

Conflict Minerals Policy Statement

On August 22, 2012, the U.S. Securities and Exchange Commission (SEC) adopted final rules to implement reporting and disclosure requirements relating to “conflict minerals,” as required by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”). The term “conflict minerals” refers to tungsten, tin, tantalum, and gold (often referred to as the “3TG minerals”), regardless of where they are sourced, processed or sold. The rules require SEC reporting companies to determine whether any conflict minerals are “necessary to the functionality or production” of a product manufactured by or on behalf of the company. These requirements are intended to further the humanitarian goal of ending violent conflict in the Democratic Republic of the Congo (“DRC”) and surrounding countries (the “Conflict Region”), which has been financed, in part, by the exploitation and trade of conflict minerals.

In addition, in June 2017, the European Union (“EU”) passed the EU Conflict Minerals Regulation (Council Regulation (EU) 2017/821) (“EU Regulation”), which imposes requirements on importers of certain minerals or metals into the EU in order to address risk related to conflict minerals. The EU Regulation took effect on January 1, 2021 and requires compliance with supply chain due diligence obligations for those importing above a de minimis amount of 3TG minerals and related 3TG metals.

As a leader in the pharmaceutical industry, Teva Pharmaceutical Industries Ltd. (Teva) is committed to developing and implementing a system designed to determine whether conflict minerals are used in any of its products. More specifically, Teva is committed to ensuring that all parts and products supplied to Teva do not contain columbite-tantalite, cassiterite, wolframite (or their derivatives tantalum, tin and tungsten) or gold sourced from (i) the DRC or an adjoining country that has directly or indirectly financed or benefitted armed groups in the DRC or an adjoining country, or (ii) any other conflict-affected or high-risk areas as defined in the EU Regulation.

Tin, tantalum, tungsten and gold may be essential to the functionality or production of certain medical devices or other pharmaceuticals products. Accordingly, Teva has begun implementing a program to comply with the disclosure requirements of the Dodd-Frank Act and related SEC rules. Specifically, Teva will:

- use the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas of the Organization for Economic Cooperation and Development (Second Edition, 2013) as a basis for creating a comprehensive due diligence program that will afford Teva the best opportunity to determine whether any of the 3TG minerals it uses in its products originate from the Conflict Region;
- not knowingly procure 3TG minerals that originate from the Conflict Region that are not certified as “conflict free”;
- enhance its due diligence capabilities, processes and activities in identifying the country of origin of any 3TG minerals used in its products, which includes obtaining the support of its suppliers in this process; and
- ensure that, over time, its due diligence program improves Teva’s ability to track and trace 3TG minerals to their original sources and evolves to account for changes in Teva’s business and industry.

Because Teva must rely on its suppliers to ensure adherence to this Conflicts Minerals Policy Statement, Teva expects that its suppliers will timely respond to queries about the use and origin of any 3TG minerals and continually update Teva on the supplier’s conflict status. Further, Teva expects that its suppliers will implement appropriate measures to determine whether they are using any 3TG minerals that originate from the Conflict Region. In the event that Teva determines that any supplier uses 3TG minerals that originate from the Conflict Region, Teva will work with the supplier to ensure that the minerals are certified as “conflict free” or to find alternate sourcing.

If a supplier is supplying to Teva in the EU, Teva expects the supplier to provide Teva with the information Teva requires for its internal diligence procedures related to conflict minerals, including, but not limited to, information regarding sourcing, mine locations, and the supplier's own diligence procedures. Teva also expects suppliers to the EU will have systems in place that meet the standards outlined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. To the extent Teva identifies supply chain risks associated with a supplier's products as described in the EU Regulation, Teva expects the supplier will cooperate with Teva to take reasonable remedial steps identified by Teva and the supplier. Teva expects that suppliers to the EU will grant Teva the right to suspend or terminate its relationship with a supplier if Teva identifies risks related to conflict minerals that cannot be adequately remediated. These risks include, but are not limited to, risks related to (i) sourcing from parties committing serious human rights abuses, (ii) sourcing from parties supporting non-state armed groups, (iii) supporting public or private security forces, or (iv) bribery, corruption, fraud, or money laundering.