

Modern Slavery Statement

Norton Healthcare Limited



This is the modern slavery and human trafficking statement of Norton Healthcare Limited, part of the Teva global group of companies ("Teva") for the financial year ended 31 December 2022¹. 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 more than 2,300 products in our global portfolio, 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 49%² of medicines on this list of treatments for priority health needs. We have a global workforce of 36,826 people (including contractors) around the world and 1,080 people worked for Teva in the UK³ as at 31 December 2022.



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 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 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.

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 Number is based on INN 2022 total IQVIA data. For further detail, please see p.7 and p.25, Teva 2022 ESG Progress Report.

³ Teva UK Limited and Norton Healthcare Limited employed 424 and 567 people, respectively, as at 31 December 2022. Teva NI Limited employed 89 people as at 31 December 2022.

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. In 2022 Teva initiated a Human Rights and Environmental assessment, which evaluated the risk exposure of our operations and suppliers and Teva's existing approaches to identifying and managing these risks.⁴ More than 3,500 of our suppliers and all of Teva's operations were screened and rated according to their risk exposure level for the various human rights and environmental topics. Risk ratings were then plotted on a matrix to help determine the suppliers and operations where further action may be warranted. This will, in turn, help Teva define a robust global risk management system in 2023.

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 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 [2022 ESG Progress Report](#) fulfills 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 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.

⁴ For further detail, please see p.46 of 2022 Teva ESG Progress Report.



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. In 2022, we continued annual audits of suppliers in compliance with PSCI, an audit program focused on ethics, labour, health and safety and environment.

In 2022, Teva's Chief Procurement Officer and Head of ESG wrote a letter to all suppliers describing their ESG responsibilities⁵. As a way to reinforce this, also in 2022, we integrated ESG criteria, including our first ESG Toolkit for Suppliers, 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 ESG at Teva, including our vision, targets and expectations. 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 towards our target to expand our ESG assessments to 100% of critical suppliers by 2025.

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 high-risk suppliers' corrective actions. As at 31 December 2022, 56% of 522 global critical suppliers were assessed by EcoVadis.

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

⁵ p.56, 2022 Teva ESG Progress Report.

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

In 2022 Teva was ranked in the top 9% of all companies rated by EcoVadis for responsible conduct in environmental, labour and human rights practices, ethics and sustainable procurement practices.

As part of Teva's global long-term sustainable procurement goals, we are working 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.

More detail and progress against those goals as at 31st December 2022, can be found in the Teva 2022 ESG Progress Report.



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 2022 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 three 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 2022, the training programme covered a number of key ethical behavioural topics including Speak Up: The Right Choice; International Sanctions: What You Need to Know; Take the First Step: Speak Up Reminder; Conflicts of Interest; Data Privacy; Fair Competition; and Anti-Corruption. These were rolled out between three separate training campaigns throughout the year, which achieved collectively achieved nearly 100% completion rate.

As part of Teva's commitment to employee development, a new Global Procurement ESG Handbook for procurement employees was

launched in 2022 to help boost their knowledge on ESG, targets and programs, and to help them better communicate our ESG expectations to suppliers.

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 telephone hotline.



Approval

This statement was approved by the board of directors of Norton Healthcare Limited on 13 June 2023.

Roland Potts

Director of Norton Healthcare Limited

13 June 2023

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