

# Teva 2017 Social Impact Report



# Table of contents

3	Messages from Teva	28	Leading a responsible business
4	A message from our President & CEO, Kåre Schultz	29	Ensuring patient safety
5	A message from our Social Impact team	30	Preserving a healthy environment and responsible supply chain
6	About Teva	35	Supporting our people
9	Social Impact at Teva	39	Giving back
10	Our approach	41	Maintaining compliance, ethics, and transparency
11	Stakeholder engagement	43	Reporting and disclosures
12	Commitment to Sustainable Development Goals	44	About this report
13	2017 Social Impact highlights	45	United Nations Global Compact Principles
15	2017 Social Impact performance summary	46	Global Reporting Initiative (GRI) content index
17	Contributing to healthy communities	50	Data tables and notes
19	Addressing the challenge of non-communicable diseases		
23	Reducing the spread of communicable diseases		
25	Supporting patients with central nervous system disorders		

# Messages from Teva

## A message from our President & CEO, Kåre Schultz

Teva has a rich history of providing innovative, high-quality generic and specialty drugs, and health solutions to patients around the world every day. Since joining the company late last year, I have been motivated by the opportunity to advance this legacy of promoting health.

In December 2017, we launched a comprehensive restructuring program, crucial to restoring our financial security and stabilizing our business. We have also strengthened our leadership team and created a new organizational structure. These decisions were not taken lightly, but were necessary to enable us to better serve our patients while maintaining the highest standards of quality, ethics, and compliance.

In these times of change, our commitment to Social Impact has not wavered. Social Impact is inherently embedded in our business, as Teva is uniquely positioned to improve health by offering accessible treatments to millions worldwide.

The world is facing dynamic health, environmental, and social challenges. Together with our partners and stakeholders, we are committed to evolving and adapting our efforts to effect change in ways that are aligned with our business expertise and resources.

I encourage you to read about our Social Impact progress in this report and look forward to advancing these efforts together.



**Kåre Schultz**



**Kåre Schultz**  
**President & CEO**  
**Teva Pharmaceutical Industries Ltd.**



## A message from our Social Impact team

Teva's leadership in global healthcare provides us with unique insights into pressing public health challenges, from the complexity of chronic conditions to the persistent burden of communicable diseases. With this experience comes a profound responsibility to our patients and the world.

For Teva, Social Impact is rooted in our responsible business practices. This includes ensuring transparency and compliance in our operations, acting sustainably and treating our environment with respect, and providing our employees with a safe and healthy place to work. It also encompasses our efforts to contribute to healthy communities in ways our business can uniquely support—through affordable medicines, collaboration, health initiatives, and innovative research.

This important work is part of a broader commitment to transform our world for the better, in support of the United Nations Sustainable Development Goals. Together with partners across sectors, we endeavor to address challenges that no one person, company, or country can solve alone.

As we look to the future, we remain dedicated to implementing Social Impact efforts focused on improving patient lives and increasing access to healthcare. This includes codifying corporate policies and positions, expanding partnerships and programs, monitoring our performance, and participating in external performance rankings.

We are committed to enabling patients around the globe through their health journey so they can live better days. Our Social Impact activities bring this to life and support our ambition to make our world a healthier place.

Thank you for joining us on our journey.



**Iris Beck-Codner**



**Amalia Adler-Waxman**



**Iris Beck-Codner**  
Executive Vice President  
Global Brand & Communications  
Teva Pharmaceutical Industries Ltd.



**Amalia Adler-Waxman**  
Vice President  
Social Impact & Responsibility  
Teva Pharmaceutical Industries Ltd.

# About Teva

## Teva is

the world's leading provider of generic medicines, committed to increasing access to high-quality healthcare for people across the globe, at every stage of life.

## We are headquartered in

Israel, where Teva was founded in 1901.

## We specialize in

developing, manufacturing, and delivering affordable generic medicines, as well as innovative and specialty pharmaceuticals, over-the-counter healthcare products, and active pharmaceutical ingredients that we supply to industry peers.

## We are led by

Kåre Schultz, President & CEO, who assumed the role in November 2017. Our Board of Directors is chaired by Dr. Sol J. Barer and comprised of 10 additional Directors.

## We have a presence in

60 countries, with 80 manufacturing facilities.

## We are publicly traded on

the New York Stock Exchange (NYSE: TEVA) and the Tel Aviv Stock Exchange (TASE: TEVA).

## Our Purpose & Values



### Our legacy is


**117 years** of making healthcare accessible and affordable, reaching more than **200 million patients** in **60 markets** every day.




### Our future is


building on our legacy to integrate pharmaceutical products into new healthcare solutions to **enable people to live better days.**


## Our generics

 **16,000** products and  
**50,000** SKUs

 **1,800**  
molecules

 **120 billion**  
tablets and capsules every year

 **12-20%**  
of all prescriptions in markets  
around the world

 Supplied to **all leading**  
pharmaceutical companies  
for clinical trials

## Our leading specialty brands

### Central nervous system

  
**AZILECT**<sup>®</sup>  
(rasagiline tablets)

  
**Austedo**<sup>®</sup>  
(deutetrabenazine)  
6 mg, 9 mg, and 12 mg tablets

  
**COPAXONE**<sup>®</sup>  
(glatiramer acetate injection)

### Respiratory

  
**ProAir RespiClick**<sup>®</sup>  
(albuterol sulfate) Inhalation Powder

  
**QVAR**<sup>®</sup> RediHaler<sup>™</sup>  
(beclomethasone dipropionate HFA)  
Breath-Actuated Inhalation Aerosol 40 mcg - 80 mcg

  
**CINQAIR**<sup>®</sup>  
(reslizumab) Injection  
100 mg/10 mL

  
**DuoResp**<sup>®</sup>  
**Spiromax**<sup>®</sup>  
budesonide/formoterol

### Oncology

  
**BENDEKA**<sup>®</sup>  
(bendamustine HCl)  
injection

  
**GRANIX**<sup>®</sup>  
(TBO-FILGRASTIM)  
Injection

  
**LONQUEX**<sup>®</sup>  
lipegfilgrastim

  
**Trisenox**<sup>®</sup>  
(arsenic trioxide)  
injection 



# Social Impact at Teva

## Our approach

At Teva, Social Impact means aligning our corporate resources and expertise with relevant areas of social need. We are dedicated to promoting health and increasing access to treatment for patients.

As healthcare continues to evolve, Teva's commitment to patients is steadfast. We recognize our tremendous opportunity—and responsibility—to improve lives and deliver lasting Social Impact. Applying a shared value mindset, we seek to create business value while also benefiting society.

In 2017, Teva conducted an extensive review of pressing global health needs and sustainable development imperatives to identify the priorities that guide our Social Impact work. The Social Impact priorities outlined on this page were developed based on dialogue and research within the Teva context, including stakeholder engagement.

### Contributing to healthy communities



Addressing the challenge of non-communicable diseases



Reducing the spread of communicable diseases



Supporting patients with central nervous system disorders

### Leading a responsible business



Ensuring patient safety



Preserving a healthy environment and responsible supply chain



Supporting our people



Giving back



Maintaining compliance, ethics, and transparency

# Stakeholder engagement

Stakeholders play an important role in Social Impact at Teva. They include our patients, caregivers, employees, regulators, the professional healthcare community and healthcare industry, non-profit organizations, customers, investors, and analysts. We maintain regular dialogue with all stakeholders across many different channels, from active participation in meetings, conferences, and industry association events to social media conversations and personal contact. These stakeholders help collaborate on programs and support us in evaluating and refining our efforts. While no specific stakeholder engagement was conducted in preparation for this report, the ways in which we respond to stakeholder needs are described in relevant sections.

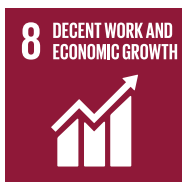
Stakeholder group	Approach to engagement	Key topics raised
Patients	Interactions through patient advocacy organizations	Access and affordability of medicines, treatments for unmet needs
Employees	Annual employee surveys, performance reviews, training events, business reviews, team meetings	Opportunities to develop, opportunities to influence, confidence in leadership
Regulators	Collaborative engagement, as required	Safety, compliance, ethical business
Healthcare industry	Participation in industry associations	Safety of medicines, meeting regulatory changes
Non-profit organizations	Ongoing work with community partners	Environmental sustainability, community solidarity and support
Investors	Regular investor conferences and presentations, periodic meetings with different investor groups	Return on investment, compliance, governance

# Commitment to Sustainable Development Goals

Our Social Impact efforts support the United Nations Sustainable Development Goals (SDGs), which provide a framework for achieving global prosperity.



We advance good health and well-being through our core business of making medicines affordable and developing specialty treatments to address unmet needs. This is also evidenced by our efforts to support patients and invest in our employees and communities.



We promote ethical and responsible business behavior, advancing diversity, gender equality, and inclusion throughout our business.



We invest in research and development to deliver treatments that address patient needs while focusing on environmentally conscious production and enhancing resource efficiency.



We practice environmentally sound management of chemicals and waste throughout their lifecycles, engage in ethical procurement practices, and publicly report on our sustainability practices.



We combat the impact of climate change by improving our energy and emissions efficiencies, and generating and purchasing renewable energy.

## 2017 Social Impact highlights: Contributing to healthy communities

### Announced Social Impact Signature Initiative to address non-communicable diseases (NCDs):



Partnered with **Mount Sinai** on scalable program to address needs of patients with multiple chronic conditions (MCC)



Provided **\$300,000 USD** to 4 clinics across the U.S. to support patients with MCC via two-year Enhancing Access2Care grant program with Direct Relief and Volunteers in Medicine



Published **independent report** quantifying MCC challenges



Launched **AUSTEDO®** (deutetrabenazine),<sup>1</sup> the first and only FDA-approved product to treat both tardive dyskinesia in adults and chorea associated with Huntington's disease disorders that cause involuntary movements



Invested more than **\$1.8B USD in research and development**



Won **2 grants** from the European Research Network to:  
(1) research Huntington's disease  
(2) develop nanotechnology tools for drug delivery



Launched **5 new medicines** to prevent and treat human immunodeficiency virus (HIV)



Launched a **generic version of AirDuo RespiClick®** for asthma patients in the U.S., at a price significantly lower than the originator version



Supplied **3.02 million tablets** of Linezolid for multidrug-resistant tuberculosis, saving **\$2,000+ USD per patient per year**



Donated **\$82.3M USD** and supported communities across more than **25 countries**



Supported **80 patient educational programs** in **38 countries**, reaching more than **300,000 patients**

1. Teva. (2017). AUSTEDO® prescribing information. Available <https://www.austedo.com/hd/pi> (accessed July 2018)

## 2017 Social Impact highlights: **Leading a responsible business**



Developed **6 new corporate positions and policies**, establishing our commitment to donations, human rights, diversity and inclusion, occupational health and safety, the environment, and antimicrobial resistance (AMR)



Invested **\$120M USD in global programs** to make medicines at 38 facilities counterfeit-compliant ahead of anticipated regulatory change



Reduced water withdrawal **by 23%** at 3 water-scarce sites in Israel and India



Continuously improved occupational safety performance, with **7% reduction** in recordable injury rate and **23% reduction** in lost day rate



Recycled **40%** of waste



Conducted **93** leadership development workshops for **1,500 managers**



Implemented Code of Conduct training, reaching **99% of employees**



Achieved **30%** of global electricity supply from green (renewable) sources



Donated more than **36,000 products** to more than **20,000 patients** through Teva Cares Foundation



Achieved the lowest greenhouse gas emissions efficiency rate in Teva's history, **8% lower** than in 2016 and **24% lower** than in 2012



## 2017 Social Impact performance summary

Employees	Unit	2013	2014	2015	2016	2017	Change in 2017
Israel	Number	6,747	6,774	6,817	6,732	6,157	-9%
Europe	Number	18,987	18,507	19,069	25,247	21,745	-14%
U.S. and Canada	Number	8,454	7,671	7,255	10,855	9,568	-12%
Rest of world	Number	8,093	8,126	8,142	11,866	12,048	2%
<b>Direct employees at year end</b>	<b>Number</b>	<b>42,281</b>	<b>41,078</b>	<b>41,283</b>	<b>54,700</b>	<b>49,518</b>	<b>-9%</b>
Employees on permanent contracts	%	94%	96%	95%	94%	96%	2%
<b>Women in management positions</b>	<b>%</b>	<b>N/A</b>	<b>49%</b>	<b>50%</b>	<b>49%</b>	<b>50%</b>	<b>2%</b>
<b>Women in total workforce</b>	<b>%</b>	<b>N/A</b>	<b>46%</b>	<b>47%</b>	<b>47%</b>	<b>46%</b>	<b>-1%</b>
Employee new hires - women	Number	2,212	1,641	2,708	2,497	2,761	11%
Employee new hires - men	Number	2,069	1,823	2,440	2,624	2,634	0%
<b>Total employee new hires</b>	<b>Number</b>	<b>4,281</b>	<b>3,464</b>	<b>5,148</b>	<b>5,121</b>	<b>5,395</b>	<b>5%</b>
Employee leavers - women	Number	2,386	2,027	2,456	4,144	5,032	21%
Employee leavers - men	Number	2,755	2,506	2,832	4,334	5,198	20%
<b>Employee leavers</b>	<b>Number</b>	<b>5,141</b>	<b>4,533</b>	<b>5,288</b>	<b>8,478</b>	<b>10,230</b>	<b>21%</b>
<b>Employee turnover</b>	<b>%</b>	<b>12%</b>	<b>11%</b>	<b>13%</b>	<b>15%</b>	<b>21%</b>	<b>33%</b>

