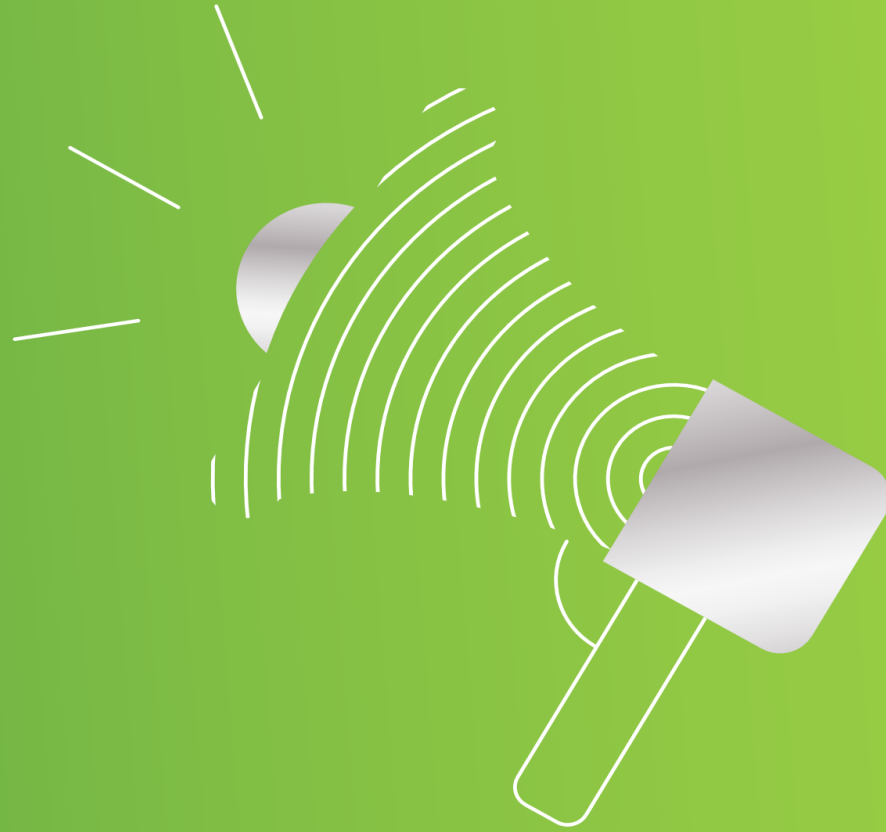


Welcome!
The event will
start in few
minutes...





Teva Sustainability Webinar for Suppliers

December 2024



Housekeeping rules

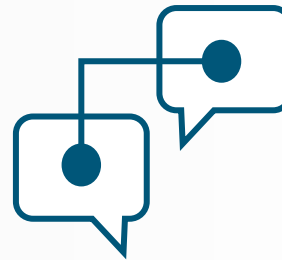
This meeting will be recorded for training purposes

- This meeting will be recorded for training purposes. By attending, you acknowledge your participation in a recorded meeting. If you wish to contact us during the webinar you can send your feedback/questions via the **Q&A chat option** which is only visible to the webinar hosts.
- Your acceptance of this meeting invite is your consent to be recorded.

To get the most out of this session, please



Limit electronic interruptions



Use chat panel to ask a question at the end of the session

This symbol indicates that further information is available in the Additional Resources section



The Additional Resources section includes:

- Frequent asked Questions
- EcoVadis Assessment Process timeline
- Human rights resources for supply chain
- And more

Today's Presenters



Isabella Sulpizio
EcoVadis Account
Manager,
Canada



Ana Tesko
Teva Sustainable
Procurement
Manager,
Croatia

Webinar Objectives

- **Remind:** 'Healthy Future', Teva's sustainability strategy & Procurement targets
- **Outline:** updates to Teva's Supplier Code of Conduct & Expectations for Suppliers
- **Promote:** the adoption of ESG assessment to evaluate your sustainability practices and impact
- **Enhance:** your understanding of Human Rights and Environmental regulations, including German Supply Chain Act

Today's Agenda

01 Teva Healthy Future Strategy & Procurement targets

02 Teva Supplier Code of Conduct Key Updates

03 Sustainability Assessment by EcoVadis

04 Human Rights & Environmental Regulations

05 Q&A

06 Conclusions



01 Teva Healthy Future Strategy & Procurement targets



Our Healthy Future Focus Areas

Access to Medicines & Healthcare

Create equitable and sustainable solutions to enable more people to get the medicines they need, while contributing to health systems strengthening

Inclusion & Diversity

Foster an inclusive culture and diverse representation to enable business excellence and innovation

Ethics & Integrity

Uphold the highest standards of business conduct

Pharmaceuticals in the Environment

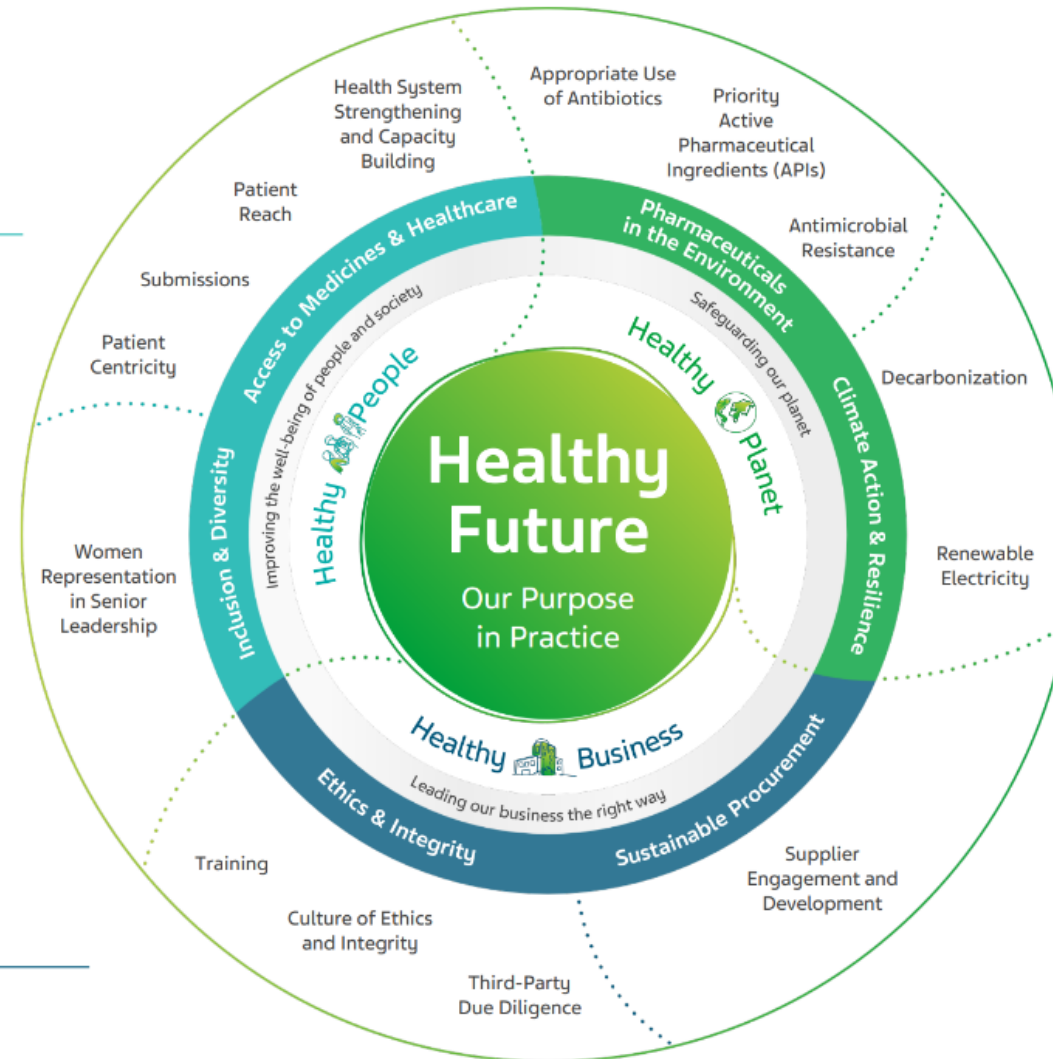
Minimize the environmental impact of pharmaceuticals in our operations and supply chain and encourage appropriate use of our products

