



# Modern Slavery Statement

Norton Healthcare Limited

This is the modern slavery and human trafficking statement of companies in the Teva UK group ("Teva") for the financial year ending 31 December, 2019<sup>i</sup>. It is made in accordance with Section 54(1) of the Modern Slavery Act 2015 and sets out the steps we've 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 healthcare for people across the globe (including the UK), at every stage of life. We do this by developing, producing and marketing affordable generic drugs, as well as innovative and specialty pharmaceuticals and active pharmaceutical ingredients. We have a global portfolio of 3,500 products and we are active in more than 60 countries. We employ more than 39,000 people around the world and 1,350 people in the UK.



## Ethical values and position on human rights

At Teva, our responsibility extends 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.

As outlined in Teva's group position on Human Rights found [here](#), the Teva UK group, including all its directors, executives and employees is committed to respecting internationally

recognised 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 compliance

<sup>i</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 office and is available on request.

with all applicable laws, regulations and other requirements designed to protect human rights is fundamental to our corporate wellbeing 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 awareness and understanding of human rights and employment practices. We have incorporated these principles into our Code of Conduct found [here](#), strategies, policies and procedures, and by continuing to live out our values, we will uphold our basic 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:

- Being aware of countries, regions, sectors and 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;
- 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 vendors to ensure all those covered by this position are aware of our expectations and their responsibilities. We acknowledge the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work as a guiding reference for our policies and approach to human rights.

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 10 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.

As part of our commitment to combating modern slavery, we implemented the formal communication of our Responsible Supply Chain policy which sets out our expectations for all our suppliers to comply with the UN Global Compact Principles. Suppliers are obliged to consider these responsibilities as part of selection and continued engagement with Teva.

Our Supplier Code of Conduct is made publicly available to suppliers on [our website](#) and formal acceptance of this policy by suppliers is a pre-requisite to contracting and tendering with Teva. The PSCI Principles, which are aligned with our Supplier Code of Conduct, are aligned with the UN Global Compact Principles.



### Supply chain and contractual obligations

Teva's supply chain is an extension of our company, helping us reach nearly approximately 183

million patients each day<sup>1</sup>. We operate the largest fully-integrated manufacturing and delivery network in the pharmaceutical industry, with 600 contract manufacturing operations (CMOs) 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.

As part of our processes to ensure ethical practices within our supply chain, we became a member of the Pharmaceutical Supply Chain Initiative (PSCI) in 2016, which includes 26 of the largest, leading pharmaceutical and healthcare companies. As set out in its 2018 Annual Report, 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 work places and include areas such as: worker protection, fair treatment of employees and freely chosen employment. Teva continues to be a member of PSCI and the principles that govern supply chains in this sector continue to apply and inform our ethical labour practices. These principles continue to form part of our Supplier Code of Conduct.

Our suppliers are bound by stringent contractual obligations which require them to support our objectives, including requirements to:

- ensure their awareness of the terms of our Supplier Code of Conduct;
- 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;
- 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 toward third parties with whom they work in providing goods and services to Teva.



### Supplier risk assessment/audit

Under Teva policy, Teva utilises a risk-based assessment of suppliers considering, amongst other things, their potential risk of non-compliance to the Supplier Code of Conduct. We acknowledge we must be particularly vigilant when sourcing in specific industry sectors with geographically distant supply chains. Suppliers prioritised as high or medium risk are further assessed for compliance with the Supplier Code of Conduct and may thereafter be subject to an audit.

Teva has worked with an external sustainability specialist and utilised its 'Supplier Sustainability Ratings' solution to undertake initial assessments

of our suppliers' compliance with our Suppliers Code of Conduct.

As part of our commitment to our ongoing compliance with the Act, we have utilised our risk assessments to enhance ways of working in respect of third party compliance with our Supplier Code of Conduct.

In 2018, we established a risk mitigation framework in the EcoVadis platform—the leading provider of sustainability risk and performance ratings for global supply chains and tracked high-risk suppliers' corrective actions. In 2019, we expanded the number of suppliers under the program by 140.

In addition, in partnership with EcoVadis, Teva, together with other leading companies in the 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

<sup>1</sup> Data on file – Teva

high-performing CSR efforts and best practices, mitigate risk and drive value with suppliers.

In 2018, Teva was awarded an EcoVadis Silver Medal (top 16% of pharmaceutical companies) for responsible conduct in environment, labour and human rights practices, ethics and sustainable procurement.

As part of our sustainable procurement goals for 2020, we will continue to drive our risk mitigation framework, ensuring corrective actions are in place for our suppliers. Additionally, we will execute on-site audits on some suppliers that we have chosen utilising EcoVadis scores. We will also continue our focus on providing internal training, improvement in reporting, increasing communication and awareness, and supporting our teams to drive clear improvement in our supply chain.



### Employees, training and whistleblowing

Employee relations are managed across Teva by the Human Resources Department. Employee working hours are set out in a contract and any requirement to work additional hours outside of the standard contractual hours must be approved in advance by the relevant managers with the employee's consent. Teva has family-friendly policies and flexible working is available to all employees if required. All relevant UK employees are paid at least the UK National Living Wage.

We invest in educating our staff to recognise risks of breaches of our Code of Conduct or applicable laws in our business and supply chains. Through our 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 integral to our vision of the right way to operate our company.

In 2019, 100% of Teva UK's new hires completed the Code of Conduct training, instilling the importance of ethics and compliance from the start. Additionally, 100% of existing employees completed Code of Conduct refresher training.

In 2017, we launched further internal training, which reinforced our Compliance Principles and commitment to integrity. In 2019, the training program covered eight key ethical behaviour topics including: conflicts of interests, preventing corruption, why speaking up matters, preventing harassment and a culture of ethics and compliance.

Suppliers, workers 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 (OBI) through a dedicated telephone hotline.



### Approval

This statement was approved by the board of directors of Norton Healthcare Limited on 4 May, 2020.

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

4 May 2020