Safety	Unit	2013	2014	2015	2016	2017	Change in 2017
Number of injuries	Injuries	306	209	212	186	212	14%
<b>Injury rate per 100 employees</b>	<b>Rate</b>	<b>0.89</b>	<b>0.61</b>	<b>0.55</b>	<b>0.47</b>	<b>0.44</b>	<b>-7%</b>
Number of lost days due to injury	Days	2,028	1,383	1,976	2,293	2,729	19%
<b>Lost day rate per 100 employees</b>	<b>Rate</b>	<b>0.52</b>	<b>0.42</b>	<b>0.38</b>	<b>0.33</b>	<b>0.25</b>	<b>-23%</b>

Environment	Unit	2013	2014	2015	2016	2017	Change in 2017
Scope 1 Energy consumption	TWh	1.76	1.71	1.64	1.53	1.93	26%
Scope 2 Energy consumption	TWh	1.26	1.26	1.26	1.21	1.47	22%
<b>Total energy consumption</b>	<b>TWh</b>	<b>3.01</b>	<b>2.97</b>	<b>2.90</b>	<b>2.74</b>	<b>3.40</b>	<b>24%</b>
Scope 1 GHG emissions	Tons CO2e	438,420	428,744	405,044	392,268	458,906	17%
Scope 2 GHG emissions	Tons CO2e	613,541	575,015	542,262	455,017	475,038	4%
<b>Total Scope 1 and 2 GHG emissions</b>	<b>Tons CO2e</b>	<b>1,051,961</b>	<b>1,003,759</b>	<b>947,306</b>	<b>847,285</b>	<b>933,944</b>	<b>10%</b>
<b>Water withdrawal</b>	<b>million m3</b>	<b>8.34</b>	<b>7.46</b>	<b>8.11</b>	<b>7.75</b>	<b>9.14</b>	<b>18%</b>
Water discharge	million m3	6.04	5.79	6.11	6.96	9.23	33%
Percent water discharged	%	0.72	0.78	0.75	0.90	1.01	12%
Waste to recycling	Tons	N/A	64,644	101,092	93,708	83,472	-11%
Waste to landfill	Tons	N/A	18,972	10,419	15,229	12,749	-16%
<b>Total waste</b>	<b>Tons</b>	<b>N/A</b>	<b>224,189</b>	<b>288,688</b>	<b>219,144</b>	<b>208,650</b>	<b>-5%</b>
Percent waste recycled	%	N/A	29%	35%	43%	40%	-6%
<b>Energy intensity</b>	<b>MWh/employee</b>	<b>67.03</b>	<b>69.15</b>	<b>67.76</b>	<b>63.72</b>	<b>66.15</b>	<b>4%</b>
<b>GHG emissions intensity</b>	<b>Tons CO2e/employee</b>	<b>23.41</b>	<b>23.34</b>	<b>22.11</b>	<b>19.74</b>	<b>18.20</b>	<b>-8%</b>
<b>Water intensity</b>	<b>M3/employee</b>	<b>186</b>	<b>173</b>	<b>189</b>	<b>180</b>	<b>178</b>	<b>-1%</b>
<b>Waste intensity</b>	<b>Tons/employee</b>	<b>N/A</b>	<b>5.21</b>	<b>6.74</b>	<b>5.10</b>	<b>4.07</b>	<b>-20%</b>

Environmental data in 2017 reflect Teva's legacy operations and additional Actavis sites added in 2017. See GRI Content Index for detailed notes on methodologies for these and other data points.

# Contributing to healthy communities

For Teva, a healthy community is one in which individuals have access to resources and conditions that enable them to live their healthiest lives. Cultivating healthier communities allows us to support people around the world on their individual paths toward wellness, thereby creating value for society and our business.

## We deliver health to patients through our:



### Portfolio

We are the world's leading provider of generic medicines. Our expertise in specialty treatments is focused on disorders of the central nervous system, respiratory disease, cancer, and pain. We also supply the pharmaceutical industry with high-quality active pharmaceutical ingredients (APIs), ingredients in a pharmaceutical drug that are pharmacologically active.

Launched approximately **1,000** generics globally

Offered **16,000** products and **50,000** SKUs

Held top **3** position for generics in **25** markets

Supplied **370+** APIs to nearly **1,000** customers in **100** countries



### Programs

We engage in programs to support and improve quality of life for patients and their families.

Supported **80+** patient educational programs

Reached **300,000+** patients in 38 countries through supported programs

Covered **various therapeutic areas**, including multiple sclerosis and cancer



### Pipeline

We reimagine, innovate, and co-create health solutions to improve understanding of medicine and reach high-need patients.

Invested **\$1.8B+** USD in research and development, a significant portion supporting patients with no alternative therapy

Funded **\$350,000+** USD in genetic disorder and autism brain mechanism research with Israel's Bar-Ilan University

In **collaboration** with FHI 360 and Bill & Melinda Gates Foundation, developing an **injectable contraceptive for six-month protection**



### Partnerships

We join forces with peers, stakeholders, and organizations across sectors, leveraging diverse skills and resources to mitigate barriers to access, support patients and their families, and advocate for patients across disease areas.

Convened **17** global patient advocacy groups (total membership of **2,000** organizations in **50** disease areas across **170** countries) via Improving Health Global Patient Advocacy Dialogue

Sponsored and participated in the **inaugural conference** of healthcare experts to address leveraging generics and biosimilars to meet unmet patient needs through the Value Added Medicines group of Medicines for Europe, which Teva chairs

# Addressing the challenge of non-communicable diseases

Non-communicable diseases (NCDs), or chronic diseases, are often of long duration and result from genetic, physiological, environmental, and behavioral factors. As life expectancy increases, the number of people who eventually develop NCDs continues to grow. According to the World Health Organization, NCDs account for 40 million deaths each year, with 32.4 million caused by cardiovascular diseases, respiratory diseases, cancers, and diabetes.<sup>2</sup> Neurological and mental disorders, such as migraine and depression, continue to be some of the most disabling diseases today.<sup>3</sup> The increasing burden of NCDs, which falls disproportionately on low-income countries and the poorest people, has made prevention and management a global priority.

NCDs threaten progress toward the United Nations 2030 Agenda for Sustainable Development, which targets reducing premature deaths from NCDs by one-third. Through both global and local efforts, Teva is committed to addressing the burden of NCDs and improving patient lives.

## Teva's Social Impact Signature Initiative: uncovering solutions to multiple chronic conditions

Through ongoing conversations with health leaders and patients, we identified an emerging global health challenge directly related to NCDs. **Multiple chronic conditions** (MCC) is characterized by the presence of two or more chronic conditions. These can include chronic diseases—most of which are non-communicable, such as cardiovascular diseases, but also some communicable diseases, such as tuberculosis and human immunodeficiency virus.

MCC magnifies the complexity of treatment, exponentially increases healthcare costs and, most importantly, affects individuals, caregivers, communities, and health systems.

Through multisectoral partnerships, Teva is committed to helping address MCC by supporting design and implementation of evidence-based care programs targeting concrete outcomes. Working together, we have the potential to improve the quality of life for people with MCC and their caregivers while also decreasing health costs to individuals and society.



2. World Health Organization. (2017). Noncommunicable diseases key facts. Available <http://www.who.int/news-room/fact-sheets/detail/noncommunicable-diseases> (accessed June 2018)

3. Vigo D, Thornicroft G, Atun R. (2016). Estimating the true global burden of mental illness. *The Lancet Psychiatry*, 3(2), 171-178.

## What is multiple chronic conditions?<sup>4</sup>

**Multiple chronic conditions (MCC)** refers to the presence of two or more chronic conditions in a single patient.

Most common lifestyle risk factors

- High blood pressure
- High total cholesterol
- Smoking
- High fasting glucose
- High body mass index

MCC affects:  
**1 in 3** of all adults  
**2 in 3** of those 65+

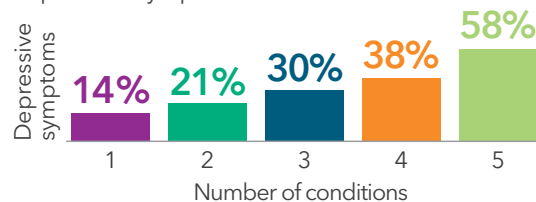
MCC has been associated with older age, undesirable lifestyle factors, and low socioeconomic status

In low-income countries, those with MCC are more likely to suffer from both infectious and non-infectious chronic conditions, making management and treatment complex

### WITH EACH ADDITIONAL CHRONIC CONDITION:

Older adults are prescribed as many as **8x 8 MORE** medications

### Depressive symptoms increase:



Healthcare costs more than double



In general, medication adherence declines with each additional dose per day:



4. Teva. (2016). Multiple chronic conditions: The global state. Available <http://www.tevapharm.com/files/responsibility/lobby/TEVA%20MCC%202-Page.pdf> (accessed July 2018)



## Our progress in 2017

### March

- Released independent research report, ***Multiple Chronic Conditions: The Global State***, quantifying the health, economic, and personal challenges of patients with MCC and burden on communities and systems
- Provided \$300,000 USD to four clinics across the U.S. to support patients with MCC via two-year Enhancing Access2Care grant program with Direct Relief and Volunteers in Medicine



### May

- Hosted more than 40 experts with the International Association of Patient Organizations at the World Health Assembly in Geneva to address gaps between sectors and align policy agendas to support people with MCC

### September

- Launched **partnership with Mount Sinai's Arnhold Institute for Global Health** in New York to design and evaluate patient-centered, integrated approach for people with MCC, with potential to scale-up to larger patient populations
- Assembled leaders in global health to discuss potential solutions at World Economic Forum (WEF) Sustainable Development Impact Summit



Patient shares experience with MCC during WEF Sustainable Development Impact Summit in New York



Every dollar invested in Volunteers in Medicine translates to nearly \$72 in direct patient care.



Through our partnership with Teva, we have designed new ways of analyzing trends in MCC in the U.S. and globally. 50 percent of New Yorkers who receive Medicaid in our health system have MCC. These patients are developing chronic conditions younger than expected, and about half develop MCC by age 35—twenty years before similar populations in Israel. Examining combinations, or clusters, of chronic conditions provides new ways of looking at disease burdens and has implications for future treatments incorporating digital and behavioral solutions.”

Sandeep P. Kishore, MD, PhD, MSc, *Associate Director, Arnhold Institute for Global Health, Icahn School of Medicine at Mount Sinai Health System*



Treating patients at risk of, or with, MCC, is a priority for Mount Sinai Health System. The insights from the discovery phase of our work with Teva are already influencing new models of care.”

Prabhjot Singh, MD, PhD, *Director, Arnhold Institute for Global Health and Chair, Department of Health System Design and Global Health, Mount Sinai Health System*

## Partnerships to improve access

Joining forces with government and industry peers, we work to improve access to essential medicines to treat chronic conditions.

### Collaborating for prevention and treatment

In 2017, Teva joined a [new global coalition](#), led by PATH, an international non-profit organization and global health leader. The new Coalition for Access to NCD Medicines & Products brings together multisectoral partners to increase access to essential medicines and health products to prevent and treat NCDs.

### Making chronic disease medicines accessible

Teva was one of the first pharmaceutical companies to join the Accessible Medicines reimbursement program launched by Ukraine's Ministry of Health in 2017. To decrease financial barriers, we reduced the cost of Teva's 12 essential medicines that were first included in the program by 25% on average. Teva's medicines cover all three therapeutic areas of Accessible Medicines: cardiovascular, asthma, and type 2 diabetes.<sup>5</sup>

## Respiratory diseases

Approximately 235 million people globally currently suffer from asthma—a chronic disease that causes inflammation and narrowing of the airways of the lungs—but proper treatment can manage symptoms and improve quality of life.<sup>6</sup>

### Ensuring affordable alternatives

In the U.S., Teva launched FDA-approved AirDuo RespiClick<sup>®</sup>,<sup>7</sup> a specialty breath-activated, multi-dose dry powder inhaler (MDPI), to provide treatment for adolescent and adult asthma patients. Simultaneously, we also launched a generic version in order to improve access to this critical asthma drug. **The generic was priced significantly lower than AirDuo RespiClick<sup>®</sup> and 75% lower than the lowest-priced alternative** to address the need for more affordable treatment options.

### Employing technology for health

Teva partnered with the UK's National Health Services (NHS) on the [Perfect Patient Pathway](#) Test Bed project to test digital, behavioral, and patient support healthcare solutions for people with respiratory diseases. The NHS in Sheffield received access to an asthma management platform for patients, which is comprised of a sensor on a metered dose inhaler that tracks and records inhaler use, providing real-time data. The platform also includes a patient support contact center. In January 2017, the first 200 patients enrolled in the project.

