

Modern Slavery Statement



Norton Healthcare Limited

This is the modern slavery and human trafficking statement of companies in the Teva UK group ("Teva"), part of the Teva global group of companies, for the financial year ended 31 December 2023¹. It is made in accordance with Section 54(1) of the Modern Slavery Act 2015 (the "Act"). It sets out the steps we have taken to ensure there is no modern slavery or human trafficking within our business and supply chains. The steps outlined in this statement are applicable to the companies adopting this statement.



WHO ARE WE?

Teva is committed to increasing access to high-quality medicines for people across the globe (including the UK), at every stage of life. We do this by developing, manufacturing and marketing affordable generic medicines as well as innovative and specialty pharmaceuticals and active pharmaceutical ingredients. We provide quality medicines to approximately 200 million people globally each day. We have more than 2,100 products in our global portfolio and pipeline, use more than 100 different manufacturing technologies and are a leading supplier of quality medications on the World Health Organization's (WHO) Essential Medicines List (EML)—

manufacturing 56%² of medicines on this list of treatments for priority health needs. We have a global workforce of over 37,000 people (including contractors) around the world and 1,098 people worked for Teva in the UK³ as at 31 December 2023.



ETHICAL VALUES AND POSITION ON HUMAN RIGHTS

As part of our overall consideration of ethical values and human rights, at Teva we look beyond our own employees and internal facilities, to the people and companies we partner with around the world. This means identifying any issues and determining whether human rights are being

compromised anywhere within our business or global supply chain.

The [International Labour Organization's Declaration on Fundamental Principles and Rights at Work](#) guides our approach, as highlighted in our [Position on Human Rights](#).

As a signatory of the United Nations Global Compact since 2010, we have formally and publicly

¹ Teva UK Limited and Norton Healthcare Limited are obliged to report under s.54 of the Modern Slavery Act 2015. Certain other companies in the Teva group have adopted this statement either because they are obliged under the Act or on a voluntary basis, namely: Teva UK Holdings Limited and Teva Pharma Holdings Limited. Those companies do not have websites and a copy of their adopting statement is held at the Teva registered office and is available on request.

² For further details, please see p.7 of the 2023 Healthy Future Report.

³ Teva UK Limited and Norton Healthcare Limited employed 439 and 567 people, respectively, as at 31 December 2023. Teva NI Limited employed 92 people as at 31 December 2023.

confirmed our resolve to take all measures that are reasonably possible within our business and throughout our supply chain to respect all individuals and uphold their human rights. We believe compliance with all applicable laws, regulations and other requirements designed to protect human rights is fundamental to our corporate well-being and that by striving for excellence in this area, we also protect, enhance and create value for our organisation.

As part of our commitment to preventing acts of slavery and human trafficking from occurring within both our business and our supply chain and conducting our business with honesty and integrity, we expect the same high ethical standards from our suppliers.

Our responsibility in this area includes creating an awareness and understanding of human rights and employment practices. We incorporated these principles into our [Code of Conduct](#), strategies, policies and procedures, and by continuing to live our values, we will uphold our responsibilities to our people and our environment. Our Code of Conduct brings our Mission & Values to life, setting clear expectations for our behaviour. It describes areas in which acting in accordance with our values is particularly important and specifically refers to the following actions Teva can take in the workplace to ensure compliance with ethical labour practices:

- Being aware of countries, regions, sectors, economic activities where there is a greater likelihood of human rights or labour abuses, and responding accordingly with policies and procedures;

- Using adequate and verifiable mechanisms for age verification in recruitment procedures;
- Developing and implementing mechanisms to detect labour violations; and
- Working in partnership with other companies, associations and employers' organisations to develop an industry-wide approach to address human rights issues.

We review our policies and practices on an ongoing basis to ensure we continue to meet and uphold these ethical standards. We educate, inform and engage in dialogue with employees and suppliers to ensure all those covered by this position are aware of our expectations and their responsibilities.

In 2022, Teva initiated a screening process that evaluated the environmental, social and governance (ESG) risk exposure of suppliers. The assessment leveraged a real-time online artificial intelligence system that covers ESG risks of more than 170 geographies and 350 products and services, covering 38 topics related to labour (including human rights), health and safety, environment, business ethics and management systems. Source data included thousands of audits performed each year, media screening and public indices. In 2023, more than 5,000 suppliers' sites and Teva's own operations were screened to determine which segments of the supply chain provide the greatest opportunity to influence change, manage risk and drive impact. Our aim is to expand the system to assess other major suppliers globally in 2024⁴.