Climate Action & Resilience

Reduce our environmental footprint to help fight climate change, while preparing to adapt to its impacts

Sustainable Procurement

Further integrate priority sustainability factors in our engagement with suppliers



Healthy Business: Sustainable Procurement

Further integrate priority Sustainability factors in our engagement with suppliers



Supplier Engagement and Development

Engage significant suppliers and support development on Key Sustainability topics, target commitments and ratings **by 2030**, including:

- Evaluate **95%** on Sustainability topics
- Ensure **70% score >60 pts in EcoVadis'** Sustainability Scorecard which measures performance across 21 indicators on environment, labor, and human rights, ethics and sustainable procurement.



Decarbonization

Achieve **25%** Scope 3 reduction by 2030 (vs 2020 baseline)

Reduce our environmental footprint to help fight climate change, while preparing to adapt to its impacts:

- Ensure **80%** of suppliers have committed to or had commitments approved by the Science Based Target initiative (SBTi).



Pharmaceuticals in the Environment

Minimize the environmental impact of pharmaceuticals in supply chain:

- **100%** of antibiotic suppliers and API supplier sites to have their discharge levels assessed by 2030
 - at least 50% to have safe discharge levels within safe limits
 - For those with discharge levels above safe limits, 50% to have mitigation plans in place



02 Teva Supplier Code of Conduct Updates & Expectations for Suppliers

Teva SCoC Revision



Drivers

- [PSCI Principles Update](#) – announced and approved by the PSCI membership on May 23rd, 2023, effective immediately.
- Emerging International Human Rights and Environmental Regulations



Key Changes

- 'Governance and Management Systems' is now the first Principle reflecting its **foundational nature** and **impacting the other four sections** (Ethics, Human Rights, Health & Safety and Environment)
- **Broader scope of the human rights section**, now covering the rights of local communities and the commitment to conduct regular human rights risk assessments
- **New clauses** on establishing a culture of responsible practices, providing remediation, setting up grievance mechanisms protecting products and quality, upholding the right to collective bargaining supporting the wellbeing of workers and conserving biodiversity
- **Strengthened clauses** on resource efficiency and climate change (covering suppliers' Scope 3 emissions)

Teva Supplier Code of Conduct

Click **HERE** to access the SCoC.
Available in 27 languages



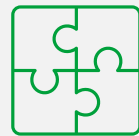
Teva's Supplier Code of Conduct (SCoC) outlines our **key principles, expectations, and relevant sustainability policies and positions** for third-party suppliers and vendors.



Last update:

March 2024 - Key changes introduced in this version:

- Governance and Management Systems' is now the first Principle reflecting its **foundational nature and impacting the other four sections** (Ethics, Human Rights, Health & Safety and Environment)
- **Broader scope of the human rights section**, now covering the rights of local communities and the commitment to conduct regular human rights risk assessments
- **New clauses** on establishing a culture of responsible practices, providing remediation, setting up grievance mechanisms protecting products and quality, upholding the right to collection bargaining supporting the wellbeing of workers and conserving biodiversity
- **Strengthened environmental clauses** on resource efficiency and climate change (covering suppliers' Scope 3 emissions)



Teva's Supplier Code of Conduct is embedded in **RFPs Questionnaires, Contracting clauses and Purchase Orders Terms & Conditions templates** for Direct and Indirect spend.



GP's Supplier Maturity Model

Assessing **key sustainability criteria** to focus our initiatives



Teva Supplier
Code of Conduct



SCIENCE
BASED
TARGETS



Why does it matter?

Ensures transparency, accountability, and responsible practices throughout our supply chain.

Defines and promotes best practice in science-based target setting.

Environmental impact disclosure system, with standard and granular data tracked annually

Action Call for Suppliers

Acknowledge our Supplier Code of Conduct, policies and positions across Ethics, Labor, Health and Safety, Environment and Management Systems.

Establish a GHG baseline and reduction targets in line with Science Based Target Initiative (SBTi) guidance and becoming SBTi approved by 2025

Disclose progress towards Teva's Scope 3 reduction target when requested by Teva



GP's Supplier Maturity Model

Assessing **key sustainability criteria** to focus our initiatives



Why does it matter?

Assess suppliers on common sustainability topics and Carbon management systems maturity

Action Call for Suppliers

Produce [EcoVadis](#) or similar ESG assessment when requested by Teva.



Understand maturity of suppliers against environmental expectations.

Facilitate the execution of [Pharmaceutical Supply Chain Initiative \(PSCI\)](#) and AMR Industry Alliance audits when requested by Teva – only applicable for selected suppliers with manufacturing sites.



Site level audits, aiming to measure compliance against PSCI principles

Energize

Provides a path for our suppliers to reduce greenhouse gas emissions through the transition to renewable electricity.

Register in the [Energize Program](#), which aims to accelerate renewable energy adoption.



More information is available in the Resources Section at the end.

