



Teva UK Limited
s172 Statement 2023

The directors of Teva UK Limited are pleased to present this statement in compliance with Section 172 of the Companies Act 2006.

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making. This statement highlights the range of issues considered by the Board and some examples of their decisions and activities in the last year. This statement also provides highlights of how the Board continues to look after the interests of our stakeholders, including the impact of the Company's activities on the community, the environment, and our reputation.

Acting in good faith and fairly between members, the Board considers what is most likely to promote the success of the Company for its stakeholders in the long term.

1. Compliance with directors' duties

1.1. Directors' duties

The Board Directors are aware of and understand their duty to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. the likely consequences of any decision in the long term;
- b. the interests of the Company's employees;
- c. the need to foster the Company's business relationships with suppliers, customers and others;
- d. the impact of the Company's operations on the community and the environment;
- e. the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f. the need to act fairly as between members of the Company.

The Board has due regard to such matters in the decisions it makes and the impact such decisions may have.

2. Relations with stakeholders

The Company has multiple stakeholders including the Government, regulators, customers, suppliers, employees and patients.

2.1. Government bodies and regulators

The Board Directors and the Company maintain regular direct and indirect contact with Governmental bodies and regulators as part of the Company's ordinary activities. Examples of key stakeholder engagement activities are as follows:

Government

The Company's Corporate Affairs team, the Board and senior management engage regularly with ministers and civil servants at the Department of Health and Social Care (DHSC) and the Department for Business and Trade (DBT), as well as officials of the devolved Governments of Scotland, Wales and Northern Ireland.

Extensive consultation and conversations were also held with Government regarding Brexit and its impacts on the pharmaceutical industry, supply and regulation of medicines, and on the patients that the Company serves.

In particular, the Company lobbied the Government in relation to the Windsor Framework (previously the Northern Ireland Protocol), to help reach an outcome that would ensure patients in Northern Ireland continued to have access to the medicines they needed after Brexit. Evidence on the Windsor Framework was submitted to the House of Lords European Affairs Sub-Committee on the Protocol on Ireland/Northern Ireland. Additionally, the Company met with representatives from DHSC and the Medicines and Healthcare products Regulatory Agency (MHRA) to discuss changes in regulatory requirements and the addition of "UK only" labelling to packs of all UK medicinal products.

The Board has considered and contributed to Government consultations on policy changes which impact the sector and therefore the Company, for example: the Review of the Scheme to Control the Cost of Branded Health Service Medicines; the Major Conditions Strategy; and the All-Wales Paediatric Asthma Management and Prescribing Guidelines Consultation.

Department of Health and Social Care (DHSC) and NHS England (NHSE)

The Board regards the DHSC and NHSE as key customers and stakeholders and maintains direct contact with senior officials of the DHSC and NHSE on strategic matters via its senior management as part of its routine ongoing activities. The majority of these interactions relate to ensuring the continuity of supply of medicines; matters relating to pricing of medicines; and policy issues that could impact the provision of medicines in the UK.

The Board regularly considers changes in business approach and holds discussions with NHSE to explore different ways of working and innovative programmes to maximise efficiencies to support the NHS and quality of care for patients.

The Company also works on a number of Joint Working Initiatives with Integrated Care Boards (previously known as Clinical Commissioning Groups), Teaching Hospital Foundation Trusts and third parties to help deliver an improvement in patient outcomes in a number of different ways.

Regulators

The Board Directors place the highest priority on compliance with all regulatory requirements and guidance and therefore ensure that senior management maintain regular contact with the MHRA to launch new medicines in the market and undertake variations to existing Marketing Authorisations (licences to supply a medicine). The Company maintains GxP compliant systems, processes and procedures in line with reporting requirements and is inspected by the MHRA on a routine basis to confirm such compliance.

2.2. Employee engagement

The Board Directors recognise the importance of the Company's employees and a key focus of the Company's Employee Value Proposition (EVP) continues to be creating a "Great Place to Work", an initiative designed to improve employees' work/life balance. As part of this, the Company is committed to being a flexible employer. It recently introduced carers' leave and champions a global company-wide platform for carers which employees can use as a "safe space" to share their own personal experiences. The Company also has a range of programmes to support employees' physical and mental health, including access to mindfulness apps, virtual meetings focusing on wellbeing, and offers a variety of physical workout opportunities including high-intensity training sessions and lunchtime yoga and Pilates. It also maintains regular networking days to strengthen employee connection and collaboration, as well as helping to build new working relationships.