## Cancer

8.9 million people worldwide died from cancer in 2015, representing nearly one in six of all global deaths.<sup>8</sup>

### Maintaining access to medicine

Due to local supply issues, approximately 40,000 people in Turkey no longer had access to breast cancer therapy in 2017. We leveraged our global commercial and supply organizations to fast-track regulatory and medical processes to provide our U.S. generic product. As a result, patients maintained treatment continuity and Teva supplied a sustainable source of tamoxifen citrate tablets in 2017, tripling the number of tablets we provided to patients prior to this direct involvement.

### Supporting patients at home

We launched our Liaison Support Program in Australia to provide physical and emotional support for patients who self-inject Lonquex<sup>®</sup> (lipegfilgrastim) injection,<sup>9</sup> a treatment to boost the immune system following chemotherapy. The program, a first in the country, offers in-home nurse injection training and assistance, internet or telephone support, and educational literature.

5. Beal J. (2017). Can affordable medicines become a reality for Ukraine? IHS Markit. Available <https://ihsmarkit.com/research-analysis/can-affordable-medicines-become-a-reality-for-ukraine.html> (accessed June 2018)

6. World Health Organization. (2017). Asthma key facts. Available <http://www.who.int/news-room/fact-sheets/detail/asthma> (accessed June 2018)

7. Teva. (2017). AirDuo RespiClick<sup>®</sup> prescribing information. Available <http://airduorespiclick.com/assets/pdf/PI.pdf> (accessed July 2018)

8. Fitzmaurice C, et al. (2017). Global, regional, and national cancer incidence, mortality, years of life lost, years lived with disability, and disability-adjusted life-years for 32 cancer groups, 1990 to 2015: a systematic analysis for the global burden of disease study. *JAMA Oncology* 3.4: 524-548.

9. Teva. (2017). Lonquex<sup>®</sup> product information. Available <https://www.tga.gov.au/sites/default/files/auspar-lipegfilgrastim-rbe-160223-pi.pdf> (accessed July 2018)

# Reducing the spread of communicable diseases

Communicable, or infectious, diseases are caused by microorganisms that spread from one person to another and include tuberculosis (TB), influenza, and human immunodeficiency virus (HIV). While deaths from communicable diseases have been reduced by vaccines and treatment advancements, their ability to spread widely and, in some cases, become chronic, poses a global health threat. In alignment with the United Nations Sustainable Development Goals (target 3.3: end the epidemics of AIDS, TB, malaria, and neglected tropical diseases and combat hepatitis, water-borne diseases, and other communicable diseases), in 2017, Teva delivered novel treatments and preventive medicines for patients suffering from, or at risk of, infectious diseases.

## Tuberculosis

TB is an airborne bacterial infection affecting the lungs. When it doesn't respond to the two most powerful anti-TB drugs, it can become multidrug-resistant tuberculosis (MDR-TB). Although TB mortality rates dropped 37% from 2000 to 2016, it remains the world's leading infectious killer.<sup>10</sup>

### Supplying generics, driving shared value

We participate in global tenders that supply generics to society's most vulnerable while also bringing value to our business. In 2017, for the second time, we won a tender to supply Linezolid, medicine used for the treatment of MDR-TB. We supplied more than 3.02 million tablets, offering savings of more than \$2,000 USD per patient per year. We also committed to supplying 1.58 million tablets of highly purified vitamin B6 to the United Nations in 2017 and 2018 to prevent peripheral neuropathy in persons receiving TB treatment with isoniazid.

## Human immunodeficiency virus

HIV is a virus spread through bodily fluids that attacks the immune system by destroying cells that fight disease and infection. Despite advances in treatment, in 2016, approximately 36.7 million people were still living with HIV.<sup>11</sup> For years, Teva has supported patients living with HIV and helped prevent the spread of this potentially fatal virus. In 2017, we launched five HIV medicines around the world, including North America, Europe, and Asia.

### Bringing prevention within reach

In Israel, we launched our generic pre-exposure prophylaxis (PrEP) treatment to prevent HIV among healthy individuals at high risk of being infected. PrEP is shown to decrease infection rates by 92%.<sup>12</sup> Within months of the initial launch, more than 1,000 prescriptions were issued. To support awareness, we helped train more than 200 healthcare professionals on administering PrEP and partnered with the Israel AIDS Task Force to deliver educational materials.

10. World Health Organization. (2017). Global tuberculosis report 2017. Available <http://apps.who.int/iris/bitstream/10665/259366/1/9789241565516-eng.pdf?ua=1> (accessed May 2018)

11. UNAIDS. (2017). Fact sheet World AIDS Day 2017. Available <http://www.amfar.org/worldwide-aids-stats/> (accessed June 2018)

12. Centers for Disease Control and Prevention. (2018). Pre-exposure prophylaxis. Available <https://www.cdc.gov/hiv/risk/prep/index.html> (accessed June 2018)

## Antimicrobial resistance

Antimicrobial resistance (AMR) occurs when bacteria and related illnesses become resistant to antibiotics. Without effective antibiotics, infectious diseases can become deadly outbreaks, not just in humans, but also in our global food supply. In the U.S. alone, more than two million people will develop an infection caused by antibiotic-resistant bacteria each year, resulting in about 23,000 deaths.<sup>13</sup>

### Partnering to address antimicrobial resistance with industry leaders

Addressing antibiotic effectiveness and understanding how alternative approaches can treat and prevent infections is a top priority. Teva is committed to being a part of the solution. We work to improve hygiene, vaccination, and preventive treatments to reduce the spread of infections needing antibiotic treatment as well as support programs to promote appropriate antibiotic use.

Following the 2016 World Economic Forum, global pharmaceutical companies and health organizations, including Teva, created the [AMR Industry Alliance](#). The Alliance provides multifaceted, sustainable solutions to reduce AMR, invest in R&D to meet public health needs, and improve access to antibiotics, vaccines, and diagnostics.

### Encouraging and supporting immunization programs

The spread of AMR can be limited through immunization, preventing noncritical use of antibiotics. In Canada, where legislation enables pharmacists to administer immunizations and injectable drugs, we maintain a comprehensive [pharmacist and pharmacy technician training program](#). This advanced Canadian program helps pharmacists deliver immunizations safely and competently.



In 2017, we developed [Teva's Position on Antimicrobial Resistance](#) to formalize our commitment to combating AMR.

13. Centers for Disease Control and Prevention. (2018). About antimicrobial resistance. Available <https://www.cdc.gov/drugresistance/about.html> (accessed June 2018)

# Supporting patients with central nervous system disorders

Disorders of the central nervous system (CNS) affect the structure or function of the brain or spinal cord. Teva is a global leader in innovative treatments for CNS disorders. Our portfolio aims to develop, personalize, and improve treatments, particularly for multiple sclerosis (MS), neurodegenerative disorders, such as Huntington's disease (HD), as well as headache and migraine.

## Uncovering novel therapies for the brain and mind

In 2017, we concluded our [National Network of Excellence in Neuroscience \(NNE\)](#) initiative, a \$15M USD commitment to brain and mind therapeutics research, initiated in 2013. It awarded 78 grants to researchers who published 70 peer-reviewed papers. The research helped progress our understanding of disease pathways and identify new approaches to address neurological disease.

## Huntington's disease

Huntington's disease (HD) is a genetic disorder that causes progressive degeneration of nerve cells in the brain and affects an estimated three to seven of every 100,000 people of European ancestry.<sup>14</sup>

## Evolving medicines

In 2017, we launched our new product AUSTEDO® (deutetrabenazine),<sup>15</sup> the only FDA-approved product to treat both tardive dyskinesia (TD) in adults and chorea associated with HD disorders that cause involuntary movements. The treatment offers targeted relief for patients.

## Raising awareness

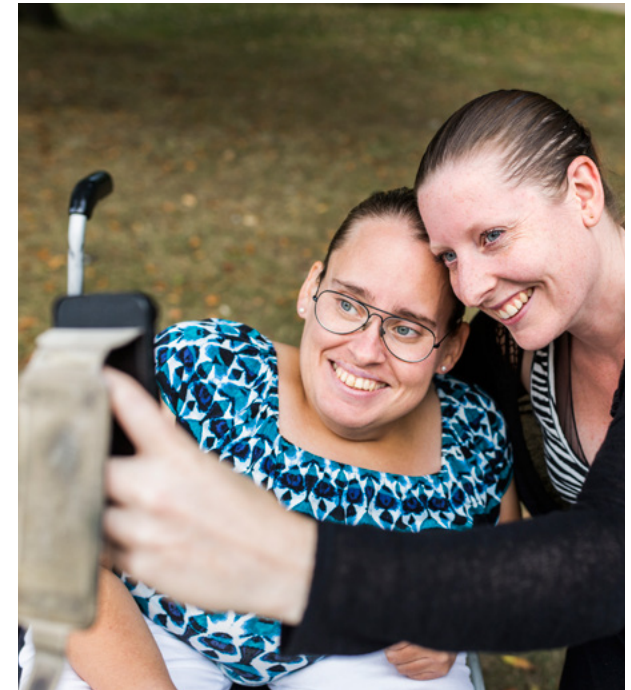
In 2017, we [funded travel](#) for patients and families from Colombia, Venezuela, and Argentina to attend a special papal audience at the Vatican, where Pope Francis publicly recognized HD to help reduce stigma. More than 1,700 people with HD from more than 20 countries attended—making this one of the largest events in the HD community.

## Advancing research

Teva won a grant from the European Research Network Marie Skłodowska-Curie Actions to research specific aspects of HD.

## Supporting care coordination

Aim Forward is a Teva-supported population health program that provides patient and provider tools to improve patient outcomes and reduce physician burden and system costs. Initiated in 2015, Aim Forward partners with Integrated Delivery Networks in the U.S. to address issues such as patient care gaps, delayed referral, and lack of care coordination in movement disorder, women's health, respiratory, and hematologic oncology. In 2017, we developed a care coordination checklist with Huntington's Disease Society of America to improve HD care management by identifying roles and responsibilities for the multidisciplinary team.



14. U.S. National Library of Medicine. (2018). Huntington's disease. Available <https://ghr.nlm.nih.gov/condition/huntington-disease#genes> (accessed June 2018)

15. Teva. (2017). AUSTEDO® prescribing information. Available <https://www.austedo.com/hd/pi> (accessed July 2018)



## Multiple sclerosis

Current estimates indicate approximately 2.3 million people live with multiple sclerosis (MS) worldwide.<sup>16</sup> Prevalence rates are higher in populations farther from the equator.

### Improving quality of life

Teva has been a long-standing partner of the MS International Federation (MSIF). In 2016 and 2017, we helped support the development of [MSIF's seven principles](#) to improve quality of life for MS patients, which inform patient organizations' programs and our other efforts to support MS patients.

In line with the principles focused on accessible and flexible leisure opportunities, Teva created an [Accessibility Map](#) in Moscow, Russia, focused on improving access to services and resources for MS patients and anyone with impaired mobility. It features information on more than 4,000 verified places in Moscow, neurology centers, theaters, museums, concert halls, sports facilities, banks, social care support offices, and more. Three low-mobility bloggers tested it and shared stories to raise awareness.

Other principles center on empowerment of those with MS and the importance of support from family and caregivers, which both played key roles in a rehabilitation program we offered in six cities in Poland. In partnership with a physical therapist, we organized 30 workshops (9,000 hours of active rehab). The workshops featured a climbing wall to help build confidence, strength, and flexibility for more than 100 MS patients and their caregivers.



For more than 20 years, Teva has offered Copaxone® for patients with MS. Understanding the life-altering social, behavioral, and physical limitations of this condition, we offer patient-centered programs to improve adherence, empower patients, and enable better days.

### Connecting patients to care

In the Black Sea region of Turkey, mountainous terrain makes traveling to a physician challenging for MS patients. To help with continuous care, we piloted a Virtual Visits program to connect 20 patients with a physician via regular video calls. 98% of patients expressed complete satisfaction and improved medication adherence.

### Using patient insights to support care

In the U.S., where women are more than twice as likely to have MS as men, we surveyed 1,000 newly diagnosed women about personal relationships, reproductive issues, and employment concerns. Among these women, **98% did not feel these issues were addressed** by their healthcare team at diagnosis. Together with non-profit organization Can Do MS, Teva developed [resources](#) to improve the dialogue between women and healthcare professionals.

In another initiative designed to empower MS patients, we conducted the first MS patient digital connected health study in the U.S. to increase patients' awareness of how symptoms affect them. 200 patients used connected devices to track activity, sleep, and body composition. Most participants felt more confident in disease self-management and achieved higher activity levels and weight loss.

### Low-mobility bloggers share their experience with the Accessibility Map



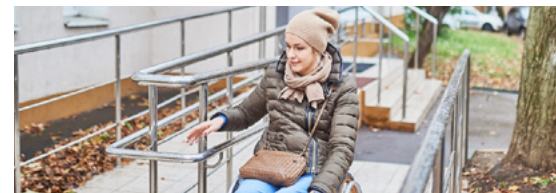
**Olesya Bondarenko:** Mother of 2 daughters (one is disabled), editor of a website for parents of special needs children.