Sustainable Procurement Toolkit for Suppliers

Embed into:

1. [Teva Web corporate page](#)
2. RFx Templates for Sourcing Events via Ariba
3. GP's communications with suppliers



Teva ESG Letter of Intent for Suppliers – Outlines specific sustainable commitments expected from suppliers

2024 Sustainability Webinar for Suppliers (Deck & Recording)



Sustainability Handbook for Suppliers – focus on Teva's ESG expectations, targets and guidance





03 Sustainability Assessments by EcoVadis



Who is EcoVadis?

EcoVadis is the world's most **trusted global sustainability ratings company** which works with enterprises in every sector to help drive sustainable improvement within their supply chains.

Trusted



1200+

Sustainable Procurement Programs



Global



180

Countries covered



14

Global Offices



70

Employee countries of origin

Sustainability Ratings



130,000

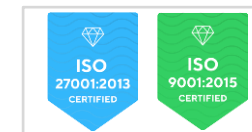
Companies rated



Citizen Action Award 2020
Tech for Good Awards BFM

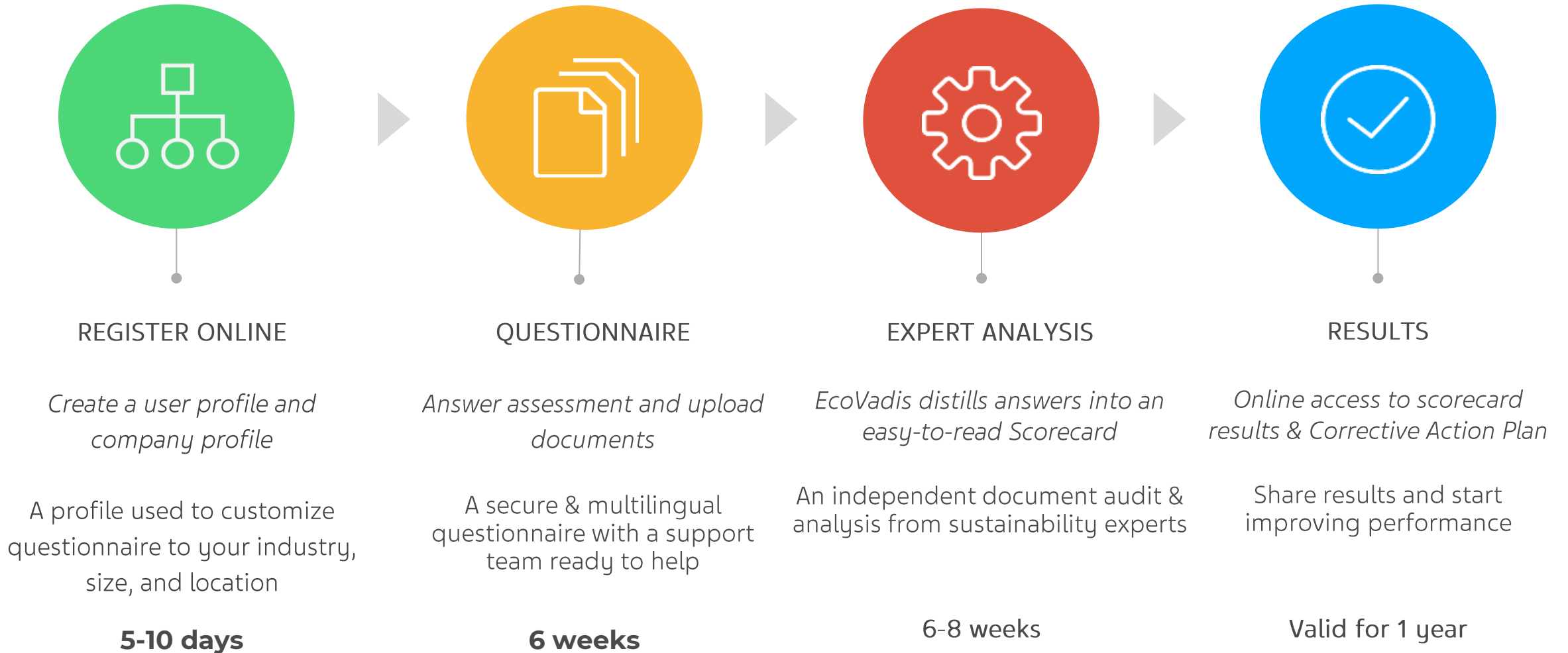


Featured for seven years in
the Purchasing Almanac



ISO Certified

Overview of the EcoVadis Assessment Process



EcoVadis Scorecard

Valid for 12 months from the publication date



You can share your scorecard with an unlimited number of customers ([Find out how](#))

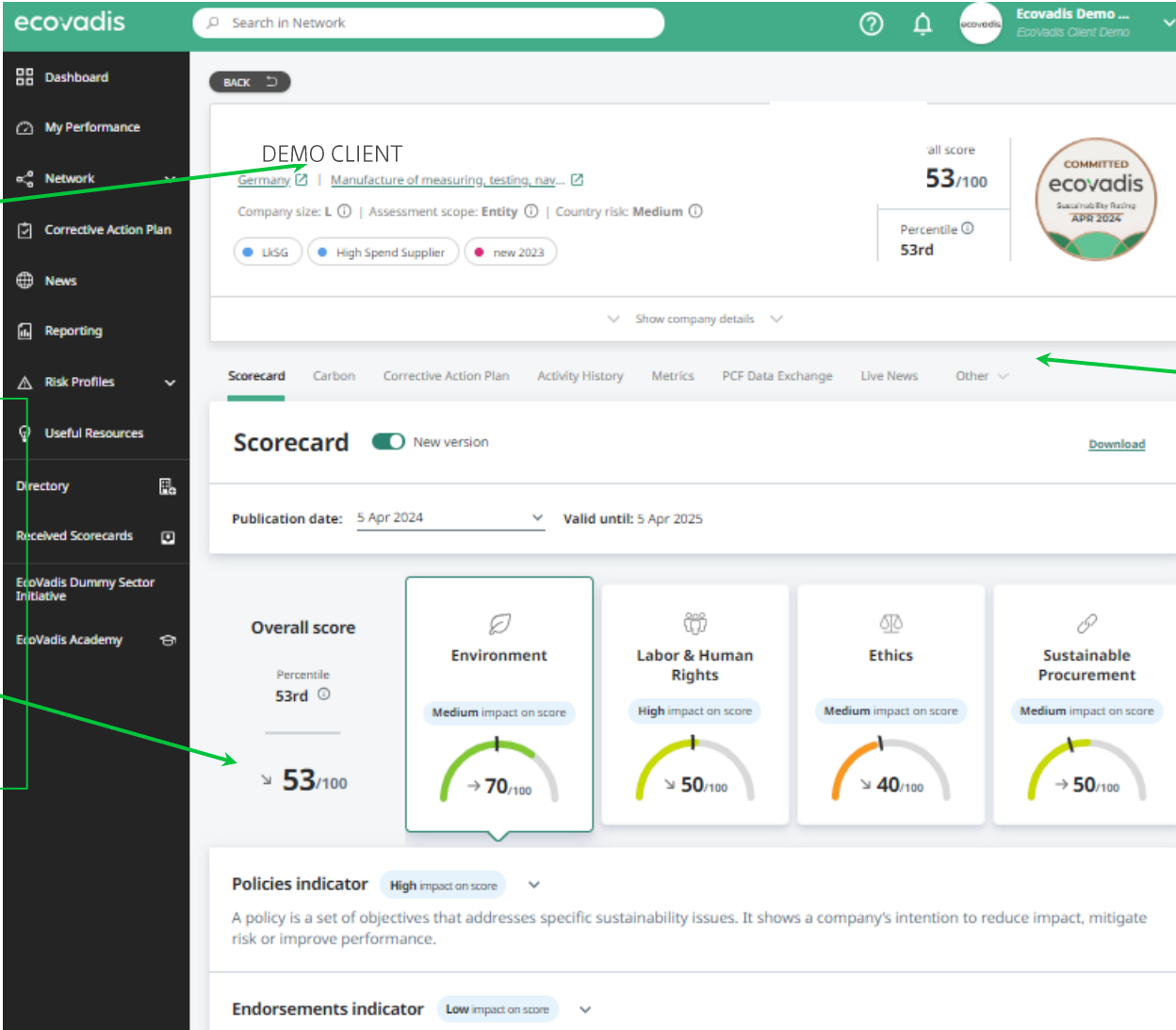
Your company details and link to your industry risk profile