The Board regularly engages directly, and indirectly, with employees throughout the year, including Town Hall meetings on local, European and global levels, and through the Employee Voice Network (EVN), whose representatives form a peer-to-peer network to help drive positive change and shape the Company as a "Great Place to Work".

The Board Directors are also keen to emphasise the importance of employee surveys. These are conducted on a regular basis and include an annual employee engagement survey as well as ad hoc "pulse" surveys following a significant event, presentation, or organisational change. The Board, along with senior management and the Human Resources department, reviews, analyses and discusses survey outcomes, issues and trends and works with management and employees to implement changes and improvements.

Diversity & Inclusion (D&I)

At the request of and with the oversight of the Board, employees are able to volunteer their involvement in D&I workstreams (which include gender, race and disability) and champion these important subjects across the Company to help drive positive change in this area. Touchpoints throughout the year include Pride Month, International Women's Day, International Men's Day and Black History Month. Training opportunities are regularly reviewed to raise awareness to all employees and hiring managers on a range of topics and HR policies have been reviewed to make them more accessible, including the introduction of gender-neutral language.

The Company undertakes Gender Pay Gap reporting each year (a copy of the most recent report can be found at <https://gender-pay-gap.service.gov.uk/employer/xJNhtukV>).

2.3. Customers: wholesalers and pharmacy

Relationships with the Company's key customers, including wholesalers and pharmacies, are largely managed by the Company's commercial business units. Ongoing engagement is led by Key Account Managers who regularly meet customers to discuss strategic and operational initiatives to ensure that the Company provides all of its customers with the appropriate level of service. Key Account Managers meet with wholesale partners to ensure supply, and also with independent pharmacists to promote the Company's generic products. The Board is updated on this engagement and any key areas of discussion on an ongoing basis and will consider business changes which may be required from time to time in order to best maintain these relationships and the commercial considerations of each party.

2.4. Suppliers

Teva maintains high ethical, societal and environmental standards for conducting business and does so in accordance with governmental and industry standards, laws, rules and regulations, as well as its own internal policies. The Company expects the same commitment from its suppliers of goods and services. These standards are aligned with the Group's Healthy Future sustainability strategy published on its website: <https://www.tevapharm.com/our-impact>. A Supplier Code of Conduct specifies the primary principles and expectations that the Company requires of its suppliers.

2.5. Patients

Patients are one of the Company's most important stakeholders and at the heart of everything the Company does. Whilst pharmaceutical industry regulations mean it is unable to directly communicate with patients, the Board encourages and supports engagement via key opinion leaders' forums and also patient-centric platforms such as Life Effects.

Life Effects is an online platform, offering peer-to-peer support for those affected by chronic conditions such as multiple sclerosis, migraine, asthma, and mental health. Throughout 2023, Life Effects continued its partnership with Boots to offer additional access to the platform directly from Boots' website, making it more visible and accessible to a wider group of patients.

2.6. Shareholders

The Company is a wholly-owned indirect subsidiary of Teva Pharmaceutical Industries Limited, which is the ultimate parent company of the global Teva Group. The Board regularly reports internally within the Group on the Company's performance, as well as commercial and strategic initiatives.

3. Consideration of the impact of the company on the community and environment

The Board recognises the significance of corporate social responsibility for the Company's purpose and on-going success and it retains a key focus on environmental, social and corporate governance (ESG) via its Healthy Future sustainability strategy. This includes a volunteering policy which entitles all employees to two-days paid time off to volunteer with charitable organisations. Employees took part in volunteering events during the year at various sites and participated in collections for foodbanks in the local communities.

In 2023, the Company continued to make great steps towards its sustainability goals, including contributing towards global reductions in the Group's absolute Scope 1, 2 and 3 emissions. In the UK, a focus on greening the workplace saw a move to LED lighting and motion sensors to reduce electricity consumption. Optimisation of the Company's distribution centre has improved energy efficiency, with total electricity and gas consumption for the year 8% lower than in 2022. The Company also continues to work towards increased electrification of its vehicle fleet to further reduce CO₂ emissions.

During the year the Company achieved external certifications to the following International Organization for Standardization (ISO) standards:

- 45001 Occupational Health & Safety Management
- 14001 Environmental Management
- 50001 Energy Management

The Company contributed to the Teva Global 2023 Healthy Future Report, a copy of which can be found at: <https://www.tevapharm.com/globalassets/tevapharm-vision-files/teva-esg-progress-report-2023.pdf>