**Concept of blog article:** Leisure day with family including a visit to the park, the zoo, a café, and a pharmacy.



**Sergey Kutovoy:** Professional athlete and trainer. Lost a leg at age 17. His new life served as an impetus to achieve more ambitious objectives and incredible successes.

**Concept of blog article:** A day of a sport lover. Places to visit: Hockey Museum, hockey match, planetarium.



**Evgeniya Voskoboinikova:** Model, activist, and presenter on TV Rain. Lives a full and exciting life and fights for disabled people's rights.

**Concept of blog article:** Accessible social and cultural organizations within walking distance. Places to visit: shopping center, bank, government organization.

16. Browne P, Chandraratna D, Angood C, Tremlett H, Baker C, Taylor BV, Thompson AJ. (2014). Atlas of multiple sclerosis 2013: A growing global problem with widespread inequity. *Neurology*, 83(11), 1022-1024.



## Migraine

Migraine is a neurological disease characterized by neurological symptoms, including incapacitating pain, impacting functioning and productivity, as well as diminishing quality of life. Migraine is the third most common disease in the world, with an estimated global prevalence of 14.7%,<sup>17</sup> more than diabetes, epilepsy, and asthma combined.<sup>18</sup>

### Discovering breakthroughs in headache relief

Through targeted research and clinical trials, we have been advancing a preventive treatment for migraine headaches. In 2017, the U.S. Food and Drug Administration (FDA) accepted the Biologics License Application for our chronic and episodic migraine treatment. We also initiated a Phase II clinical program for treatment of post-traumatic headache disorder, which affects many of the 1.7 million people who suffer traumatic brain injuries each year in the U.S. alone. Our [online forum](#) enables patients to learn more about migraine, seek advice surrounding lifestyle modifications to avoid common migraine triggers, and use mobile apps to track the status of their migraines.

### Co-creating with patients for better outcomes

Together with consumer insights experts, we created My Brain for Migraine Square™—a community of patients with migraine who collaborate with Teva. The program's first stage sought to understand and address patients' needs.



**Our migraine medicine achieved statistically significant results** in our most recent clinical trial of **2,000+ patients** with episodic and chronic migraine.

17. Steiner TJ, et al. (2013). Migraine: the seventh disabler. *The Journal of Headache and Pain*, 14:1.

18. All-Party Parliamentary Group on Primary Headache Disorder. (2010). Headache disorders: not respected, not resourced. Available [http://www.migrainetrust.org/wp-content/uploads/2015/12/2010Mar-APPGPHD\\_REPORT\\_Headache\\_Disorders-NotRespNotReso.pdf](http://www.migrainetrust.org/wp-content/uploads/2015/12/2010Mar-APPGPHD_REPORT_Headache_Disorders-NotRespNotReso.pdf) (accessed July 2018)

# Leading a responsible business

At Teva, a responsible business is one that enacts and enforces strong practices and controls to ensure all activities are carried out reliably, ethically, and transparently. As a global company that influences the health and safety of millions of people, we recognize our responsibility to conduct our business with integrity. Operating in this manner helps ensure our long-term sustainability, allowing us to focus on what matters most—improving health.

# Ensuring patient safety

Patient safety is our priority. We comply with all applicable medicine safety laws, label medicines accurately, and provide comprehensive safety information. Our worldwide network of local safety officers, largely made up of physicians and pharmacists, is supported by our high manufacturing and clinical trial standards, quality assurance, and pharmacovigilance practices.

## Pharmacovigilance

Our global pharmacovigilance division monitors, analyzes, and reports potential safety risks associated with a Teva medicine or device, and delivers reports to health authorities.

### Pharmacovigilance performance 2017



**137,794**  
adverse events reports



**1,979**  
periodic reports



**227**  
Risk Management Plans (RMPs) prepared



**212**  
health hazard assessments completed



**48**  
internal and third-party pharmacovigilance audits



**38**  
pharmacovigilance inspections by regulatory authorities and third parties

#### Advancing pharmacovigilance education in Croatia

In 2017, we created an interactive guide to increase patients' understanding and awareness of the pharmacovigilance process. It describes how medicines are developed, outlines safety processes, roles and responsibilities at each stage of a medicine's lifecycle, and engages readers through facts and quizzes.



Working with Croatian agency HALMED, the European Medicines Agency, and the World Health Organization, we designed and prepared the Pharmacovigilance and Pharmacoepidemiology educational program for University of Zagreb pharmacy students. Members of Teva's pharmacovigilance team presented about pharmaceutical companies' role in detecting, understanding, and managing drug risks.



In 2017, our Medical Scientific Unit, which proactively monitors medicine safety through its lifecycle, prepared **146 Product Safety Group meetings** and identified **9 Risk Management Plans** for products under development.

## Efforts to prevent counterfeit medicines

We support legislation to help prevent widespread use of counterfeit drugs, which can lead to illness and death. A new regulation published last year mandates the U.S. and Europe mark every saleable unit with a 2D barcode, with a unique serial number. We invested more than \$120M USD in a global program to make 326 packing lines at 38 facilities counterfeit-compliant earlier than the regulatory requirement. This initiative required collaboration across our operations, quality assurance, regulatory, and commercial groups. In 2017, we manufactured several medicines at more than 11 counterfeit-compliant facilities.



# Preserving a healthy environment and responsible supply chain

With 80 manufacturing sites in 33 countries, our operations are supported by thousands of vendors, contractors, and materials and services suppliers. We take a precautionary approach to environmental risk and engage suppliers that share our values and embed social and environmental considerations in their operations.

## Environmental footprint

At Teva, we believe we earn the right to operate by being effective stewards of the environment. Our Environment Health and Safety (EHS) Management System is aligned with internationally-recognized EHS standards, and 11 Teva sites around the world hold ISO 14001 Environmental Management System certification.



**In 2017, we invested \$20.3M USD in 87 energy efficiency projects, which yielded 50 MWh annualized electricity savings with 16,700 tons of greenhouse gas (GHG) emissions avoided.**

### Limiting pharmaceuticals in the environment

Part of our responsibility to manage our environmental footprint includes controlling the amount of active pharmaceutical ingredients (APIs)—ingredients in a pharmaceutical drug that are pharmacologically active—in the environment through wastewater discharges from our manufacturing sites. We have a global environmental standard and program for addressing APIs in wastewater. Additionally, as part of an industry coalition, we have contributed to the development of the Eco-Pharmaco Stewardship approach to study and address pharmaceuticals in the environment.



In 2017, we developed [Teva's Position on Environmental Sustainability](#), which details our commitment to minimizing our environmental impact and monitoring progress.

### Evaluating our environmental performance

Following the integration of Actavis sites around the world, our resource consumption changed substantially. While we currently report against the multi-year environmental targets we established in 2012 for Teva legacy sites, we are re-evaluating our baseline for measuring our progress moving forward.



After meeting our 2020 GHG emissions target in 2016, we continued to improve performance. In 2017, Teva legacy operations achieved a **32% reduction in total GHG emissions** compared to 2012.

Cumulative environmental performance against 2020 targets 2013-2017 (Teva legacy sites only)

Targets to 2020	2013	2014	2015	2016	2017
Reduce greenhouse gas emissions by 15% (baseline 2012)	-4%	-8%	-14%	-23%	-32%
Improve energy efficiency by 20% (baseline 2012)	-5%	-6%	-9%	-14%	-13%
Reduce water use at three water-scarce sites by 5% (baseline 2014)	–	–	Achieved at 2 sites	Achieved at 2 sites	Achieved at 3 sites
Increase waste beneficially reused (diverted from landfill) by 10% (baseline 2014)	–	–	21%	48%	39%

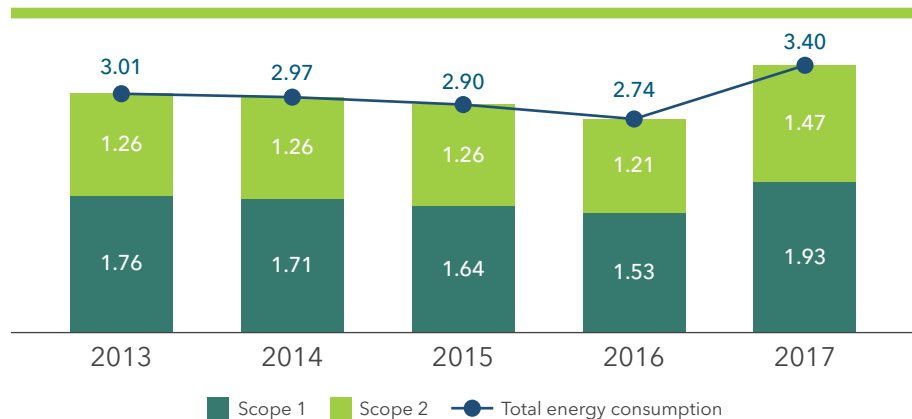
Note: Waste performance includes both Teva Legacy and Actavis sites in all years. Results are actual reuse levels per year.

### Reducing energy use and greenhouse gas emissions

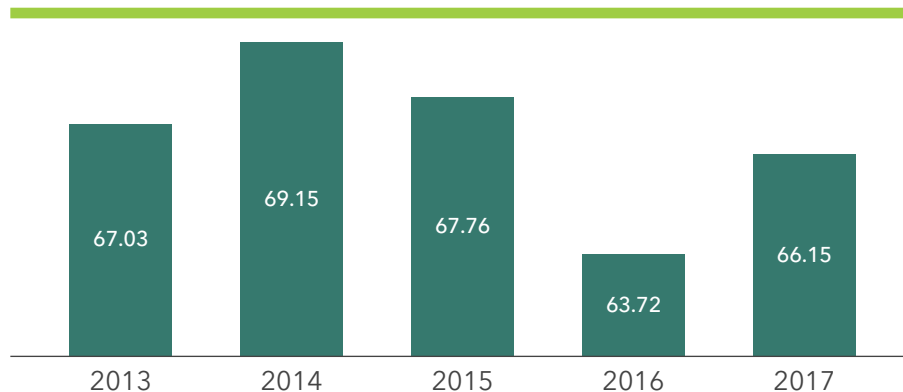
We strive to improve our energy efficiency and manage our energy mix to reduce greenhouse gas (GHG) emissions. Our energy efficiency projects enable us to advance our long-term goal of zero emissions.

In 2017, our overall absolute energy consumption and GHG emissions increased, which reflects the integration of additional sites from Actavis. However, across our total operations in 2017, we were able to achieve the lowest GHG emissions efficiency rate in our history—8% lower than 2016 and 24% lower than 2012.

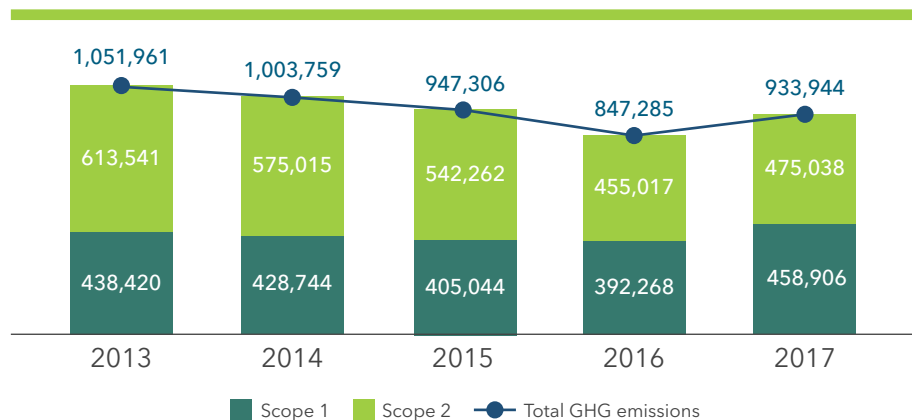
Energy consumption (TWh) 2013-2017



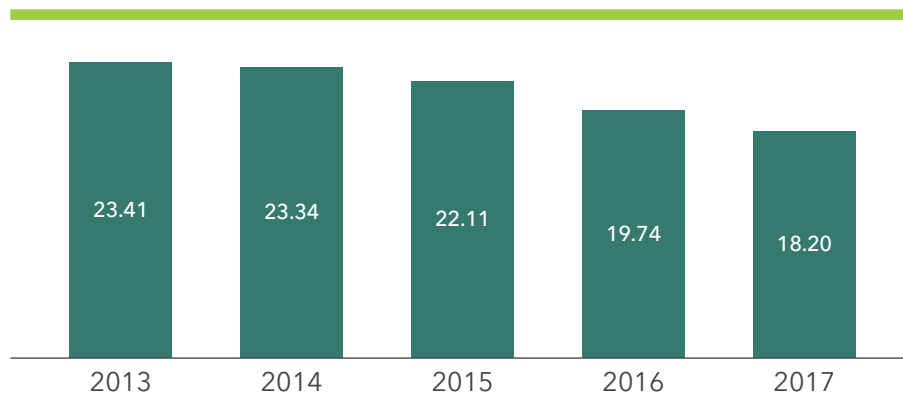
Energy efficiency (MWh/employee) 2013-2017



GHG emissions (metric tons CO2e) 2013-2017



GHG emissions efficiency (ton CO2e/employee) 2013-2017



### Converting to renewable electricity

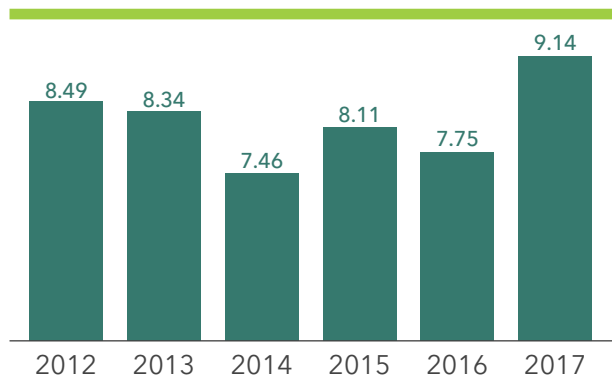
We continue to expand our use of green (renewable) electricity in Europe. By the end of 2017, we achieved our target of 100% green electricity at all Teva legacy sites in 11 countries. 30% of Teva's global electricity supply (over 400,000 MWh) is green, helping us contribute to climate change mitigation by eliminating carbon emissions equivalent to powering almost 45,000 homes for a full year.