Trend arrow (your performance compared to industry benchmark)

Theme scores and overall score

Find all performance information in dedicated tabs: Scorecard, Carbon, Metrics, Corrective Action Plan, CSR Activities

Benchmark performance against companies in the same industry (found below)



EcoVadis is much more than just a ScoreCard



Click [here](#) to read more about the [benefits](#) of our services



Easy share

Respond to customer requests or proactively share an EcoVadis Scorecard through our platform, which is home to 1200 requesting clients.



Carbon Solution

Give companies the means to reinforce their actions, to report on carbon management and to communicate their success.



Metrics

The platform's Metrics module includes indicators on water use, waste management, carbon emissions and more.



Enhanced Questionnaire

The EcoVadis questionnaire has been redesigned for an improved experience and more ease and speed of completion.



Analyst check-ups

Analysts can now come forward during the analysis phase if they believe a rated company may have made an easily preventable and modifiable error.



More languages

The EV platform is now available in several new languages: Dutch, Italian, Korean, Portuguese, Russian, Thai, Turkish and Arabic.



EV Academy

An eLearning platform aimed at developing sustainability best practices, and improving the overall performance of the players.



More information is available in the Resources Section at the end.

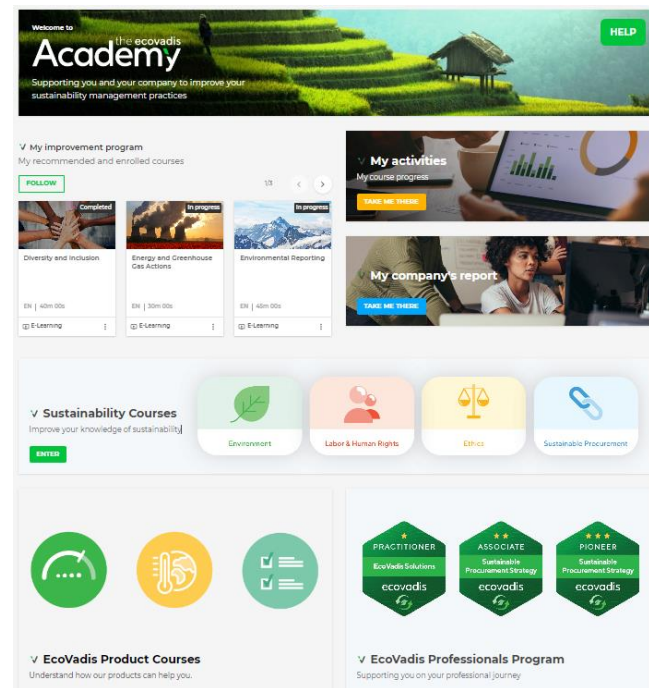
Continuous Learning: EcoVadis Academy

Supporting our network of customers with guided eLearning courses to develop their sustainable management practices and improve environmental and social outcomes.

Portfolio of improvement solutions



A learner portal
Single sign on from Ratings Platform



Courses linked to Improvement
Step by step courses

1	Intro to Sustainability
2	Sustainability Management systems
3	Environmental Policy
4	Environmental Reporting
5	Labor & Human Rights Policy
6	Labor & Human Rights Reporting
7	Ethics Policy
8	Ethics Reporting
9	Sustainable Procurement Policy
10	Sustainable Procurement Reporting



04 Human Rights & Environmental Regulations





Modern Slavery: What it is?

WHAT

Modern slavery is a recent term with no globally agreed definitions. It is an umbrella term encompassing a range of exploitative practices of other people for commercial gains.



WHO

Modern slavery conditions can be imposed to adults and children, by State authorities, by private enterprises or by individuals.



SCOPE

There are some forms of modern slavery not related to private economy activities, such as forced marriage. Others exist in private economies workforces, such as forced labor, human trafficking, etc.