TEVA POLICIES AND CODES

Since 2010, Teva has participated in the United Nations Global Compact (UNGC). The UNGC is a strategic policy initiative of the United Nations which encourages companies around the world to adhere to ten principles of responsible business relating to human rights, labour standards, environmental protection and anti-corruption. These principles include, amongst others, the elimination of all forms of forced and compulsory labour, the effective abolition of child labour, the elimination of discrimination in respect of employment and occupation and the principle of upholding freedom of association and effective recognition of the right to collective bargaining. Teva's global [2023 Healthy Future Report](#) fulfils our commitment to submitting an annual communication on progress to the United Nations Global Compact and reaffirms our commitment to embedding its principles across our business.

As part of our commitment to combating modern slavery, we implemented a formal communication of our [Position on Responsible Supply Chain](#) which sets out our expectations for all our suppliers to uphold both industry and international standards of ethics, labour practices, human rights and environmental protection, as well as the health and safety of patients, employees and the global

⁴ For further detail, please refer to p. 62 of the 2023 Healthy Future Report.

community. Teva expects suppliers to uphold the same standards as part of their selection for their own suppliers. Suppliers are also directed to Teva's Office of Business Integrity, which addresses concerns or allegations of misconduct, including violations of Teva's Code of Conduct, values, policies and laws.

Our Supplier Code of Conduct is publicly available to suppliers on [our website](#) and formal acceptance of it by suppliers is a part of the process of contracting and tendering with Teva. Suppliers who were not willing to accept our Supplier Code of Conduct have been excluded from Teva's sourcing processes. On occasion, Teva has accepted contracts with suppliers who have shown that they have in place their own code, of substantially similar nature. Our Supplier Code of Conduct also requires our suppliers to comply with the Principles of the Supply Chain Initiative (PSCI), of which Teva has been a member since 2016.



SUPPLY CHAIN AND CONTRACTUAL OBLIGATIONS

Teva's supply chain is an extension of our company, helping us reach nearly 200 million patients around the globe each day. We operate one of the largest global fully-integrated manufacturing and delivery networks in the pharmaceutical industry, with hundreds of contract manufacturing operations globally that support development, manufacturing and packaging.

We partner with our suppliers to promote ethical practices and make progress toward our

sustainability goals, and we collect their feedback through questionnaires, surveys and audits.

We hold each of our partners to the same standards we hold ourselves to and expect them to conduct business ethically, act with integrity and protect human rights.

Teva adheres to the general principles that govern supply chain in its sector and continues to apply and inform our ethical labour practices through our Supplier Code of Conduct. In addition, Teva audits selected suppliers for compliance with the PSCI Principles using independent PSCI-approved auditors.

Following the circulation of a Letter of Intent by Teva's Chief Procurement Officer and Head of ESG to all suppliers describing their ESG responsibilities in 2022, we hosted an annual webinar to drive sustainability engagement and education—and in 2023, 134 third-party suppliers, totalling 18% of our significant suppliers, joined the session. The webinar emphasized our suppliers' role in achieving our sustainable procurement targets and reinforced our commitment to minimising environmental impact and maintaining human rights across our supply chain.⁵ ESG criteria, including our ESG Toolkit for Suppliers, remain integrated into our RFP and Scoring Matrix Standard Template, which provides a data-based approach to support fair vendor selection. The toolkit provides an overview of our sustainability strategy at Teva, including our vision, targets and expectations.

In 2023, Teva integrated sustainable procurement goals into its Global Procurement objectives, which

involves increasing the number of sustainability assessments of significant suppliers in EcoVadis and encouraging suppliers to submit commitment letters to the Science Based Targets initiative (SBTi)⁶.

When our suppliers accept our Supplier Code of Conduct, they become bound by stringent contractual obligations which require them to support our objectives including requirements to, among others:

- Comply with applicable laws, regulations, rules, sanctions etc. relating to the subject matters covered in the Supplier Code of Conduct;
- Ensure they understand and comply with the terms of our Supplier Code of Conduct and the various policies and positions linked within it;
- Comply with the PSCI Principles;
- Uphold ethical labour practices and communicate their policies regarding forced labour to key stakeholders;
- Maintain documentation necessary to demonstrate such compliance with all of the above;

⁵ For further detail, please see p.61 of our 2023 *Healthy Future Report*.

⁶ The Science Based Targets initiative (SBTi) is a climate action organisation that develops standards, tools and guidance for the setting of greenhouse gas reduction targets. See <https://sciencebasedtargets.org/> for further information.

- Apply the same expectations and principles in their own supply chain;
- Allow Teva or our authorised delegates to conduct necessary audits of facilities, systems and/or documents related to the above; reasonable audits to assess compliance with our Supplier Code of Conduct; and
- Communicate to Teva any gaps in compliance with our Supplier Code of Conduct, or any significant inspection or regulatory issues.



