

EFPIA DISCLOSURE - METHODOLOGICAL NOTES FOR 2019

	Teva Approach
Background	<ul style="list-style-type: none"> • UAB Teva Baltics filiāle Latvijā as Responsible Citizen and committed organization in the Healthcare Sector is publishing a Transfers of Value report in order to meet transparency obligation and to demonstrate the Company's values. • Each Member Company shall publish a note summarising the methodologies used by it in preparing the disclosures and identifying Transfers of Value for each category, as described in Section 3.01 of the applicable Disclosure Code. The note shall describe the recognition applied for particular methodology, and should include information on the treatment of multi-year contracts, VAT and other tax aspects, currency aspects and other issues related to the timing and amount of Transfers of Value. It shall be done to reach the aims of the Disclosure Code.
Applicable Code	<ul style="list-style-type: none"> • This Transfers of Value report is made according to local Disclosure Code of Latvia, which can be found here: http://www.efpia-e4ethics.eu/usd/e4ethics.nsf/_/47764A49ACCEDED85C125806E004_3A484/%24File/FARMA_129385.pdf. • The Disclosure Code governs disclosures regarding certain collaboration with healthcare professionals (HCPs) and healthcare institutions and organisations (HCOs). It is intended that the Disclosure Code shall apply to collaboration with HCPs and HCOs to the same extent as the existing Code of Ethics. Therefore, the Disclosure Code applies to the Pharmaceutical industry, including, but not limited to (i) SIFFA and LPMA full members: manufacturers of medicinal products developing and manufacturing original and/or generic medicinal products for human use (called "corporate members" or "affiliate corporate members"); and (ii) other stakeholders of the Pharmaceutical industry, including pharmaceutical companies operating in a particular segment of the pharmaceutical market. • The Disclosure Code sets out the minimum standards which SIFFA and LPMA consider must apply in Latvia, except where its provisions are in conflict with applicable Latvian laws or regulations, in which case deviations from the Disclosure Code are allowed, but only to the extent necessary to comply with such law or regulation of the Republic of Latvia. Where SIFFA and LPMA have determined that the Disclosure Code cannot be implemented in Latvia in full due to laws or regulations of the Republic of Latvia, SIFFA and LPMA documents the legal issues limiting full implementation of the Disclosure Code. It is understood that if there is an inconsistency between the Disclosure Code and the applicable laws or regulations to which a definite entity (hereinafter: Member Company) is subject and which would make adherence in full to the Disclosure Code not reasonably possible, the Member Company must comply with legislation of its country. Such lack of full adherence to the Disclosure Code shall not constitute a breach of the Disclosure Code. Member Companies operating under Latvian legislation shall be bound by this Disclosure Code only. Non- SIFFA and LPMA member entities that decide to voluntarily implement this Disclosure Code shall ensure that despite the legal status of the entity all provisions of the Disclosure Code will be observed.
Transfers of Value	<ul style="list-style-type: none"> • Direct or indirect transfers of value, whether in cash or otherwise, made, whether for promotional purposes or otherwise, in connection with the development and sale of generic or original prescription-only medicinal products for human use. • <u>Direct</u> transfers of value are those made directly by a Member Company for the benefit of a Recipient. • <u>Indirect</u> transfers of value are those made on behalf of a Member Company for the benefit of a Recipient by the third party (like contractors, agents, and partners of affiliates (including foundations)) and where the identity of such Member Company is known to the Recipient or can be identified.
Recipient of Transfer of Value	<ul style="list-style-type: none"> • Any HCP or HCO as applicable, in each case, whose primary practice, principal professional address or place of incorporation is in Europe. <ul style="list-style-type: none"> ○ HCO: Any legal entity (i) that is a healthcare, medical or scientific association or organisation (irrespective of the legal or organisational form) such as a hospital, clinic, foundation, university or other educational institution or training group (except for patient organisations) or (ii) through which one or more HCPs provide services. ○ HCP: Any natural person that is a representative of the medical, dental, pharmacy or nursing profession or any other person who, in the course of his or her professional activities, may prescribe, purchase, supply or dispense a medicinal product and whose primary practice, principal professional address or place of incorporation is in Europe. For the avoidance of doubt, the definition of HCP includes: (i) any official or employee of a government agency or other organisation (whether in the