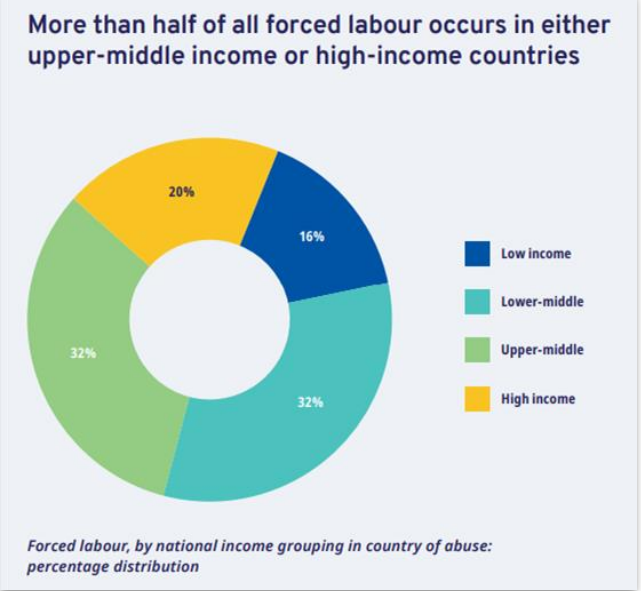
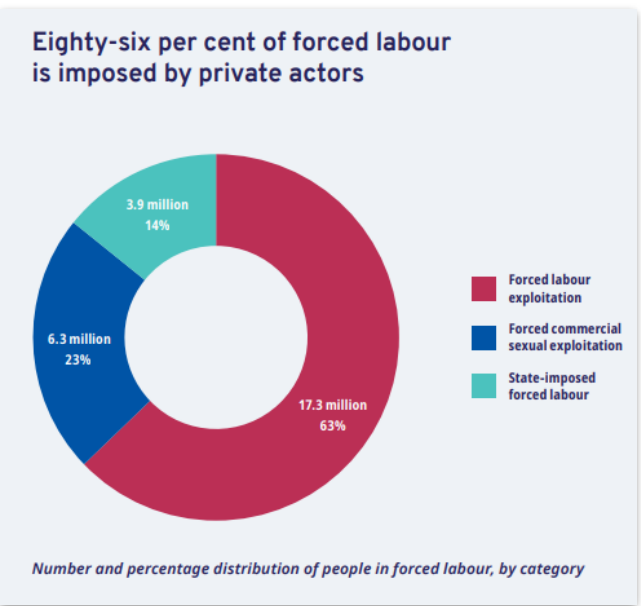
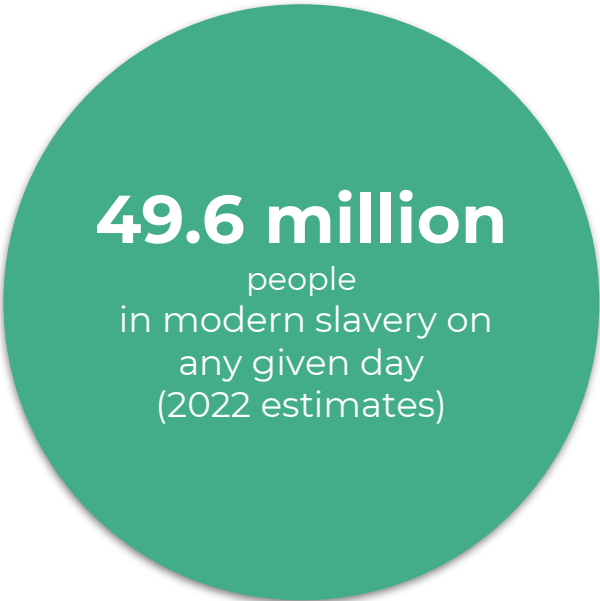


WHERE

Modern slavery can happen anywhere in the world. Private enterprises can have potential modern slavery risks in their own operations and/or in their supply chains.



Modern Slavery : Facts & Figures



Source:
[ILO Global Estimates of Modern Slavery - Forced Labor and Forced Marriage](#)

Deforestation

Some major drivers



- Land conversion for agriculture (agricultural expansion)
- Mining projects
- Land for settlements
- Implementation of infrastructure projects e.g construction of roads
- Poor forest management (unsustainable harvesting of fuel food; illegal logging)
- Forest fires

*Earth loses 10 million hectares of forests/yr
(equal to 27 soccer fields/min) !*

Some major impacts



- Disrupted water cycle
- Soil erosion
- Contributing factor to climate change due to a severely impacted carbon cycle (decreased in carbon storage/sink along with release in CO2 during deforestation)
- Loss of species due to loss of habitats
- Increase outbreaks of new and emerging diseases
- Rise in extreme weather events

Extractive Industries: An Opportunity To Accelerate Momentum

More than



of biodiversity loss is driven by the extraction and processing of natural resources, which are key inputs to global value chains. Although many companies have made progress on climate action, they are lagging far behind on tackling biodiversity loss.

According to EcoVadis data,



of companies in high-risk extractive industries had policies on biodiversity in 2023 (up from 13% in 2022).