### Reducing water consumption

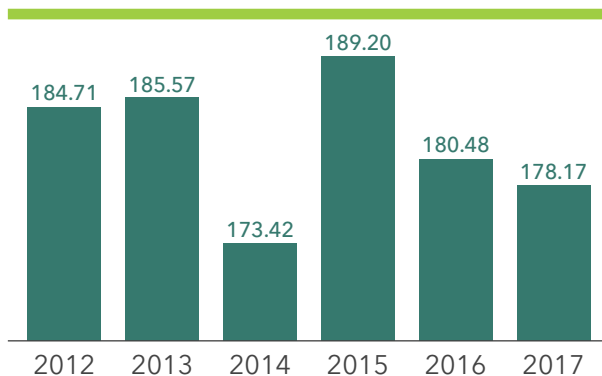
We strive to conserve water and improve efficiencies at all facilities through implementation of a Water Conservation and Management standard.

We further reduced water consumption on a per employee basis in 2017, despite the increase in production and facilities resulting from our Actavis acquisition. We recorded an overall increase in water consumption, but overall, water use efficiency improved by 1% on a per employee basis.

Water withdrawal (million m<sup>3</sup>) 2012-2017




Water efficiency (m<sup>3</sup>/employee) 2012-2017



### Green electricity sourcing in Europe

 **100%** of Teva legacy sites

 **21%** of acquired Actavis sites

 **30%** of all Teva sites globally



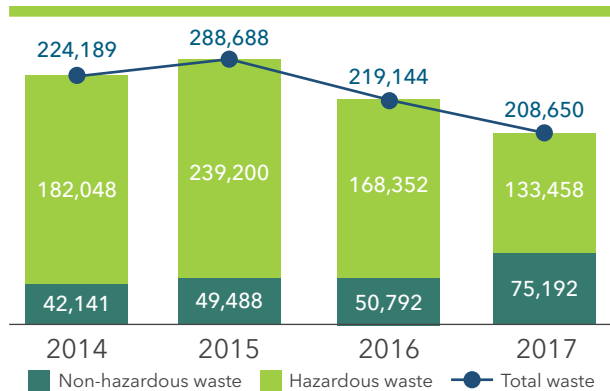
In 2014, we set out to reduce water withdrawal by **5%** at three sites in Israel and India, in water-scarce areas. At these three sites, we have exceeded our 5% target, and overall, reduced withdrawal by **23%** since 2014.



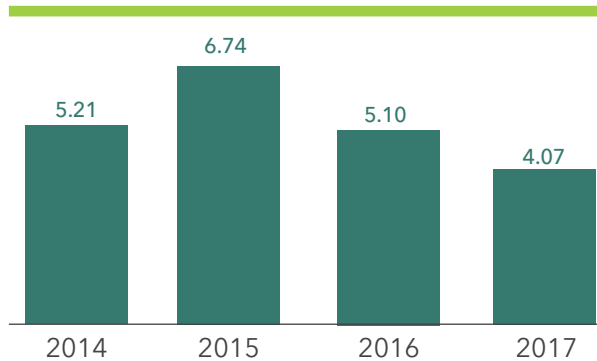
### Increasing beneficial reuse of waste

We strive to reduce waste generated at our sites and recycle as much waste as possible. Our target is to increase the rate of waste beneficially reused by 15% by 2020 compared to 2014. In 2017, 40% of waste was beneficially reused, exceeding our global target, with a 39% improvement compared to 2014. This translates to a 20% reduction in waste generated per employee compared to 2016, our best result since we started measuring waste. We also reduced absolute waste sent to landfill by 16%, a 33% reduction from 2014.

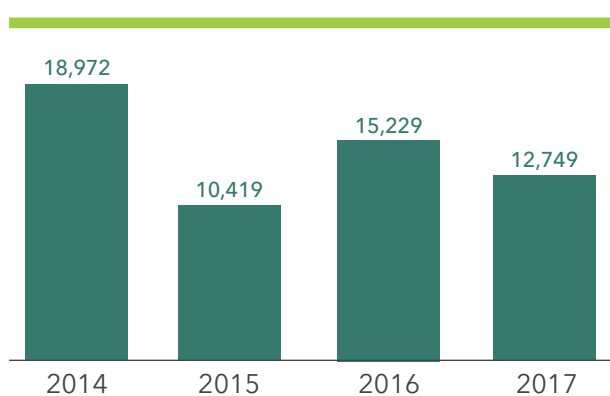
Total waste: hazardous and non-hazardous (tons) 2014-2017



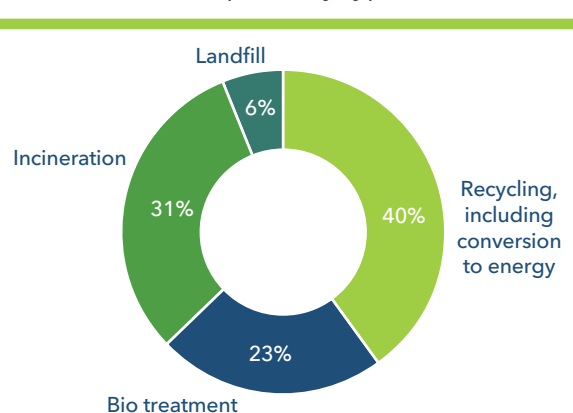
Waste efficiency (tons/employee) 2014-2017



Total waste to landfill (tons) 2014-2017



Waste disposal by type 2017



#### Building a culture of environmental stewardship in Ireland

We reinforce the importance of environmental sustainability through training, education, and local initiatives. In Waterford, Ireland, our Career Bridge program offers employees an opportunity to work in the Environment, Health and Safety department for up to five months. This enables employees to gain new insights into the environmental impact of daily operations and exposure and experience in green careers. The program also creates environmental ambassadors.

### Responsible sourcing

In 2017, we communicated our first Supplier Code of Conduct, detailing expectations of our suppliers. We also initiated the integration of compliance requirements into contracts and Purchase Orders globally.

Teva completed our first supplier risk assessment in 2017, targeting strategic and high-risk suppliers from different sourcing categories, such as contract manufacturing and logistics service providers. This was conducted with the support of EcoVadis, which measures and provides benchmarks for responsible sourcing. We will continue our partnership with EcoVadis and focus on supplier corporate social responsibility risk assessment throughout 2018.

We continue to be a member of the [Pharmaceutical Supply Chain Initiative](#), working with our peers to collectively improve social and environmental standards across supply chains supporting our industry.



Our new Supplier Code of Conduct is translated into **28 languages**.



## Supplier diversity

Teva maintains its commitment to developing a network of suppliers that reflect our customer and patient base. 95% of our global procurement colleagues completed dedicated training to enhance supplier diversity awareness and capabilities in 2017. In the U.S., we participated in 10 outreach events to engage with diverse and small suppliers, such as hosting booths at key national conferences. Teva's Supplier Diversity Lead also presented on the economic impact of supplier diversity programs at the annual National Minority Supplier Development Council Health Care Industry Group meeting.

### Supporting supplier innovation in the United States

One of our suppliers, Perfect Promotions, a certified small women-owned promotional products agency, partnered with specialist company Clement Clarke to design a one-way valve mouthpiece for an inhaler that launched in 2018. The mouthpiece prevents cross-contamination, allowing for multiple demonstrations to be done with each demo inhaler, significantly reducing the number of demo inhalers required for launch training. As a result, these specialized mouthpieces increase the reach of patient demonstrations of the new device at a significantly lower cost than demo inhalers alone.



The inhaler project with Teva enabled us to work across organizations and bring our creativity to the table to help our customer serve more patients and save money. When you develop collaborative relationships based on trust, everyone wins."

Kim Findley, *President, Perfect Promotions*

### Supplier diversity in 2017



Almost \$175M USD spent with diverse and small suppliers



Approx. 46% increase in diverse and small supplier spend\*



Twice as many diverse suppliers compared to 2016\*

## Supply of active pharmaceutical ingredients

Teva APIs (TAPI) is our dedicated division for APIs. The [TAPI online service platform](#) enables customers to explore new APIs from TAPI's portfolio and initiate new projects, download product specifications, obtain safety information, and place service requests. It assists with analytical services, regulatory advice, and intellectual property questions to help customers reach markets efficiently to benefit patients. We have been expanding the reach of TAPI online, and in 2017, launched dedicated access for markets in Latin America and Japan.



**94%** customer satisfaction with our TAPI service in 2017

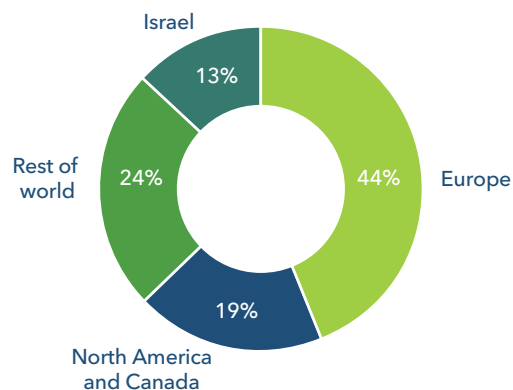


\*Part of this increase reflects reclassification of existing suppliers based on new data.

# Supporting our people

Through our values-based culture, Teva meaningfully engages our global employees, promotes diversity, inclusion, and respect, emphasizes health and well-being, and offers a safe work environment. In 2017, we announced significant organizational changes, including workforce reductions, to ensure long-term competitiveness and stability. Recognizing this process affects all employees, we offered assistance to those leaving the business while continuing training and support for those leading Teva into the future.

Employees by region 2017



## Organizational change

In late 2017, Teva announced a global restructuring program to improve integration, productivity, and efficiencies while reducing costs. This will result in the reduction of approximately 14,000 positions, or about 25% of our workforce, over the next two years. Making changes of this magnitude is difficult, particularly recognizing the years of dedication and significant contributions of those parting from the company. Every effort has been taken to ensure this process is respectful and transparent. We will support those leaving the business in identifying new opportunities and transitioning to new careers or companies.

## Employee feedback and development

We value our employees' perspectives and offer forums for them to share their input. Especially during times of change, we remain dedicated to investing in our employees' personal growth by offering enriching programs and training.

### Listening to our employees

In 2017, more than 42,200 employees completed our annual Teva Organizational Health Survey—an 86% global response rate. Many employees expressed a continued belief in the meaningful impact of Teva's work on healthcare, patients, and society. The majority said they are treated with respect, care, and concern, and receive ongoing communications and feedback.

### Investing in our workforce

To support our leaders and help them respond effectively to current challenges, we maintained several management development and leadership programs in 2017. We also introduced a new managerial hub—an online "go-to" space to accelerate the learning curve across a range of management skills. Additionally, we maintained our Connect Performance and Reward process that helps managers engage employees in meaningful dialogue to enhance performance, support development, and recognize contributions. We targeted retention of high-potential employees through programs to support growth and launched a unified employee recognition program, with plans to roll out a global platform in 2018.



In 2017, we **conducted 93 development workshops** for **1,500 leaders** at various levels of the organization.



## Diversity and inclusion

We are dedicated to maintaining an inclusive culture that encourages and empowers all individuals to contribute to the maximum extent of their capabilities.

“ Our Position on Diversity and Inclusion is grounded in Teva’s core values of ‘caring’ and ‘getting it done together.’ It reaffirms our commitment to recruiting, advancing, recognizing, and retaining individuals from a range of backgrounds. We are dedicated to maintaining a culture that celebrates our differences while recognizing diversity supports our collective strength and growth.”

Mark Sabag, *Executive Vice President, Global Human Resources, Teva Pharmaceutical Industries Ltd.*



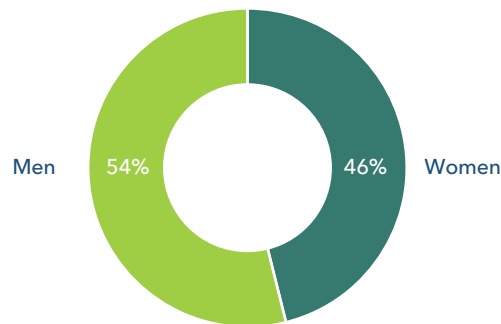
In 2017, we developed [Teva’s Position on Diversity and Inclusion](#), which details our commitment to nurturing a diverse, respectful workplace.

