsibly according to the highest ethical standards, including respect for all human beings and acknowledgement of their rights. We are working towards fuller implementation of these principles throughout our supply network.
2	Businesses should make sure that they are not complicit in human rights abuses.	Human Rights Local Communities	
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	G4-11 Freedom of Association Labor Relations	We respect the rights of employees to freedom of association and collective bargaining. We maintain a collaborative relationship with employees and address issues relating to their rights in a positive manner.
4	Businesses should support the elimination of all forms of forced and compulsory labor.	Forced and Compulsory Labor	We do not engage in any practice which could be construed as forced labor. All Teva employees are employed lawfully and of their own free will.
5	Businesses should support the effective abolition of child labor.	Child Labor	We respect and support the rights of children and we are committed to safeguarding their interests. We do not employ children in any part of our business.
6	Businesses should support the elimination of discrimination in respect of employment and occupation.	G4-10 Labor Practices and Decent Work	We maintain a policy of equal opportunity and inclusive practices for new and current employees in all matters relating to their employment with Teva.
7	Businesses should support a precautionary approach to environmental challenges.	Environmental	We adopt environmentally-oriented practices in all our operations conserve resources wherever possible.
8	Businesses should undertake initiatives to promote greater environmental responsibility.	Environmental	
9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Environmental	
10	Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-Corruption Public Policy	We are committed to behaving with integrity and act against all forms of corruption.

GRI Content Index

This report contains Standard Disclosures from the GRI G4 Sustainability Reporting Guidelines.

G4	General Standard Disclosure	Page/Link
G4-1	Leadership statement.	Page 5
G4-3	Organization name.	Page 3
G4-4	Brands, products, and services.	Page 3
G4-5	Headquarters location.	Page 3
G4-6	Countries of operation.	Page 4
G4-7	Ownership and legal form.	Page 3
G4-8	Markets served.	Page 3
G4-9	Scale of the organization.	Page 3
G4-10	Employee information.	Page 60
G4-13	Significant changes.	None
G4-14	Precautionary principle.	Page 75
G4-15	External charters.	Page 45, 46
G4-17	Entities included.	All global entities under operational control as detailed in our Annual Report.
G4-18	Process for defining report content.	Page 76
G4-19	Material Aspects identified.	Page 6
G4-23	Changes in Scope and Aspect Boundaries.	Primary stakeholders with whom we engage are: employees, customers, patient associations, healthcare professionals and the healthcare industry, governments and regulators, community and environmental organizations and investors. No specific engagement was undertaken for the purposes of this report.
G4-24	Stakeholder groups engaged.	The key topics arising from engagement with internal and external stakeholders are reflected in our material issues on page 6
G4-26	Approach to stakeholder engagement.	Page 6
G4-27	Key topics from stakeholder engagement.	
G4-28	Reporting period.	Page 76
G4-29	Recent previous report.	Page 76
G4-30	Reporting cycle.	Annual
G4-31	Contact point.	Page 76
G4-32	"In accordance" option and Content Index.	Page 76
G4-33	Policy with regard to external assurance.	Page 76
G4-34	Governance structure of the organization.	Page 72
G4-56	Values, principles and codes of ethics.	Page 44

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Specific Standard Disclosures				
Material Impact	G4 Material Aspect	Indicator	Detail	Page / Link
Patient Safety	Product Responsibility	G4-PR2	Incidents of non-compliance concerning health and safety impacts of products and services	No incidents.
Affordability of medicines	Indirect economic impacts	G4-EC8	Significant indirect economic impacts	Pages 11-15
Human rights	Investment	G4-HR2	Total hours of employee training on human rights policies or procedures	Partially reported - ethics training, page 44
	Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken	No incidents of discrimination reported.
	Assessment	G4-HR9	Operations that have been subject to human rights reviews or impact assessments	Almost all of our own operations have been assessed for human rights compliance. Certain external suppliers have been assessed on an as-needed basis.
Bribery and corruption	Anti-corruption	G4-SO3	Operations assessed for risks related to corruption and the significant risks identified	Page 75
	Anti-corruption	G4-SO4	Communication and training on anti-corruption policies and procedures	Page 74
	Anti-corruption	G4-SO5	Confirmed incidents of corruption and actions taken	No confirmed incidents of corruption.
Clinical trials	Product Responsibility	G4-PR1	Product and service categories for which health and safety impacts are assessed	As a pharmaceutical company, 100% of our products are assessed for health and safety. See Patient Safety chapter on page 30.

Governance and reporting

Specific Standard Disclosures				
Material Impact	G4 Material Aspect	Indicator	Detail	Page / Link
Transparency and disclosure	Indirect economic impacts	N/A	Reporting our impacts	We publish an annual Citizenship Report covering our ESG impacts and also report annually to the Carbon Disclosure Project.
Strengthening healthcare infrastructure	Indirect economic impacts	G4-EC8	Significant indirect economic impacts	Pages 26-30
Health and safety	Labor Practices	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism	Pages 56, 57
Product labeling	Product and Service Labeling	G4-PR3	Product and service information information and labeling	As a pharmaceutical company, we comply with strictly-regulated product labeling for 100% of our products.
		G4-PR4	Non-compliance concerning product and service information and labeling	No confirmed incidents of non-compliance.

Governance and reporting

Additional indicators		Indicator	Detail	Page / Link
Economic impacts	Economic	G4-EC1	Direct economic value generated and distributed	Not reported
Environment	Energy	G4-EN3	Energy consumption within the organization	Page 53
Environment	Energy	G4-EN6	Reduction of energy consumption	Page 52
Environment	Water	G4-EN8	Total water withdrawal by source	Page 53
Environment	Emissions	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Page 53
		G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Page 53
		G4-EN19	Reduction of greenhouse gas (GHG) emissions	Page 54
		G4-EN20	Emissions of ozone-depleting substances (ODS)	Page 53
Environment	Effluents and Waste	G4-EN22	Total water discharge	Page 53
		G4-EN23	Total weight of waste	Page 53
		G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous	Page 53
Labor	Employment	G4-LA1	New employee hires and employee turnover	Page 60
Labor	Diversity and Equal Opportunity	G4-LA12	Breakdown of employees per employee category according to indicators of diversity	Page 60
Social	Local Communities	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	100% of our operations have local community engagement programs. See pages 68-69 for examples from around the world.
Social	Grievance Mechanisms for Impacts on Society	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	No grievances reported.