



# 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 2021<sup>1</sup>. 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 have a global portfolio of approximately 2,900 medicines and we are active in 58 countries, employing 37,573<sup>2</sup> people around the world and 1,067 people in the UK<sup>3</sup> as at 31 December 2021.



## 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 or not human rights are being compromised anywhere within our business or global supply chain.

As outlined in our [Position on Human Rights](#), Teva, including all of its directors, executives and employees is committed to respecting internationally recognized human rights. We support the spirit and provisions of

the Universal Declaration of Human Rights and the subsequent guidance set forth in the United Nations Guiding Principles on Business and Human Rights.

As a signatory of the United Nations Global Compact since 2010, we have formally and publicly 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, while ensuring we are not, even unwittingly, complicit with Human Rights violations in our extensive global supply chain. We believe

<sup>1</sup>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: Ivax UK Limited, 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.

<sup>2</sup>Includes employees and contractors.

<sup>3</sup>Teva UK Limited and Norton Healthcare Limited employed 465 and 508 people, respectively, as at 31 December 2021. Teva NI Limited employed 94 people as at 31 December 2021.

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 organization.

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 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' organizations 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. We acknowledge the International Labour Organization's Declaration on Fundamental Principles and Rights at Work as a guiding reference for our policies and approach to human rights. Furthermore, we also require our suppliers to abide by the International Labour Organization's Minimum Age Convention and the International Labour Organization's Worst Forms of Child Labour Convention.

We continue in our commitment to support and respect the protection of internationally proclaimed human rights. We uphold the elimination of all forms of forced and compulsory labour, and the effective abolition of child labour. Ensuring that we maintain the highest moral and ethical standards regarding labour practices remains a top priority at Teva.



## Teva policies and codes

Since 2010, Teva has also 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. We communicate our progress against UNGC principles in our annual ESG progress report. Teva's 2021 Global ESG Report is available [here](#).

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 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.

PSCI's vision and purpose is to bring together its members to champion responsible supply chain practices and to establish and promote behaviours that will continuously improve ethics, labour, health, safety and environmentally

sustainable outcomes for supply chains. PSCI's priority areas encapsulate fair and safe workplaces and include areas such as, worker protection, fair treatment of employees and freely chosen employment.



## 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 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, which cover critical Environment, Social, and Governance (ESG) areas such as labour and human rights.

In 2021, we carried out five such audits of suppliers deemed critical by our Global Procurement Risk Management team.

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:

- Ensure they understand and comply with the terms of our Supplier Code of Conduct and the various policies and positions linked within it;
- Maintain documentation necessary to demonstrate such compliance;
- Answer reasonable queries in respect of compliance with our Supplier Code of Conduct;
- Allow reasonable audits to assess compliance with our Supplier Code of Conduct;
- Communicate to Teva any gaps in compliance with our Supplier Code of Conduct, or any significant inspection or regulatory issues;
- Acknowledge Teva's right to terminate any contract for failure to comply with our Supplier Code of Conduct; and
- Apply the same or substantially similar principles towards third parties with whom they work in providing goods and services to Teva.



## 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 prioritised as high or medium risk are requested to complete corrective actions and improve upon re-assessment and may thereafter be subject to an audit.

Teva engages with, and maintains oversight of, suppliers through questionnaires, surveys, PSCI audits and ESG assessments conducted by third-party sustainability rating companies (e.g. EcoVadis). We are working to expand our ESG assessments to 100% of critical suppliers.

In 2017, we established a risk mitigation framework using the EcoVadis platform, the leading provider of sustainability risk and performance ratings for global supply chains, and tracked high-risk suppliers' corrective actions. In 2021, we increased the number of suppliers under the program from 72 to 218, and as a result of the additional measures and procedures carried out by Teva, our EcoVadis Sustainable Procurement score increased by 40%, placing Teva amongst the top 1% of pharmaceutical companies assessed.

As at 31 December 2021, 39% out of 522 global critical suppliers for Teva have been assessed by EcoVadis. We have made a commitment to assess 100% of global critical suppliers on ESG performance by 2025. To proactively identify and assess potential human rights impacts and risks, we request corrective action plans from suppliers that receive EcoVadis labour theme scores below a certain threshold (45). We plan to conduct a further human rights assessment of our supply chain in 2022.

In addition, in partnership with EcoVadis, Teva, together with other leading companies in the pharmaceutical industry, launched the Responsible Health Initiative (RHI). The effort 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.

Powered by EcoVadis' platform and scalable methodology, which offers deeper transparency and insight into supply chain partners' corporate social responsibility (CSR) practices, RHI members will be able to identify suppliers with high-performing CSR efforts and best practices, mitigate risk and drive value with suppliers.

In 2021 Teva retained its EcoVadis Silver Medal and was ranked in the top 12% of all companies rated by EcoVadis for responsible conduct in environmental, labour and human rights practices, ethics and sustainable procurement practices.

As part of our long-term sustainable procurement goals, which Teva set on a global level in 2021, we will work towards:

- Assessing 100% of critical suppliers on ESG performance by 2025;
- Achieving bronze or higher score for more than 75% of critical suppliers in EcoVadis by 2025; and
- Achieving silver or higher score for more than 50% of critical suppliers in EcoVadis by 2025



## 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 at least the UK National Living 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 integral to our vision of the right way to operate our company.

In 2021 100% of Teva UK's new hires completed the Code of Conduct training, instilling the importance of ethics and compliance from the start. Teva also conducts re-fresher training for all existing employees on the Code of Conduct every three years. The last re-fresher training was in 2019 and a refresher will be launched to all employees again in 2022.

The Our Way of Life (OWL) Training Program, launched in 2017, is an employee training series featuring many virtual compliance courses. OWL reinforces our compliance principles and commitment to integrity. In 2021, the training program covered a number of key ethical behavioural topics including, amongst others, Ethics and Integrity: Doing the Right Thing, Fair Competition, Conflicts of Interest and

Data Privacy: Protecting Personal Data. These were rolled out during three separate training campaigns throughout the year, which collectively achieved a 99% completion rate.

In 2021, our Global Procurement team conducted an ESG educational session, which also addressed modern slavery and human rights for relevant internal procurement stakeholders.

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 or any policies or laws, to Teva's Office of Business Integrity through a dedicated telephone hotline.



## Approval

This statement was approved by the board of directors of Norton Healthcare Limited on 20 June 2022.

**Stephen Forrester-Coles**  
Director of Norton Healthcare Limited

20 June 2022