SUPPLIER RISK ASSESSMENT/AUDIT

Under Teva policy, and in compliance with the Act, Teva utilises a risk-based assessment of its suppliers considering, amongst other things, their potential risk of non-compliance to the Supplier Code of Conduct and their importance for Teva. We acknowledge that we must be particularly vigilant when sourcing in specific industry sectors with geographically distant supply chains. Suppliers categorised as high or medium risk are requested to complete corrective actions and improve upon re-assessment and may thereafter be subject to an audit.

In 2017, we established a risk assessment framework using the EcoVadis platform, the leading provider of sustainability risk and performance ratings for global supply chains, and tracked medium and high-risk suppliers' corrective actions. In 2023, globally Teva received a top performer recognition with a sustainable procurement score of 90 points (out of 100).

Teva engages with, and maintains oversight of suppliers through questionnaires, surveys, PSCI audits and sustainability assessments conducted by third-party sustainability rating companies (e.g. EcoVadis). We are working towards our updated target to expand our sustainability assessments to 95% of significant suppliers by 2030.

In 2023, we continued annual audits of suppliers in compliance with PSCI, an audit program focused on ethics, labour, health and safety and environment, with 436 significant suppliers (which represent 60% of Teva's significant suppliers) having undergone valid assessments through EcoVadis. In addition, we completed third-party independent PSCI audits on four supplier manufacturing sites⁷.

In addition, in partnership with EcoVadis, Teva, together with other leading companies in the pharmaceutical industry, is part of the Responsible Health Initiative (RHI). This initiative is intended to increase shared value across the industry's supply chain by enabling key players in the global health sector to boost not only their own sustainability performance, but also that of the industry's collective suppliers.

As part of Teva's global long-term sustainable procurement targets, we are working towards:

- Evaluating 95% of significant suppliers on sustainability topics by 2030; and
- Achieve 70% of significant suppliers scoring >60 points in EcoVadis by 2030.

More detail and progress against those targets as at 31 December 2023, can be found in the 2023 Healthy Future Report⁸.



EMPLOYEES, TRAINING AND WHISTLEBLOWING

Employee relations are managed across Teva by the Human Resources department. Employee working hours are in line with their contract of employment. No employees are contractually required to work more than 48 hours per week, except where an employee's role allows for the option for them to work paid overtime, which must be approved in advance by the relevant managers and with the employee's consent. Teva supports family-friendly working patterns and employees can apply for flexible working if required. All UK employees are paid above the UK National Minimum Wage. Employees are further supported by a comprehensive wellbeing programme, which includes quarterly focused wellbeing events and the availability of mental health first aiders.

We invest in educating our employees to recognise risks of breaches of our Code of Conduct or applicable laws in our business and supply chains. Through our regular training programmes, employees are encouraged to identify and report any potential breaches. Our employees are made aware through our comprehensive training programmes that compliance with laws, regulations and policies is non-negotiable and

⁷ For further detail please see p.62 of the 2023 Healthy Future Report.

⁸ Please refer to p.60 of the 2023 Healthy Future Report.

integral to our vision of the right way to operate our company.

In 2023 100% of Teva's new hires in the UK completed the Code of Conduct training, instilling the importance of ethics and compliance from the start. Teva also conducts refresher training for all existing employees on the Code of Conduct every two years. The last refresher training was in 2022.

The "Our Way" Training Programme, launched in 2017, is an employee training series featuring many virtual compliance courses. Our Way reinforces our compliance principles and commitment to integrity. In 2023, the training programme covered a number of key ethical behavioural topics including Accurate Books & Records; A Deeper Look into the Office of Business Integrity; Trade Sanctions; Thoughtful Communications; Pharmacovigilance; Fair Competition; Conflicts of Interest; and Prevention of Corruption. These were rolled out between three separate training campaigns throughout the year, and were completed by 100% of the active employees to whom they were assigned in the UK.

As part of Teva's commitment to employee development and to support the success of our programmes, a Global Procurement ESG Handbook for procurement employees was launched in 2022 to help boost their knowledge on sustainability, targets and programmes, and to help them better communicate our sustainability expectations to suppliers.

Successful deployment of the handbook for procurement employees in 2022 was reinforced

by the addition of a Supplier ESG handbook and two webinars for significant suppliers (in 2022 and 2023). A Supplier Toolkit, including the above-mentioned materials, was also created and published in 2022.

Suppliers, employees and service providers continue to be encouraged to report concerns or illegal activities in the workplace without threat of reprisal, intimidation or harassment – this includes concerns relating to ethical behaviour. Teva personnel should also promptly report any violations of Teva's Code of Conduct, the Supplier Code of Conduct or any policies or laws, to Teva's Office of Business Integrity through a dedicated [Integrity](#) Hotline.



APPROVAL

This statement was approved by the board of directors of Norton Healthcare Limited on 10 June 2024.

Genady Mukomolov
Director of Norton Healthcare Limited

10 June 2024

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Teva Runcorn

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