



Takeda Pharmaceuticals Australia Pty Ltd

Australian Modern Slavery Act [2018] (Cth) modern slavery statement for the financial year ending 31 March 2022

This statement applies to all of Takeda's operations and in accordance with the Australian Modern Slavery Act 2018 (Cth) and was produced in consultation with the Company Secretary of Takeda Pharmaceuticals Australia Pty Ltd (Takeda Australia) to meet the requirements of the Australian Modern Slavery Act 2018.

This statement covers the period from April 01, 2021 to March 31, 2022 (FY21) and will be reviewed annually, or as required by applicable laws.

1. Our Business, Operations and Supply Chains

Our Business

Headquartered in Japan, Takeda Pharmaceutical Company Limited is a global, values-based, R&D-driven biopharmaceutical leader committed to bringing Better Health and a Brighter Future to patients by translating science into highly-innovative medicines. Unless expressly stated otherwise, references to "Takeda", "we" or "our" refers to the Takeda Group including subsidiaries and affiliates.

Takeda Pharmaceuticals International AG ("TPIZ") is headquartered in Zurich, Switzerland, TPIZ acts as the central hub within Takeda's EUCAN (Europe and Canada) operations and global product supply chain. TPIZ is the parent company of certain Takeda's local operating companies such as Takeda Australia Pharmaceuticals Pty Ltd ("Takeda Australia"). Takeda Australia's wholly owned subsidiary, Shire Australia Pty Limited, was deregistered from 30 June 2021.

Our Operations

Takeda focuses its R&D efforts on four therapeutic areas: Oncology, Gastroenterology (GI), Neuroscience and Rare Diseases. We also make targeted R&D investments in Plasma-Derived Therapies and Vaccines. We focus on developing highly-innovative medicines that contribute to making a difference in people's lives by advancing the frontier of new treatment options and leveraging our enhanced collaborative R&D engine and capabilities to create a robust, modality-diverse pipeline. Our employees are committed to improving quality of life for patients and to working with our partners in health care in approximately 80 countries and regions.

Since 2019, Takeda worked to consolidate group policies including supply chain management, risk management, and employee training to support responsible business practices and further mitigate modern slavery risks.

Takeda is working to establish a management framework befitting a world-class pharmaceutical company that operates on a global scale. We are strengthening internal controls, including rigorous compliance and risk management, and establishing a structure to facilitate ethical decision-making that is sound and transparent. The Global Real Estate, Facilities & Procurement organization addresses the risks related to modern slavery within our supply chains, through Takeda's sustainable procurement program.

Read more about [Takeda's corporate governance](#).

Our Supply Chain

All products that the Australian region manages are manufactured by overseas suppliers, either Takeda owned plants or Contract Manufacturing Organizations. The Australian Supply Chain team buys through the SAP system from the various Takeda entities. We warehouse goods at a series of third-party warehouses in Australia and then distribute to our customers which include wholesalers, hospitals, pharmacies, haemophilia treatment centres (hospitals) and some patients directly (for Australian Government Haemophilia Deed). We do not manufacture or do any form of repacking / relabeling in Australia.

We engage with suppliers globally and recognize that it is our responsibility to be aware of the prevalence of modern slavery and human trafficking risks within these supply chains and to strive to uphold human rights in all our business activities.

2. Organisational Policies in relation to modern slavery and human trafficking

As a signatory and long-standing participant in the UN Global Compact, Takeda is committed to respecting and promoting internationally recognized human rights within every aspect of our business, across our supply chains, and in communities where we operate in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs). We expect the same from suppliers and third parties operating on our behalf. We do this in accordance with the International Bill of Human Rights, comprised of the Universal Declaration of Human Rights (UDHR), the International Covenants on Civil and Political Rights (ICCPR) and Economic, Social and Cultural Rights (ICESCR), and the ILO Core Labour Conventions.

Takeda also supports the United Nation's Universal Declaration of Human Rights, and asserts our commitment to the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, which includes the following four major principles: (1) Freedom of association and the effective recognition of the right to collective bargaining; (2) Elimination of all forms of forced or compulsory labor; (3) Abolition of child labor, and; (4) Elimination of employment discrimination.