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	public or private sector) that may prescribe, purchase, supply or dispense medicinal products and (ii) any employee of a Member Company whose primary occupation is that of a practising HCP, but excludes (x) all other employees of a Member Company and (y) a wholesaler or distributor of medicinal products.
Recipient's home country principle	<ul style="list-style-type: none"> Transfers of Value report includes not only Transfers of Value made to Recipients by UAB „Teva Baltics filiāle Latvijā“ but also Transfers of Value made to Recipients by foreign Teva affiliates.
Self-incorporated HCP	<ul style="list-style-type: none"> If the contracting party is a company owned by an HCP, the amount is disclosed as Transfer of Value to the HCO (the company).
Excluded Transfers of Value	<ul style="list-style-type: none"> Without limitation, Transfers of Value that (i) are solely related to over-the-counter medicines; or (ii) are part of ordinary course purchases and sales of Medicinal Products by and between a Member Company and an HCP (such as a pharmacist) or an HCO; or (iii) in cases not mentioned in Article 3 hereof, e.g. items of medical utility (<i>provided by the Article 9 of EFPIA HCP Code of Practice</i>), meals and drinks (<i>provided by the Article 10 of the EFPIA HCP Code of Practice, particularly Section 10.05</i>), medicinal products samples (<i>provided by the Article 16 of the HCP Code of Practice</i>) do not fall within the scope of the disclosure obligations.
Date of Transfer of Value	<ul style="list-style-type: none"> Donations and grants: <ul style="list-style-type: none"> Monetary donation/grant: date of payment In-kind donation/grant: date of the in-kind donation/grant provision Contributions to costs of events: <ul style="list-style-type: none"> Sponsorships agreements with HCOs: start date of event Registration fees, travel, accommodation: start date of event Fee for service and consultancy: <ul style="list-style-type: none"> Fees <ul style="list-style-type: none"> Fees linked to an event: start date of event Fees not linked to an event: date of payment (for example, fees paid to HCPs/HCOs in connection with a study) Travel, accommodation: start date of event
Meals	<ul style="list-style-type: none"> Meals disclosure is not required but these Transfers of Value may be included in the Travel & Accommodation amounts.
Transfer of Value in the case HCP finally does not participate at event	<ul style="list-style-type: none"> In the case registration fee is paid and travel and/or accommodation is booked but the HCP does not attend an event, no Transfer of Value is disclosed to that HCP.
Transfer of Value provided to agency to support HCO's event	<ul style="list-style-type: none"> Transfer of Value is reported for that HCO even if the Transfer of Value is actually provided only to an agency which organizes an event for the HCO.
Transfer of Value provided to HCO but ultimate recipients are HCPs	<ul style="list-style-type: none"> Transfers of Value are reported for those HCPs where Teva knows or can identify HCPs that benefit from the Transfer of Value.

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Multi-Year Contracts	<ul style="list-style-type: none"> Transfers of Value are reported on the relevant date of payment or start date of event (see above), irrespective of the duration of the contract.
Value Added Tax (VAT)	<ul style="list-style-type: none"> Transfers of Value are reported gross (cost + VAT) wherever possible. If a gross value is not available, then the net value is reported.
Currency Conversions	<ul style="list-style-type: none"> All Transfers of Value are disclosed in local currency (EUR). If a payment is captured in another currency, it is converted into local currency by applying the exchange rate for the month that is deemed to be the Date of Transfer of Value using Teva's official exchange rate.
Disclosure Period	<ul style="list-style-type: none"> Each reporting period covers a full calendar year. Transfers of Value are reported for all activities that take place in a given calendar year and for which an affiliate receives an invoice and makes a payment before the end of January next year.
Consent	<ul style="list-style-type: none"> Teva collects consents for each relevant HCP/HCO interaction that should be disclosed individually by means of the contract or by means of a separate document, based on the local requirements. Teva documents any consent revocation or opt-out. If HCP's consent is not given or is withdrawn, Transfer of Value for that HCP is disclosed in aggregate and the Recipient's identity is therefore not publicly available. If HCP revokes consent with any single Transfer of Value, all Transfers of Value provided to this HCP are included in the aggregate disclosure.
Disclosure Language	<ul style="list-style-type: none"> Disclosures are made in Latvian and English.
Complaints or request for further information	<ul style="list-style-type: none"> All compliants or requests for further information can be submitted locally to our email: tevalatvia@teva.lv, which is supervised by office administrator. Office administrators then would record the report in One Trust system and additionally will ask responsible people for support (employee who is submitting the reports, lawyer and (or) compliance manager). In case of general data protection questions or requests, the contact person – Data Protection Officer, which can be contacted by e-mail: EUprivacy@tevaeu.com.
Media Contact	<ul style="list-style-type: none"> All questions can be submitted locally to our e-mail: tevalatvia@teva.lv, which is supervised by office administrator.

Jelena Livšica

Latvian Branch Manager