By contrast, corporate policies on climate change are much more common, with

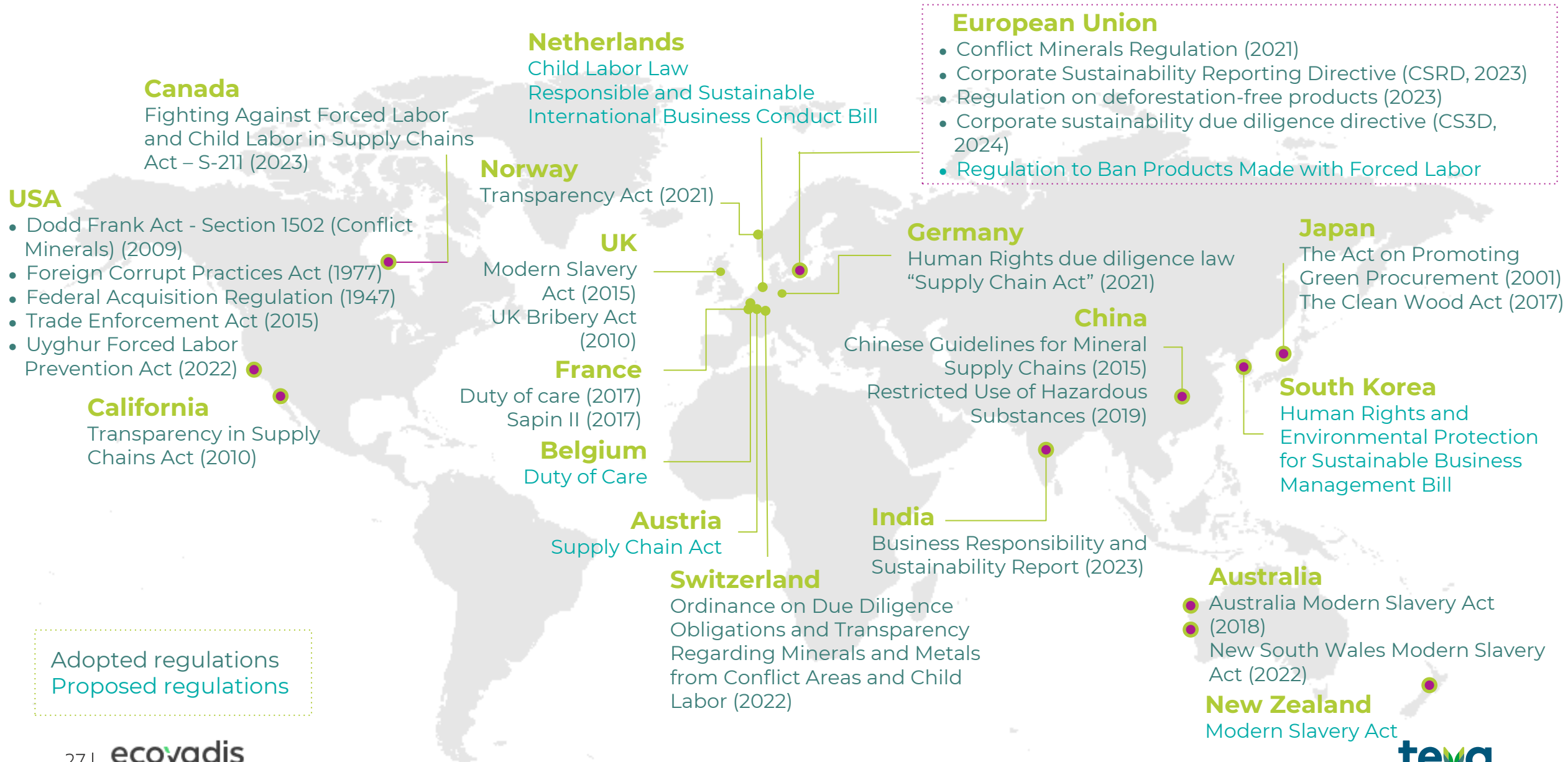


of companies having one in place in 2023 (37% in 2022). The good news is that policy setting on both topics has steadily increased over the past year, indicating that businesses are beginning to recognize the twin crises as equal threats.

Regulations Worldwide - Examples



More information is available in the Resources Section at the end.



About the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)



Adopted on 11 June 2021

Protection of human rights (human rights violations and damage to the environment) in supply chains through risk management & reporting requirements



Concerned:

- Companies based in Germany (incl. foreign companies with sites or subsidiaries) with 3,000+ employees (in Germany) from Jan 1st 2023 (1,000+ from Jan 1st 2024)



Scope

- Own operations
- Direct suppliers
- Indirect suppliers if suspected violation of a human rights-related or an environment-related obligation (substantiated knowledge)



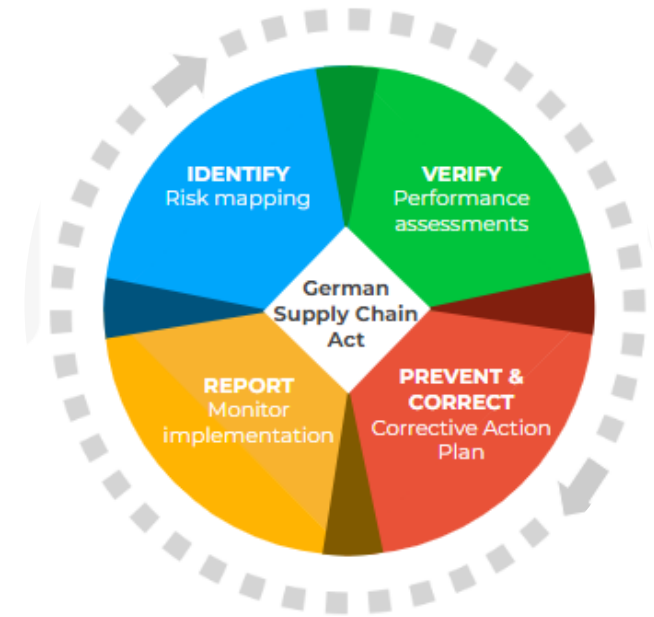
Requirements:



More information is available in the Resources Section at the end.

Sanctions simplified, more information [here](#):

- Fines**, : periodic penalty payments of up to EUR 50,000 in administrative enforcement proceedings and/or fines. Fines up to EUR 8 million. If average annual turnover is more than EUR 400 million, up to 2% of the average annual turnover.
- Exclusion from public tenders** for up to three years
- Civil liability**: person claiming to be victim of a violation of a "paramount protected legal position" may authorise trade unions and NGOs to bring proceedings to enforce that person's rights in their own capacity ("special transfer of procedural authority"; LkSG extends rights of domestic trade unions and NGOs regarding assertion of third party rights violations in front of German courts)