Takeda-ism, our Values and our Global Code of Conduct

Takeda is proud to have a values-based culture as its strong foundation. And we understand our responsibility to meet the highest standards of ethical behavior at all times, because everything we do impacts the most vital aspect of people's lives — their health. This is reflected in our purpose: better health for people, brighter future for the world. To fulfill the expectations of our patients, Takeda expects its directors and its employees to conduct business with the highest ethical and moral standards through the practical implementation of our values, called Takeda-ism. This philosophy encourages all employees to act with integrity, fairness, honesty and perseverance in all Takeda business activities.

Takeda has defined clear policies and standards to protect and respect Human Rights, including:

- Our [Global Code of Conduct](#) affirms Takeda's commitment to providing a safe and healthy working environment which is free of harassment and discrimination, and to conduct our business with integrity and speak up for integrity. It is based on principles that are organized around Patient-Trust-Reputation-Business. It embodies the spirit of Takeda — what we stand for and how we conduct ourselves. Bringing the Code to life makes sure that we are "Living Our Values Every Day", and every Takeda entity is committed to operating in line with Takeda's Global Code of Conduct, which calls for the highest standards of ethical behavior.
- Our [Supplier Code of Conduct](#) outlines the key principles in the areas of human rights, labor, environment and anti-corruption as far as these apply to our supply chain on a global basis. Consistent with the UNGPs, the Supplier Code of Conduct prohibits the use of forced, bonded or indebted labor and outlines our expectations of fair treatment and freedom of association including compliance with applicable laws, such as human trafficking and freely chosen employment. In addition, the Code includes instructions for suppliers to contact the Takeda Ethics Line to report any supplier-related concerns, including suspected issues of slavery or human trafficking in Takeda's business or its supply chains.

As part of the global procurement process, suppliers are required to acknowledge Takeda's Supplier Code of Conduct and commit to aligning with these expectations; failure to do so may result in corrective action or potential exclusion from future business activities.

- Takeda provides the confidential [Takeda Ethics Line](#), a hotline available 24 hours a day for employees, suppliers or other stakeholders, to facilitate confidential reporting of any ethical concerns. In 2021, no cases of modern slavery were reported through Takeda Ethics Line.

We are actively monitoring legislative and regulatory developments globally in relation to Human Rights, including the Australia Modern Slavery Act 2018.

Governance

The management of risks related to modern slavery within our supply chain is integrated into our ethical sourcing and supplier risk management program, which resides within the Global Procurement organization. The Head of Procurement Center of Excellence has responsibility for enterprise risk management processes within the function.

3. Takeda's Human Rights Impact Assessment

In 2021, we identified our 11 most relevant (salient) human rights impacts informed by a comprehensive human rights impact assessment, including:

Patient	People	Planet
Sustainable access to our medicines	Health and safety	Greenhouse gas emissions
Product quality and product safety	Diversity, equity and inclusion	Water stewardship
Clinical trials	Labor rights in the workplace	Waste generation
	Privacy and data protection	
	Third-party labor rights	

By focusing on these most relevant human rights impacts, we have the greatest ability to respect and promote the following individual articles of human rights:

- Right to Health
- Right to Equality and Freedom from Discrimination
- Right to Life, Liberty and Security
- Right to Adequate Living Standard

Timely and appropriate action is taken to address any behaviors or practices that have caused or contributed to adverse human rights impacts. In addition, we are committed to analyzing and evaluating the root cause to help prevent similar issues from arising again and providing access to timely remedy where required.

4. Takeda's Due Diligence Process

Takeda's Global Real Estate, Facilities, and Procurement function is responsible for ensuring sustainability guidelines are embedded into supplier qualification, retention and ongoing supplier relationship management activities. Takeda's purchase order [Terms and Conditions](#) and contractual clauses for providers of goods and services require our suppliers to certify compliance with all applicable laws and Takeda's Supplier Code of Conduct. Our supplier Due Diligence process is mandated within Takeda's procurement policy, enabling the evaluation of suppliers against a variety of third-party risk types, including the potential for modern slavery.

Assessing risk in relation to slavery and human trafficking in our business and supply chains

Criteria and indices

Modern slavery is a complex issue that can manifest at multiple tiers of the supply chain. Potential suppliers are assessed for a number of risks, including labor standards and human rights, including modern slavery. As part of our Third Party Risk Management (TPRM) global process, we have embedded recognized indices in our risk evaluation process and consulted other sources such as the Global Slavery Index to ensure we take a risk-based approach regarding Human Rights and Labor Standards to determine areas of focus.

In 2021, we have adjusted our risk indices to include the Global Slavery Index from Walk Free Foundation. These indices are built into the due diligence process to help better identify the potential for modern slavery-related risk early within the supplier engagement process.