### Elevating women at Teva

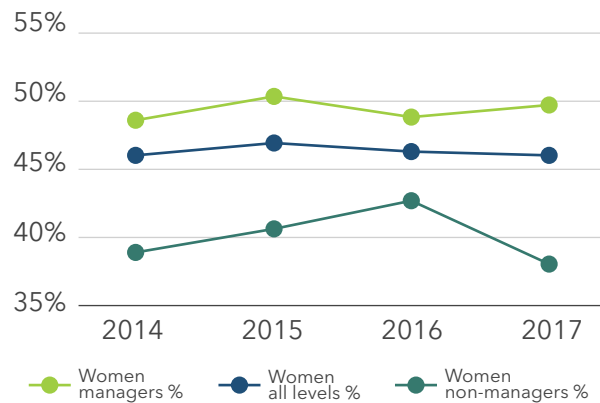
We have consistently maintained equal representation of women and men across all levels of our organization, including equality in manager roles for several years. This provides business value and increases employee engagement. We are committed to breaking down any remaining barriers for women to advance at Teva.

In the U.S., the Women at Teva Employee Resource Group provides 500 women a space to learn, share, and network. Many engage with the Healthcare Businesswomen’s Association (HBA), taking on roles in new chapters, attending the annual conference, and hosting regional meetings.

Employees by gender 2017



Women at Teva 2014-2017



### Bringing our people together in the United States

We actively encourage an environment that recruits and develops employees of diverse backgrounds, thereby enhancing engagement and collaboration. We support a variety of Employee Resource Groups bringing together individuals with shared characteristics, interests, and life experiences. In 2017, these groups held events focused on personal branding, mentoring, and community outreach. The Hispanic Heritage Network group conducted a professional session on the importance of branding and personal differentiation. The African Heritage Network donated school uniforms to a local community and facilitated mentoring among its membership. The Asian Heritage Network held a development and mentoring panel discussion.

### Employee Resource Groups

- Women at Teva
- Hispanic Heritage Network
- African Heritage Network
- Asian Heritage Network
- Men at Teva
- PRIDE Network (LGBT community and allies)
- Abilities (people working with disabilities)
- Veterans at Teva (active, retired, and supporters)



Teva USA earned a **perfect score in the 2017 Human Rights Campaign Corporate Equality Index**, recognizing LGBTQ workplace equality policies and practices.

## Employee health and well-being

A healthy company requires healthy employees. We continue to provide support and platforms for employees to invest in their physical, financial, and emotional well-being. In the U.S., we offer employees information about health status and risk factors, along with benefits, services, and resources to support healthier behaviors. They have access to onsite fitness centers and classes, virtual medical appointments, financial planners, weight loss and smoking cessation programs and, in many cases, free medications. In Israel, employees and their families receive medical and dental insurance subsidized beyond legal requirements. A health and dental consultant is available to assist with health claims and procedure authorizations. We also offer various fitness programs and sports groups at flexible times.



### Supporting employees with disabled family members in Spain

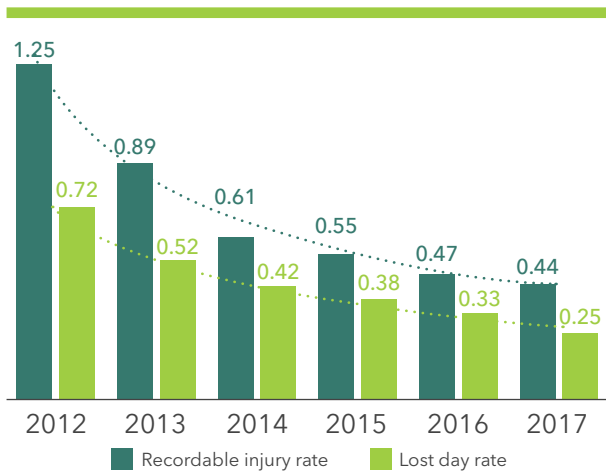
For the second year, Teva Spain worked with the Adecco Foundation to provide therapeutic, educational, training, social, and employment resources to disabled family members and our employees who care for them. In 2017, five relatives of employees received therapy, support, and a €3,000 EUR annual allowance through the Family Plan program.

## Safety at work

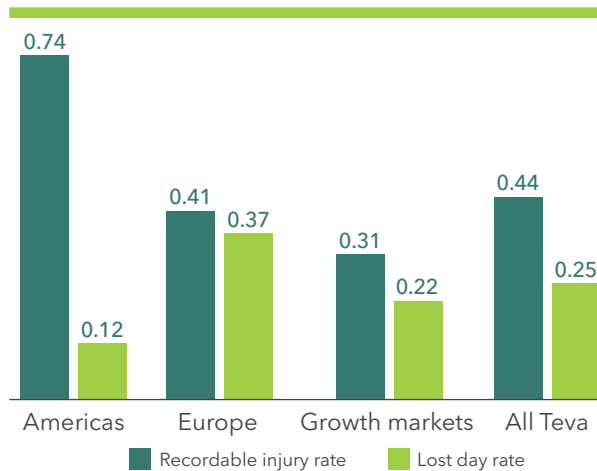
We believe every person has the right to a safe and healthy work environment and that all injuries, illnesses, and safety incidents are preventable.

In 2017, we continued our multi-year safety performance improvement toward our long-term aspiration of Target Zero: zero incidents, zero injuries, zero releases. This reflects our ongoing investment in building a culture of safety excellence and the successful integration of Actavis facilities into our management systems. The majority of workplace injuries were minor, resulting from falls, overexertion, or being struck by objects. We take action to identify the root causes of all occupational injuries and illnesses, learn from each safety incident, and implement preventative and corrective actions.

Safety performance 2012-2017



Safety performance by region 2017



See GRI Content Index for data tables and additional notes.

### Working safely in confined spaces in Bulgaria

To eliminate safety risks in confined spaces at our Dupnitsa plant, the Environment, Health and Safety team relocated utility systems in ceilings above packing lines and flowmeters and pumps in portable water wells underground. In 2017, the site identified 70 confined spaces. Each was assessed by manufacturing, engineering, and safety professionals, and alternatives were implemented to eliminate risks. For example, we relocated pack lines' utility system closing valves from ceiling to machine frames, allowing easier access and reducing safety risks during repair and maintenance.



In 2017, we developed [Teva's Position on Occupational Health and Safety \(OHS\)](#), which details our commitment to embedding health and safety best practices, controls, and monitoring throughout Teva's operations.

### Eliminating ergonomic risk in Israel

At our plant in Israel, product-checking station employees complained of back pain. Following recommendations from ergonomic and engineering specialists, we constructed a new workstation to meet good health specifications, which serves as a model for operations at other Teva facilities.



### Global safety improvements in 2017



-7% recordable injury rate



-23% lost day rate



# Giving back

Our company impacts, and is influenced by, our communities across the world. We support them by volunteering our time and contributing professional and financial resources where they are most needed.

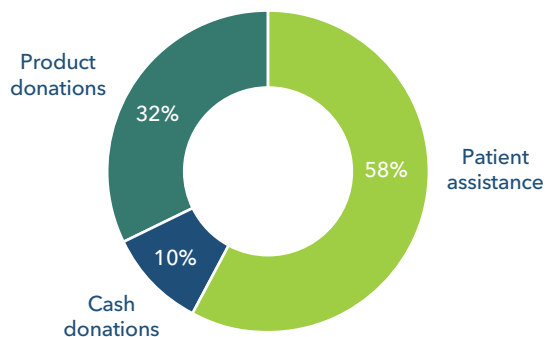
## Community contributions

Teva provides financial assistance to support healthy, prosperous, and sustainable communities. In 2017, we donated \$82.3M\* USD and supported communities across more than 25 countries. We also donated medicines to patients in need.

### Providing medicines and support in times of emergency





In partnership with accredited humanitarian relief organizations, we support emergency relief efforts to ensure patients receive the medications they need. When North American Teva sites were impacted by hurricanes and earthquakes, Teva matched employees' donations toward relief efforts. We also support victims of natural disasters by donating products through our non-governmental organization partner, Direct Relief. In 2017, this included chartering a plane to deliver Teva medicines to Princess Alexandra Hospital on the island of Anguilla in the aftermath of Hurricane Maria.

Teva community support 2017



\*Of this, approximately \$25M USD was committed to patient assistance in 2016, but paid in 2017.

### €33,000 EUR donated to support Humanizing Health

-  45 entries
-  25 finalists
-  500 employee votes
-  11 winning organizations



In 2017, we developed [Teva's Policy on Donations](#), which outlines our approach to giving that makes an impact.



We provide **medicines at no cost** to patients and clinics in need around the world through our Bulk Donation Program.

#### Partnering with local organizations in the United States

Our [Community Partnership Program](#) supports organizations that serve patients and caregivers. It also supports Science, Technology, Engineering, and Mathematics (STEM) programs in our communities, including inviting students to a pharmaceutical career panel at our office.

#### Humanizing health in Spain

In 2017, for the second year, Teva Spain recognized 11 patient organizations and public healthcare providers for their role in improving patient lives and well-being. Award recipients each received a €3,000 EUR grant.

#### Supplying medicines to those in need in the United States

Through the [Teva Cares Foundation](#), a non-profit organization that supports patient assistance programs to ensure cost doesn't hinder treatment, Teva helps mitigate financial barriers to access our specialty medicines. In 2017, we donated more than 36,000 products to more than 20,000 patients.

## Community service

In 2017, our employees volunteered in their local communities and partnered with organizations to support health. Many efforts are renewed annually.

### Giving back to our local partners

For the third year, we continued our "Teva Tov" initiative, a week of service during which 2,500 employees participate in community activities around the world. Teva teams volunteered with local community and patient-focused partners.



### Running for families in Turkey

Nineteen Teva team members ran 10 kilometers in the 39th Istanbul Marathon, raising money for the KAÇUV Family House project, which provides shelter and care to families that relocate to be with their children hospitalized with cancer. In 2017, Teva Turkey raised \$16,000 USD to support KAÇUV.

### Applying environmental expertise to help our neighbors in Ireland

A minor chemical spill at St. Paul's Community College's science department resulted in a one-day evacuation and closure. The environment and safety team at our nearby Waterford facility assisted the school laboratory in identifying, and safely disposing of, expired chemicals. This included conducting a chemicals management assessment, training teachers in chemical safety, and creating a chemical spillage response procedure.



# Maintaining compliance, ethics, and transparency

Compliance is the foundation of our responsible business conduct, and we support a culture of responsibility, ethics, and transparency. We believe compliance with all applicable laws, regulations, and other requirements that affect our business is fundamental to our corporate well-being. By striving for excellence in this area, we protect, enhance, and create value for our organization.

## Compliance mindset

Following our rollout of Teva's Global Compliance Core Principles in 2016, we developed a risk-based global compliance training and communications plan. Every role at Teva was assigned a risk designation based on interactions with members of the healthcare community or government officials, and received relevant training.

To continue to support our compliance activities, we rolled out a new Health Care Interactions portal in 14 languages for all employees in late 2017. The portal provides information on the entire healthcare engagement lifecycle—from hiring healthcare professionals to funding healthcare organizations.

### Expanding compliance

In 2017, we widened the [scope of our Compliance Committee](#) of the Board of Directors to oversee Teva's commitment to corporate responsibility, including community outreach, academic relations, Social Impact programs, and stakeholder management.

### Collaborating to improve compliance

At the end of 2016, Teva was fined for committing Foreign Corrupt Practices Act offenses in Ukraine, Mexico, and Russia in three instances of improper dealings with government officials. In addition to paying a financial settlement, Teva entered into a three-year deferred prosecution agreement that required an independent compliance monitor. We have taken all possible steps to prevent recurrence of these incidents, and in 2017, worked with the compliance monitor to remediate any identified compliance risks.



Teva's **Global Internal Audit team** conducted **25 internal compliance audits at 30 sites** across **20 countries** in 2017.



## Culture of ethics

Our commitment to ethics represents our aspiration to create a culture of honest, transparent business conduct. We reinforce this culture through our leadership's example as well as communications, training, and sharing of best practices.

Our Code of Business Conduct, which is available in 41 languages, supports our commitment to ethical business practice. All new employees receive ethics training upon joining the company, and all employees participate in a Code of Conduct refresher training every three years. In 2017, 99% of our employees completed Code of Conduct training in-person or online.

### Reinforcing business integrity

We encourage employees and all those who interact with Teva to report suspected non-compliance or Code of Conduct breaches to our Office of Business Integrity (OBI) via our global Teva Integrity Hotline, available in different languages around the world. OBI provides a range of tools to support confidential non-compliance reporting. In 2017, all employees participated in OBI awareness training and received guidance on the hotline and OBI process.