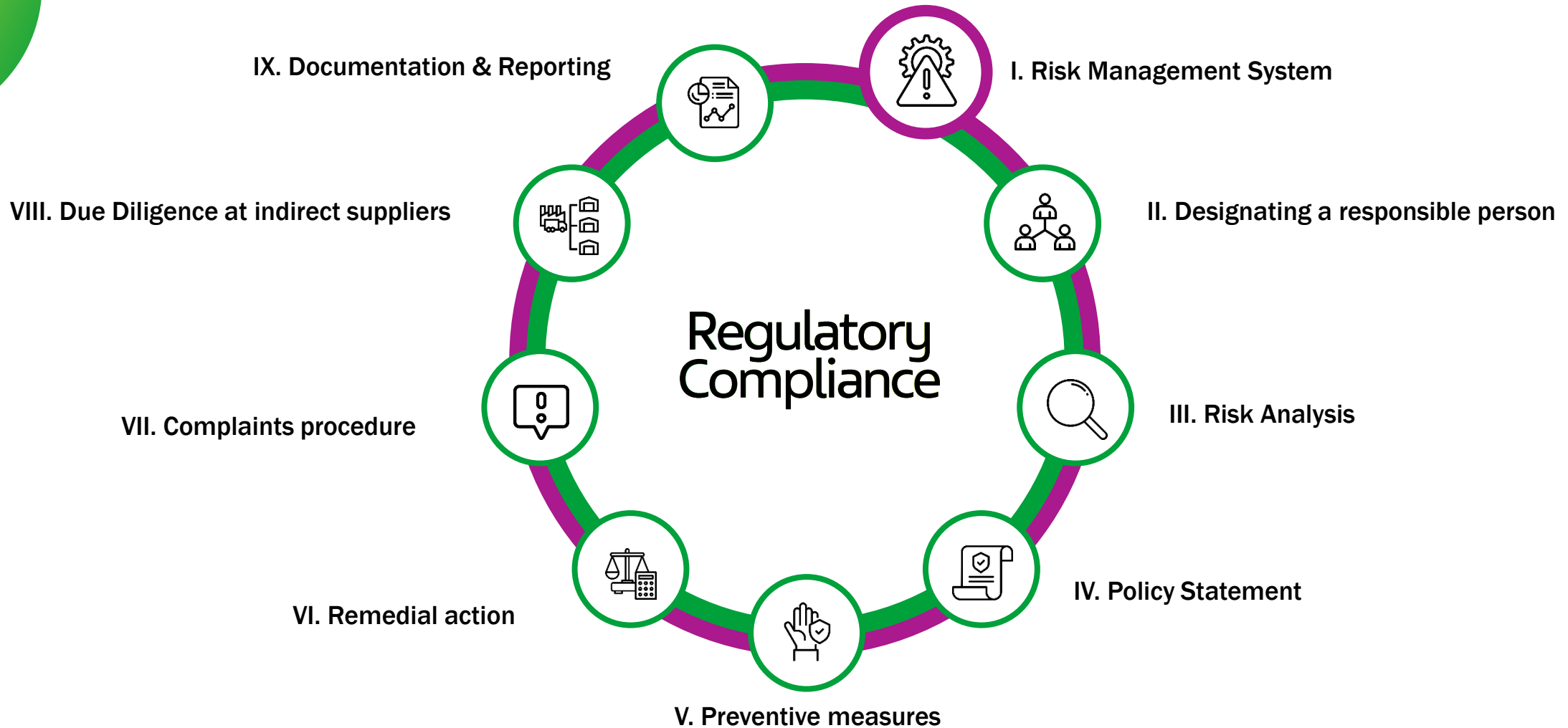




How does Teva ensure
compliance with Human
Rights & Environmental
regulations?



Teva Sustainable Procurement Measures



Q&A

Share with us your feedback/questions via the chat option which is only visible to the webinar hosts.





05 Conclusions



Where do we go from here?

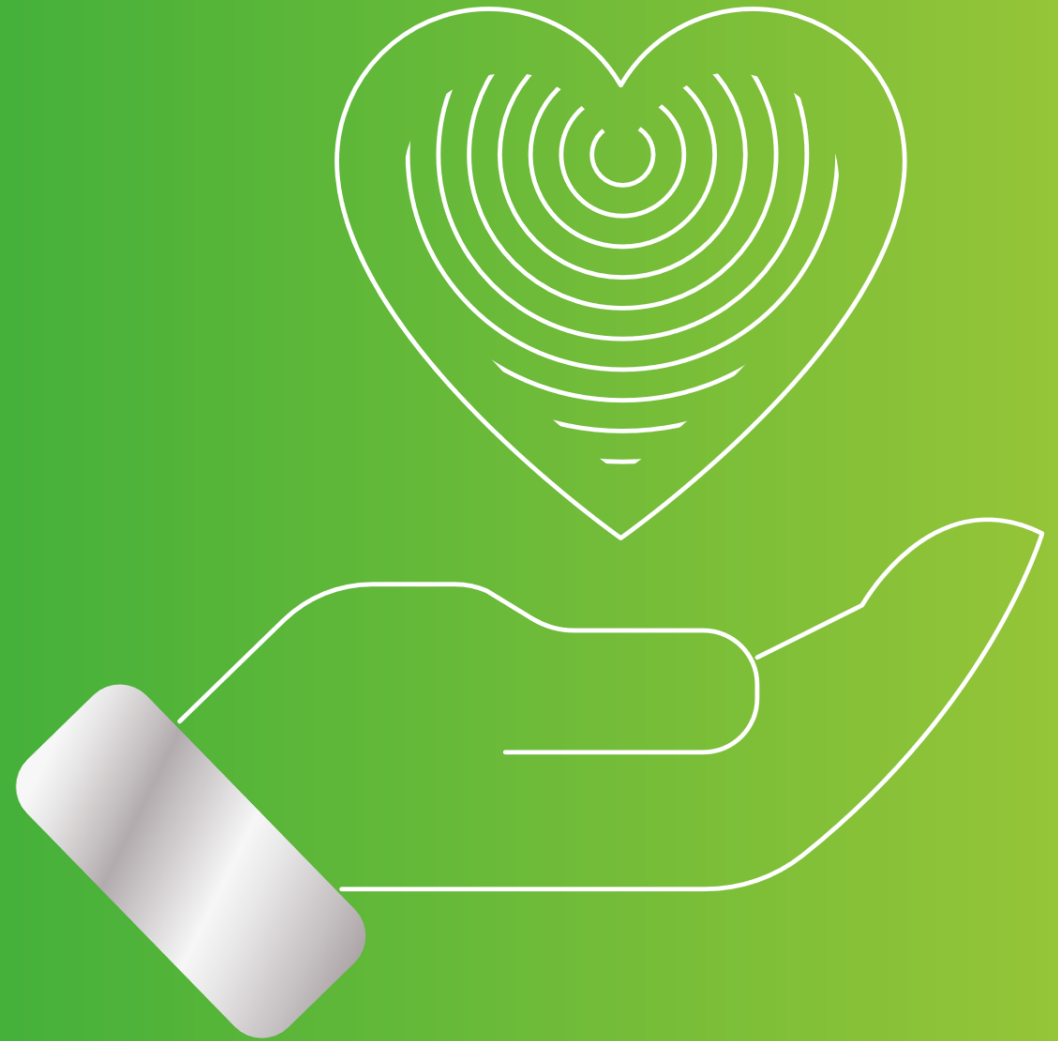
Continue the
expansion of
Teva's
Sustainability
Program for
Suppliers

Increase
Sustainability
education for
GP and
Suppliers

Stronger focus
on Human rights
due diligence
regulations that
affects our
supply chain
(e.g. Germany, Norway)

Drive adherence
to SBTi,
EcoVadis, PSCI
principles &
AMR Standards

THANK
YOU



teva



07 Additional Resources



Frequently Asked Questions

EcoVadis FAQ

Do I have to pay for the EcoVadis assessment?	Yes, but you only pay the part you own (the scorecard, including all the benefits that go with it). TEVA company pays the program. The assessment process begins with a custom questionnaire at no cost, but there is a nominal fee based on the your number of FTEs.
What is the value for me?	The key value is to be able to review your own CSR performance and how you perform in your industry. You will also receive clear and actionable results on what you can improve on – effectively receiving very affordable consulting against a leading methodology. Performance can also be shared a competitive advantage, and your scorecard can be shared with other customers, to reduce the number of individual CSR/sustainability assessments they must undergo.
What happens if I don't want to participate in EcoVadis assessment?	EcoVadis assessment is not mandatory, but it is increasingly important to your company and in the future we will be looking more key business partners with this lens. EcoVadis assessment is not a “trick” or “punishment” – it’s instead a collaborative-and improvement-oriented approach and will provide you clear and actionable results. Since you are a material suppliers to TEVA we expect you to participate.
I have a technical issue and want to reach out to EcoVadis.	You should contact https://support.ecovadis.com/hc/ where you will be able to reach EcoVadis support team in 10 languages by chat or telephone.