LABOR RIGHTS INDICES

UN Human Development Index, provides a country level assessment of the state of human and economic development, which can be linked to potential vulnerable populations in those countries, more at risk for trafficking and human rights abuses.

Freedom House - Freedom in the World Civil Liberties , provides a reference for indicating where political, basic civil rights, rule of law and individual rights are in place.
US State Department -Trafficking in Persons , provides reference for industries, commodities and countries that are at risk from human trafficking.
UNICEF % of children aged 5-14 years engaged in child labor , defines countries where the most salient forms of forced labor involving children may be present.
International Trade Union Confederation Violations , represents those industries/countries where trade union positions to protect workers are most at risk based on historical violation records.
World Bank Worldwide Governance Indicators - Regulatory Quality , provides an assessment of the establishment of rule of law to provide enforcement mechanisms to support effectiveness of local laws.
Walk Free Foundation - Global Slavery Index , compiles data about slavery’s prevalence and geographical variation and presents a detailed picture of modern slavery including actions governments are taking to combat it.

Process

Each supplier in the sourcing event is assessed against the above-mentioned global indices; any supplier found with risk through the Due Diligence evaluation passes to Enhanced Due Diligence, which includes additional assessment and review by Subject Matter Experts (SMEs) within Takeda. If additional risk is found, the SMEs recommend risk mitigation actions and where required, contractual clauses to address these risks.

Verification and due diligence processes in relation to slavery and human trafficking

In 2021, 21,704 new and existing Takeda suppliers passed through our global due diligence process. A further 200 suppliers underwent enhanced evaluation of their sustainability performance (including modern slavery) through the digital Ecovadis platform. Takeda’s uses Ecovadis to monitor environmental, ethical and human rights practices (including modern slavery) of suppliers remotely and on a continuous basis. During the year, Takeda continued to support the [Responsible Health Initiative](#), in collaboration with Ecovadis and other leading healthcare companies to improve sustainability standards across the industry. The collaborative consortium aims to provide more visibility across the collective supply chain, increasing transparency.

We conducted 6 onsite assessments to evaluate suppliers against the expectations laid out within our Supplier Code of Conduct, including modern slavery risk. We continued to monitor the expansion of the scope of these assessments during the year to include facilities services providers in countries identified as higher risk, to further align our due diligence activities with our assessment of modern slavery risk.

Capacity Building and Training about slavery and human trafficking

As of March 31, 2022, 98% of Takeda’s employees completed the annual Code of Conduct Training. Global Procurement staff and other employees participate in periodic training related to Takeda’s Supplier Code of Conduct, as well as training to outline how suppliers are qualified through due diligence. Takeda also provided modern slavery content to the staff of the Global Real Estate, Facilities, and Procurement (GREFP) function.

We plan to continue monitoring the effectiveness of our program and offer training to ensure employees are aware of the actions they can take to mitigate modern slavery risks within our supply chain

5. External Engagement

Takeda is engaged in various collaborative efforts, including BSR’s Human Rights Working Group which is a platform for companies across sectors to exchange on best practices, challenges and experience implementing the UNGPs, and the [Pharmaceutical Supply Chain Initiative](#) (PSCI).

Takeda has been a member of PSCI which is a group of pharmaceutical and healthcare companies who share a vision of better social, environmental, and economic outcomes in the communities where we buy. We support the [PSCI Principles for Responsible Supply Chain Management](#), actively participate in PSCI's Sub-Committees, including the Human Rights and Labor Subcommittee and leverage the PSCI Audit Guidance to guide our supplier on-site assessment.

Takeda recognizes that modern slavery is a difficult topic to address throughout the supply chain and continues to look for ways to better manage risks deep within the supply chain.

We will report on progress in next year's statement.

Approved by the Board of Directors of Takeda Pharmaceuticals Australia Pty Ltd

DocuSigned by:
David PEARCE
24CB845EADB9401...

Pearce, David Wayman
Director
Takeda Pharmaceuticals Australia Pty Ltd

DocuSigned by:
Hans VERHEUL
1AEB2BD71016460...

Verheul, Anton-Johan
Director
Takeda Pharmaceuticals Australia Pty Ltd

DocuSigned by:
Sophie Schultz
016120870F3746D...

Schultz, Sophie Madeleine
Director
Takeda Pharmaceuticals Australia Pty Ltd