### Formalizing our commitment to human rights

We support the spirit and provisions of the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights. As a signatory of the United Nations Global Compact since 2010, we are committed to taking all measures reasonably possible to act with respect for all individuals and uphold human rights. This includes ensuring we are not unwittingly complicit with human rights violations in our global supply chain. We acknowledge the International Labor Organization's Declaration on Fundamental Principles and Rights at Work as a guiding reference for our policies and approach.

We are also committed to preventing acts of slavery and human trafficking in both our business and supply chain. We uphold the elimination of all forms of forced and compulsory labor and the effective abolition of child labor. A statement published by Teva UK outlines our ongoing efforts to ensure compliance with the Modern Slavery Act.



In 2017, a multi-disciplinary Teva team re-evaluated our approach to Human Rights and developed a [new corporate Position](#), establishing our commitments, aspirations, and approach to human rights.

### In 2017, the Office of Business Integrity received 324 reports



**24%** were considered business integrity issues and shared with our Audit Committee



**35%** of these were substantiated

#### Of the substantiated reports:



**21%** resulted in a policy or process review



**36%** resulted in termination



**43%** resulted in other actions, including a formal warning or referral to legal counsel

## Transparency efforts

We voluntarily disclose many aspects of our business activity, including through our Communication on Progress to the United Nations Global Compact since 2010, as well as our voluntary disclosure to the CDP Climate Program.

### Disclosing patient organization contributions

We adhere to Codes of Conduct of the European Federation of Pharmaceutical Industries and Associations (EFPIA) and Medicines for Europe, which provide standards for relationships between the pharmaceutical industry and patient organizations. In line with the codes, we published our [Global Patient Organization and Advocacy Disclosure](#) in 2017, detailing patient group activities across 63 countries, including contributions per activity.

## Data integrity

Adhering to all regulations and internal standards governing data security and privacy is critical to business continuity and responsible conduct. Our approach is risk-based, covers all stages in the data lifecycle, and addresses three dimensions of data integrity: governance and management, procedural and technical controls, and human factors and culture. In 2017, we developed a new strategic framework, supported by appropriate controls and advanced planned pilot programs at three sites. In addition, we provided training to more than 50,000 employees.

# Reporting and disclosures

## About this report

This report describes our approach to sustainability and responsibility, as well as our key actions in 2017 to improve health and maintain ethical practices. We report on Social Impact annually, and our last Social Impact report covered our activities in 2016.

This report covers all Teva's owned and operated facilities around the world, including all Actavis operations with one full year of operations following acquisition. All data included in the report pertain to the 2017 calendar year, unless otherwise noted. This report is written in accordance with Global Reporting Initiative (GRI) Standards, core option. GRI is a not-for-profit, multi-stakeholder organization, which works to increase the level of business transparency through sustainability reporting. GRI Standards are considered to be the most advanced sustainability reporting framework available today. For more information, please see [www.globalreporting.org](http://www.globalreporting.org).

Our selection of content was driven by our updated materiality review in 2017, as well as topics and insights gleaned from interactions with stakeholders during the past year. We have applied the principles for defining report content outlined in the GRI Standards. These include:

- Materiality: the issues most critical to our long-term business growth and of greatest importance to stakeholders
- Stakeholder Inclusiveness: a response to stakeholder expectations and interests
- Sustainability Context: presentation of performance in the context of sustainability issues
- Completeness: inclusion of all information reflecting significant economic impacts, allowing stakeholders to assess our performance

This report also fulfills our commitment to submitting an annual Communication on Progress to the United Nations Global Compact.

We do not seek external assurance for our full report. We conduct internal checks of our information and believe our data is robust. However, our energy and emissions are verified by an independent third party.

Additional information about Teva and our global business can be found on our global corporate website, [www.tevapharm.com](http://www.tevapharm.com).

Thank you for your interest in this report. Please contact our Vice President of Social Impact & Responsibility, Amalia Adler-Waxman, with any feedback or suggestions at [Amalia.Adler-Waxman@tevapharm.com](mailto:Amalia.Adler-Waxman@tevapharm.com).



# United Nations Global Compact Principles

The United Nations Global Compact (UNGC) is a strategic policy initiative of the United Nations that 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 and in 2018, we reconfirmed our membership as a Participant.

Global Compact Principles	GRI 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 human rights, both in our own operations and 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.	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.	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 our operations and 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 to eliminate corruption.

# Global Reporting Initiative (GRI) content index

GRI Standard 102: General Disclosures 2016	Disclosure	Page Reference or Response	Omission
102-1	Name of the organization	4	
102-2	Activities, products, and services	7-8	
102-3	Location of headquarters	7	
102-4	Location of operations	7	
102-5	Ownership and legal form	7	
102-6	Markets served	7	
102-7	Scale of the organization	15 and Teva's Annual Report on Form 10K	
102-8	Information on employees	50	
102-9	Supply chain	30	
102-10	Significant changes	None, beyond regular acquisition and divestment activity during the year	
102-11	Precautionary Principle	30	
102-12	External initiatives	42	
102-13	Membership of associations	45	
102-14	Statement from senior manager	4	
102-16	Values, principles, standards	7	
102-18	Governance structure	7	
102-40	List of stakeholder groups	11	

GRI Standard 102: General Disclosures 2016	Disclosure	Page Reference or Response	Omission
102-41	Collective bargaining agreements	76% of employees (Israel)	
102-42	Identifying and selecting stakeholders	11	
102-43	Stakeholder engagement	11	
102-44	Key topics and concerns raised	11	
102-45	Entities included	44	
102-46	Report content and topic Boundaries	44	
102-47	List of material topics	10	
102-48	Restatements of information	None	
102-49	Changes in reporting	None	
102-50	Reporting period	44	
102-51	Date of most recent report	44	
102-52	Reporting cycle	44	
102-53	Contact point	44	
102-54	Reporting in accordance with GRI Standards	44	
102-55	GRI content index	46	
102-56	External assurance	44	



Material Priority	Management Approach Standards 101:1-3: Page	GRI Standard/Specific Disclosures	Page	Omission
<b>Expanding assistance for patients</b>	18	203-2: Indirect economic impacts	19-27	
<b>Making medicines affordable</b>				
<b>Collaborating to improve healthcare systems</b>				
<b>Delivering new and better treatments</b>				
<b>Ensuring our medicines are safe</b>	29	416-1: Health and safety impacts of product and service categories	29	
		416-2: Non-compliance concerning the health and safety impacts of products and services	None	
<b>Engaging our employees in an empowering workplace</b>	35	401-1 New employee hires and employee turnover	55	
	38	403-2: Types of injury and rates of injury	56	Data is provided for Teva direct employees only—contractor safety performance is not available. Safety data by gender is not available.
	35	404-2: Programs for upgrading employee skills	35	
		404-3: Performance reviews	57	
	36	405-1 Diversity of governance bodies	58	
	42	407-1 Risks to the right to freedom of association and collective bargaining	41	
		408-1 Risk of incidents of child labor	41	
		409-1 Risk of incidents of forced or compulsory labor	41	

Material Priority	Management Approach Standards 101:1-3: Page	GRI Standard/Specific Disclosures	Page	Omission
<b>Caring for our communities</b>	39	413-1 Operations with local community engagement, impact assessments, and development programs	39	
<b>Reducing our impact on the environment</b>	30	302-1 Energy consumption within the organization	51	
		302-3 Energy intensity	52	
	32	303-1 Water withdrawal by source	53	
	31	305-1 Direct (Scope 1) GHG emissions	52	
		305-2 Energy indirect (Scope 2) GHG emissions	52	
		305-4 GHG emissions intensity	52	
	33	306-1 Water discharge	53	
306-2 Waste by type and disposal method		54		
<b>Strengthening compliance</b>	41	419-1 Non-compliance with laws and regulations in the social and economic area	None	
<b>Maintaining ethical business standards</b>	42	205-2 Communication and training about anti-corruption policies and procedures	42	

# Data tables and notes

## 102-8 Information on employees

### GRI 102-8

#### Global workforce by employment type

Employment type	2012	2013	2014	2015	2016	2017
Permanent employees FTE	43,838	42,281	41,078	40,868	54,260	49,089
Supervised workers FTE	2,110	2,664	1,931	1,975	2,169	2,227
<b>Total workforce FTE</b>	<b>45,948</b>	<b>44,945</b>	<b>43,009</b>	<b>42,843</b>	<b>56,429</b>	<b>51,316</b>
Headcount (full-/part-time)	43,838	42,281	41,548	41,283	54,700	49,518
Headcount (supervised workers)	2,110	2,664	1,991	1,974	2,169	2,227
<b>Total workforce headcount</b>	<b>45,948</b>	<b>44,945</b>	<b>43,539</b>	<b>43,257</b>	<b>56,869</b>	<b>51,745</b>

Permanent employees	2014			2015			2016			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Israel	2,813	3,961	6,774	2,916	3,901	6,817	2,884	3,848	6,732	2,677	3,480	6,157
Europe	9,964	8,543	18,507	10,548	8,521	19,069	13,760	11,487	25,247	11,472	10,273	21,745
North America and Canada	3,393	4,279	7,671	3,320	3,935	7,255	4,954	5,901	10,855	4,348	5,220	9,568
Rest of world	2,604	5,522	8,126	2,676	5,466	8,142	3,852	8,014	11,866	4,404	7,644	12,048
<b>Total</b>	<b>18,775</b>	<b>22,304</b>	<b>41,078</b>	<b>19,460</b>	<b>21,823</b>	<b>41,283</b>	<b>25,450</b>	<b>29,250</b>	<b>54,700</b>	<b>22,901</b>	<b>26,617</b>	<b>49,518</b>

Global workforce by employment type and gender	2014			2015			2016			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Full-time employees	18,512	22,276	40,788	18,370	21,662	40,032	24,271	29,071	53,342	22,330	26,552	48,882
Part-time employees	263	28	290	1,090	161	1,251	1,179	179	1,358	571	65	636
Indirect employees	966	965	1,931	1,007	968	1,975	945	1,224	2,169	663	1,564	2,227
<b>Total</b>	<b>19,740</b>	<b>23,269</b>	<b>43,009</b>	<b>20,467</b>	<b>22,791</b>	<b>43,258</b>	<b>26,395</b>	<b>30,474</b>	<b>56,869</b>	<b>23,564</b>	<b>28,181</b>	<b>51,745</b>

## 302-1 Energy consumption within the organization

### GRI 302-1

Energy within the organization	Unit	2013	2014	2015	2016	2017
Natural Gas (Scope 1)	MWH	921,603	899,699	937,689	1,007,147	1,256,203
Fuel oil (Scope 1)	MWH	379,147	386,914	279,663	201,591	238,924
Diesel fuel (Scope 1)	MWH	65,548	55,042	69,214	42,436	92,999
Kerosene (Scope 1)	MWH	5,987	7,686	7,050	8,590	1,105
LPG (Scope 1)	MWH	119,331	99,185	95,220	93,323	92,397
Propane (Scope 1)	MWH	3,958	5,215	4,053	1,032	701
Petrol - Mobile (Scope 1)	MWH	153,540	153,540	142,086	91,165	149,094
Diesel - Mobile (Scope 1)	MWH	107,159	107,159	99,165	74,905	87,423
Renewable electricity produced (Scope 1)	MWH	10	493	512	797	28
Biomass (renewable) (Scope 1)	MWH	–	–	5,503	6,584	7,516
Electricity purchased from grid (Scope 2)	MWH	1,186,518	1,181,426	1,137,887	938,393	991,466
Heating purchased (Scope 2)	MWH	–	–	–	14,898	3,841
Steam purchased (Scope 2)	MWH	69,732	77,580	81,087	68,826	83,081
Renewable electricity (Scope 2)	MWH	–	–	43,868	185,562	389,563
<b>Total energy consumption</b>	<b>Unit</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Scope 1</b>	MWH	1,756,283	1,714,934	1,640,154	1,527,571	1,926,390
<b>Scope 2</b>	MWH	1,256,250	1,259,006	1,262,842	1,207,680	1,467,951
<b>Total Energy Consumption</b>	<b>MWH</b>	<b>3,012,533</b>	<b>2,973,941</b>	<b>2,902,996</b>	<b>2,735,250</b>	<b>3,394,342</b>
<b>Energy consumption cumulative change from baseline 2012</b>	<b>MWH</b>	<b>-5%</b>	<b>-6%</b>	<b>-9%</b>	<b>-14%</b>	<b>7%</b>

Notes:

- Data in 2017 is for all Teva legacy and Actavis sites that became operational in late 2016 but were not included in 2016 data.
- Renewable electricity produced is via our solar installation in Germany.
- Biomass is wood or charcoal biomass at sites in India and Greece.