SBTi FAQ

How can I set a SBTi targets? How to start?	Follow this five-step process to set science-based targets and demonstrate your climate leadership by cutting your company's greenhouse gas emissions. See detailed guidance https://sciencebasedtargets.org/step-by-step-process . There is a separate streamlined pathway for Small and Medium-Sized Enterprises (SMEs). Learn more here .
Do I have to pay for the SBTi services in setting targets?	Yes, based on the type of target/s you are committing to. Please see here for more details.

PSCI audits

Do I have to participate at PSCI audits proposed from Teva?	PSCI audits are not mandatory, but we do expect from our valued suppliers to help facilitate audits and benefit from this free of charge (Teva covers costs) screening and findings for improvements in the area of ethics, labor, health & safety, environment, and management systems.
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Frequently Asked Questions

General FAQ

Who can I contact for inquiries?	Sustainable Procurement – SustainableProcurement@tevapharm.com Supplier Diversity - SupplierDiversity@tevapharm.com Travel policy - GlobalTravelOperations@tevapharm.com Teva Supplier Code of Conduct - TevaSupplierCodeofConduct@tevapharm.com
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Energize FAQ

What is renewable energy aggregation?	One of the objectives of Energize is to "aggregate" participating supplier electricity demand into appropriately sized and diversified groups (cohorts), that will go-to-market together to procure energy from new renewable energy projects. This renewable energy aggregation approach aims to create more buying opportunities for more companies while reducing costs by leveraging collective buying power.
What does the registration process require?	Registration is simple. Click the Register tab of this website. Shortly after registration and verification by your participating pharmaceutical company, you will receive an invitation to an onboarding process from a Schneider Electric representative and be provided access to Energize Knowledgebase. There is no obligation or cost to participate.
Is there a deadline to register?	No. Suppliers can register at any time.
What will I have to do after registration?	Once you have registered and your supplier status has been verified, you will be contacted to schedule an onboarding call with the Schneider Electric team. Following the onboarding, you will receive your login credentials for the Energize Knowledgebase where you can access program resources and register for a series of curated educational webinars to help you learn more. These educational resources are designed to help you learn about your renewable energy options and assess whether your organization would benefit from participating in a PPA purchase individually or alongside other participating suppliers via a buyer's cohort. Throughout the program, you may be asked to share details about your business that will allow Schneider Electric to assess your fit for the program. This information will be kept in confidence; the participating pharmaceutical companies will not receive or review this information.

Step-by-step resources & processes for rated companies

Week 1-4

Assessment Preparation

- [1 Pre-assessment Information Page](#)
Help your supplier to understand the value of sustainability and the EcoVadis assessment. Enjoy the testimonials and tutorial!
- [2 Getting Started with Ecovadis](#)
A short video to help your supplier understand what is sustainability and how EcoVadis rating helps
- [3 Methodology & Scoring Principles](#)
An overview of EcoVadis methodology and scoring principles, which allows your suppliers to understand how their scorecard is scored

Week 5-6

During Assessment

- [4 Demo Webcast](#)
Introduction to the EcoVadis questionnaire responding process for a company's first assessment
- [5 The EcoVadis Questionnaire](#)
Short 5 mins video to tell your supplier what type of information is relevant and why it is important to upload documents as evidence
- [6 Document Guide](#)
Must-read guide to help your supplier get a better idea of the requirement of supported document



[Subscription Plan and Cost](#)

Week 6-7

Scorecard Published

- [7 Activate Corrective Action Plan \(CAP\)](#)
Assessed suppliers are encouraged to explore CAP to keep improving their sustainability management system
- [8 Promote the result](#)
Assessed suppliers may also share their valid scorecard with other client via their EcoVadis platform
- [9 How-to-Guides](#)
Available on the EcoVadis platform are PDF Guidebooks outlining best practices for formalizing management efforts
- [10 EcoVadis Academy](#)
A new learning management platform to develop sustainability practices, collaborate with customers, and improve performance.

HuRi: What is, Why is it important & How to protect it!



What are HuRi?

- The basic rights and freedoms that belong to every person in the world, regardless of their nationality, race, gender, religion, or any other status.
- The right to life, liberty, security, dignity, equality, non-discrimination, fair treatment, privacy, health, education, work, and remedy.



Why are HuRi important for suppliers?

- Teva requires you to respect and protect human rights in your own operations and in your supply chain.
- A growing external demand to avoid cause or contribute to adverse human rights impacts, and to address them when they occur.



How to respect and protect HuRi in your supply chain?

Conduct human rights due diligence:

- **Identify** the HURi risks and impacts in your supply chain
- **Assess** the severity and likelihood of the risks & priorities for action
- **Prevent and mitigate** by taking effective measures to avoid, reduce or remedy
- **Account** by being transparent and communicating your performances

Where can
you find more
information
and guidance
on human
rights in
supply chains?



United Nations

Guiding Principles on
Business and Human Rights



International
Labour
Organization



Organization for Economic
Co-operation and
Development



**Business & Human Rights
Resource Centre**



BSR[®]

Business for Social
Responsibility NGO



PSCI

PHARMACEUTICAL SUPPLY
CHAIN INITIATIVE

Regulatory Snapshot Resource

German Supply Chain Due Diligence Act (LkSG)

Supply Chain Due Diligence: Navigating the Regulation Maze and Beyond

Sustainability considerations, including environmental, social and governance (ESG) factors, are now at the center stage of policymaking. And national and regional laws that companies need to comply with are becoming increasingly stricter. For those operating under multiple jurisdictions, the task is potentially more difficult, as, despite many similarities, there are also significant differences between them. But even companies operating in countries with no specific sustainability-related regulations are likely to be affected – if their customers or trading partners are based in countries with strict due diligence laws, it's likely they also have to comply with those requirements. So the best course of action is to understand the key requirements driven by specific regulations and adopt a recognized solution that will tackle them holistically.

German Supply Chain Act (LkSG): Key Highlights

Applicable to companies operating in Germany with more than 3,000 employees (as of 2024, lowering the threshold to 1,000). Business that are part of the supply chains of those companies (directly, or in Tier 2 or more in some industries) will likely be required to respond to their ESG disclosure requests.

The German Supply Chain Act or *Lieferkettensorgfaltspflichtengesetz* (LkSG) aims to protect human rights and limit environmental harm by making it mandatory for companies in the scope noted above to conduct supply chain due diligence. LkSG mandates organizations to conduct risk identification and management, due diligence activities, and mitigation actions, as well as publish annual reports. Non-compliance can be costly, with penalties and fines ranging up to 2% of the company's annual turnover.



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