### 302-3 Energy intensity

<b>GRI 302-3</b>	Energy consumption by employee	2013	2014	2015	2016	2017
	<b>Energy consumption by employee (MWH/employee)</b>	<b>67.03</b>	<b>69.15</b>	<b>67.76</b>	<b>63.72</b>	<b>66.15</b>

### 305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-4 GHG emissions intensity

<b>GRI 305-1</b>	GHG emissions	Unit	2013	2014	2015	2016	2017
<b>GRI 305-2</b>	<b>Total GHG emissions</b>	<b>tons CO2e</b>	<b>1,051,961</b>	<b>1,003,759</b>	<b>947,306</b>	<b>847,285</b>	<b>933,944</b>
	Scope 1 emissions	tons CO2e	438,420	428,744	405,044	392,268	458,906
	Scope 2 emissions	tons CO2e	613,541	575,015	542,262	455,017	475,038
	<b>GHG emissions cumulative change from baseline 2012</b>		<b>-4%</b>	<b>-8%</b>	<b>-14%</b>	<b>-23%</b>	<b>-15%</b>

<b>GRI 305-4</b>	GHG emissions by employee	2013	2014	2015	2016	2017
	<b>GRI 305-4: GHG emissions by employee (tCO2e/employee)</b>	<b>23.41</b>	<b>23.34</b>	<b>22.11</b>	<b>19.74</b>	<b>18.20</b>

Notes:

- Data in 2017 is for all Teva legacy and Actavis sites that became operational in late 2016 but were not included in 2016 data.
- GHG emissions are from IEA emissions data, 2017 edition, and includes CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and eGRID 2018 for U.S.-based operations.

303-1 Water withdrawal by source  
306-1 Water discharge

<b>GRI 303-1</b>	<b>GRI 306-1</b>	Water withdrawal and water discharge	Unit	2013	2014	2015	2016	2017
		<b>Water withdrawal</b>	M3	8,340,481	7,458,424	8,106,000	7,747,820	9,143,027
		<b>Water discharge</b>	M3	6,040,070	5,791,950	6,113,990	6,961,685	9,233,138
		<b>Percent of water discharged</b>	<b>M3</b>	<b>72%</b>	<b>78%</b>	<b>75%</b>	<b>90%</b>	<b>101%</b>

Notes:

- In 2017, water withdrawal was from municipal water sources (75%), groundwater (22%), and surface water (3%).
- Water discharge is primarily to sanitary drains after treatment and to wastewater treatment facilities. Data is not available for the exact split of water discharge.
- In 2017, we discharged slightly more water than we used due to several factors, including sending infiltrated groundwater to a treatment plant and accepting wastewater from a neighboring facility for treatment.



## 306-2 Waste by type and disposal method

<b>GRI 306-2</b>	Waste by disposal type in tons	Unit	2014	2015	2016	2017	Percent of total waste in 2017
	Recycling including conversion to energy	Tons	64,644	101,092	93,708	83,472	<b>40%</b>
	Bio treatment	Tons	52,279	70,864	61,861	48,571	<b>22%</b>
	Incineration	Tons	53,663	47,412	48,346	63,858	<b>31%</b>
	Landfill	Tons	18,972	10,419	15,229	12,749	<b>6%</b>
	Other	Tons	34,631	58,901	0	–	<b>0%</b>
	<b>Total waste</b>	<b>Tons</b>	<b>224,189</b>	<b>288,688</b>	<b>219,144</b>	<b>208,650</b>	<b>100%</b>
	<b>Percent of waste recycled</b>	<b>%</b>	<b>29%</b>	<b>35%</b>	<b>43%</b>	<b>40%</b>	–
	<b>Total waste diverted from landfill</b>	<b>Tons</b>	<b>205,217</b>	<b>278,269</b>	<b>203,915</b>	<b>195,901</b>	–
	Waste by type in tons	Unit	2014	2015	2016	2017	
	Non-hazardous waste	Tons	42,141	49,488	50,792	75,192	
	Hazardous waste	Tons	182,048	239,200	168,352	133,458	
	<b>Hazardous waste as a percentage of total waste</b>	<b>%</b>	<b>81%</b>	<b>83%</b>	<b>77%</b>	<b>64%</b>	

## 401-1 New employee hires and employee turnover

### GRI 401-1

New hires and leavers	2015				2016				2017			
	<age 30	age 30-50	>age 50	Total	<age 30	age 30-50	>age 50	Total	<age 30	age 30-50	>age 50	Total
Women new hires	1,015	1,520	172	2,708	859	1,412	226	2,497	1,068	1,463	230	2,761
Men new hires	884	1,289	267	2,440	970	1,389	265	2,624	1,122	1,274	238	2,634
<b>Total new hires</b>	<b>1,900</b>	<b>2,809</b>	<b>439</b>	<b>5,148</b>	<b>1,829</b>	<b>2,801</b>	<b>491</b>	<b>5,121</b>	<b>2,190</b>	<b>2,737</b>	<b>468</b>	<b>5,395</b>
Women leavers	430	1,429	597	2,456	777	2,653	714	4,144	800	3,118	1,114	5,032
Men leavers	492	1,596	744	2,832	770	2,610	953	4,334	897	2,989	1,312	5,198
<b>Total leavers</b>	<b>922</b>	<b>3,025</b>	<b>1,341</b>	<b>5,288</b>	<b>1,547</b>	<b>5,263</b>	<b>1,668</b>	<b>8,478</b>	<b>1,697</b>	<b>6,107</b>	<b>2,426</b>	<b>10,230</b>
<b>Turnover (%)</b>	<b>2%</b>	<b>7%</b>	<b>3%</b>	<b>13%</b>	<b>3%</b>	<b>10%</b>	<b>3%</b>	<b>15%</b>	<b>3%</b>	<b>12%</b>	<b>5%</b>	<b>21%</b>

New hires and leavers rates	2015				2016				2017			
	<age 30	age 30-50	>age 50	Total	<age 30	age 30-50	>age 50	Total	<age 30	age 30-50	>age 50	Total
Women new hires	20%	30%	3%	53%	17%	28%	4%	49%	20%	27%	4%	51%
Men new hires	17%	25%	5%	47%	19%	27%	5%	51%	21%	24%	4%	49%
<b>Total new hires</b>	<b>37%</b>	<b>55%</b>	<b>9%</b>	<b>100%</b>	<b>36%</b>	<b>55%</b>	<b>10%</b>	<b>100%</b>	<b>41%</b>	<b>51%</b>	<b>9%</b>	<b>100%</b>
Women leavers	8%	27%	11%	46%	9%	31%	8%	49%	8%	30%	11%	49%
Men leavers	9%	30%	14%	54%	9%	31%	11%	51%	9%	29%	13%	51%
<b>Total leavers</b>	<b>17%</b>	<b>57%</b>	<b>25%</b>	<b>100%</b>	<b>18%</b>	<b>62%</b>	<b>20%</b>	<b>100%</b>	<b>17%</b>	<b>60%</b>	<b>24%</b>	<b>100%</b>
<b>Turnover (%)</b>	<b>2%</b>	<b>7%</b>	<b>3%</b>	<b>13%</b>	<b>3%</b>	<b>10%</b>	<b>3%</b>	<b>15%</b>	<b>3%</b>	<b>12%</b>	<b>5%</b>	<b>21%</b>

## 403-2 Types of injury and rates of injury

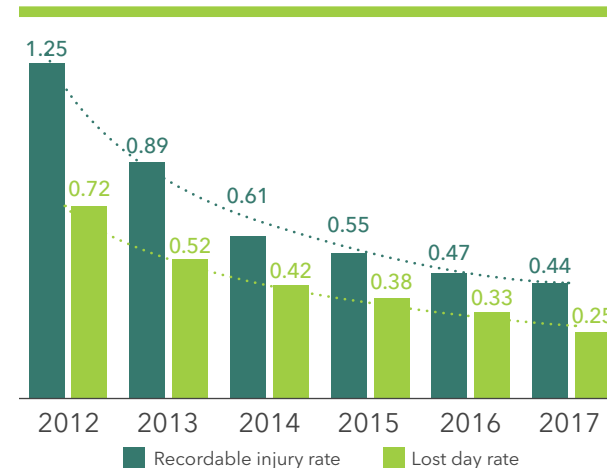
### GRI 403-2

Recordable injuries	2012	2013	2014	2015	2016	2017	Change in 2017
Number of recordable injuries	440	306	209	212	186	212	<b>14%</b>
Recordable injury rate per 200,000 hours worked	1.25	0.89	0.61	0.55	0.47	0.436	<b>-7%</b>
Lost days due to injury	2012	2013	2014	2015	2016	2017	Change in 2017
Number of lost days	2,428	2,028	1,383	1,976	2,293	2,729	<b>19%</b>
Number of injuries resulting in lost workdays	252	179	144	147	129	124	<b>-4%</b>
Lost day rate	0.72	0.52	0.42	0.38	0.33	0.25	<b>-23%</b>
Occupational disease	2012	2013	2014	2015	2016	2017	
Number of occupational disease cases	N/A	N/A	N/A	N/A	N/A	4	
Occupational disease rate	N/A	N/A	N/A	N/A	N/A	0.01	
Fatalities	2012	2013	2014	2015	2016	2017	Change in 2017
Number of fatalities	2	1	2	0	0	0	<b>0%</b>

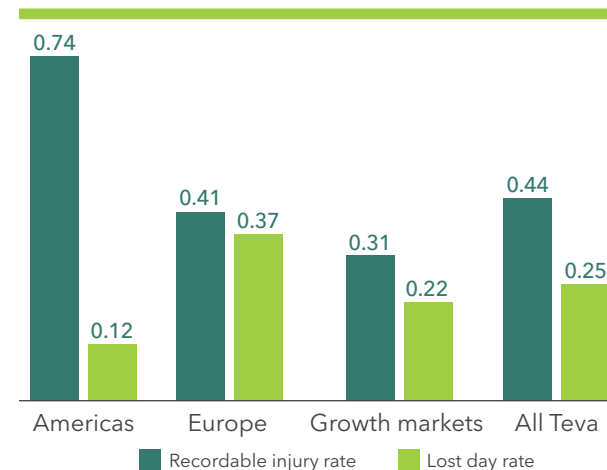
Notes:

- Teva calculates safety performance incidence rates based upon a mix of actual work hours and estimates based upon numbers of employees. Reported number of employees estimated based on 2,000 hours per year per employee.
- Teva follows OSHA definitions for recordable injuries and illnesses. Minor incidents requiring first aid only are not included in the injury rates.
- Teva calculates the number of lost workdays following the OSHA guidelines, including days not normally scheduled as workdays such as weekends, holidays, etc.
- Occupational disease is defined as disease arising from an employee's work situation or activity, specifically associated with the nature of the work, causing lost workdays or reassignment. This may include repetitive ergonomic issues, hearing loss, respiratory issues, sensitivity to enzymes or chemicals, or allergic reactions, etc.

Safety performance 2012-2017



Safety performance by region 2017



## 404-3: Performance reviews

## GRI 404-3

Employees receiving performance reviews

	2015		2016		2017	
	Women	Men	Women	Men	Women	Men
Senior management	703	1,196	799	1,278	1,111	1,832
Middle management	2,671	3,026	2,961	3,235	4,444	4,790
First line management	7,307	7,078	7,721	7,337	11,930	10,977
Non-management	4,265	6,771	4,098	6,496	6,233	9,642
<b>Total by gender</b>	<b>14,945</b>	<b>18,071</b>	<b>15,579</b>	<b>18,346</b>	<b>23,718</b>	<b>27,241</b>
<b>Total by group</b>	<b>33,016</b>		<b>33,925</b>		<b>50,959</b>	
<b>Percentage of eligible employees</b>	<b>80%</b>		<b>62%</b>		<b>103%</b>	

Notes:

— Rate in 2017 is higher than the year-end head count as employee numbers during the year were higher than at year-end, due to attrition during the later part of the year.

## 405-1 Diversity in the organization

## GRI 405-1

Employees by gender	2014		2015		2016		2017	
	Women	Men	Women	Men	Women	Men	Women	Men
Top executives (directly reporting to CEO)	7%	93%	21%	79%	13%	87%	23%	77%
Senior management	35%	65%	37%	63%	37%	63%	38%	62%
Middle management	45%	55%	47%	53%	46%	54%	48%	52%
First line management	51%	49%	53%	47%	52%	48%	52%	48%
Non-management	39%	61%	41%	59%	43%	57%	38%	62%
<b>Total employees</b>	<b>46%</b>	<b>54%</b>	<b>47%</b>	<b>53%</b>	<b>47%</b>	<b>53%</b>	<b>46%</b>	<b>54%</b>

Employees by age group	2014			2015			2016			2017		
	<age 30	age 30-50	>age 50	<age 30	age 30-50	>age 50	<age 30	age 30-50	>age 50	<age 30	age 30-50	>age 50
Top executives (directly reporting to CEO)	0%	33%	67%	0%	36%	64%	0%	33%	67%	0%	38%	62%
Senior management	0%	60%	40%	0%	63%	37%	0%	61%	39%	0%	60%	40%
Middle management	3%	73%	23%	3%	75%	22%	3%	74%	23%	3%	74%	24%
First line management	13%	67%	19%	15%	66%	19%	15%	66%	19%	15%	66%	19%
Non-management	19%	58%	23%	18%	58%	24%	18%	59%	23%	18%	56%	26%
<b>Total employees</b>	<b>13%</b>	<b>65%</b>	<b>22%</b>	<b>13%</b>	<b>65%</b>	<b>22%</b>	<b>14%</b>	<b>64%</b>	<b>22%</b>	<b>13%</b>	<b>64%</b>	<b>23%</b>