



## Takeda Pharmaceuticals International AG and Takeda UK Limited and Takeda Pharmaceuticals Australia Pty Ltd

*Australian Modern Slavery Act [2018] (Cth) modern slavery statement for the financial year ending 31 March 2021*

Takeda Pharmaceuticals International AG, operating in the United Kingdom through its branch Takeda International - UK Branch, and of one of its wholly owned subsidiaries, Takeda UK Limited, and operating in Australia through its wholly owned Australian subsidiary, Takeda Pharmaceuticals Australia Pty Ltd, form part of the Takeda group of companies headquartered in Japan. Takeda 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.

This statement applies to all of Takeda's operations and in accordance with the UK and Australian Government's guidance, and in consultation with the Company Secretary of each of Takeda UK Limited and Takeda Pharmaceuticals Australia Pty Ltd, we have produced a statement that our subsidiaries can use to meet the requirements of the UK *Modern Slavery Act 2015* and the Australian *Modern Slavery Act 2018* (Cth).

We will review this statement annually, or as required by applicable law.

### Our business and supply chains

Takeda Pharmaceuticals International AG ("TPIZ") is headquartered in Zurich, Switzerland, operating in Australia through one of its wholly owned subsidiaries, Takeda Pharmaceuticals Australia Pty Ltd (Takeda Pharmaceuticals Australia Pty Limited and its wholly-owned subsidiary, Shire Australia Pty Limited, shall collectively be referred to as "Takeda Australia"). Shire Australia Pty Limited was deregistered with effect from 30 June 2021. TPIZ acts as the central hub within Takeda's EUCAN (Europe and Canada) operations and global product supply chain, and manages Takeda's EUCAN local operating companies such as Takeda UK Limited. TPIZ is a wholly owned subsidiary of Takeda Pharmaceutical Company Limited. Takeda Pharmaceutical Company Limited, a Japanese company, and its group of subsidiaries and affiliates are referred to in this statement as "Takeda", "we", or "our".

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.

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](#).

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. As a signatory to the UN Global Compact, Takeda is committed to eliminating all forms of forced and compulsory labor and to abolishing child labor. 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.

## **Organisational Policies in relation to modern slavery and human trafficking**

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

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. 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. The 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. 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. During the financial year ending 31 March 2021 ("Fiscal Year 2020"), no cases of modern slavery were reported through this helpline.

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.

### **Takeda's Supplier Code of Conduct**

Takeda's [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 United National Global Compact Principles on Human Rights, 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. Over the course of the year, more than 2,445 suppliers acknowledged to Takeda's Supplier Code of Conduct.

### **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. In addition, 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.

Due Diligence is conducted on first tier suppliers that meet the Procurement Engagement Policy. The Procurement Engagement Policy requires that any sourcing event that exceeds .1 Oku Yen go through Takeda's Global Procurement organization to ensure compliance to Takeda's expectations. The nature of the engagement, along with the category of procurement and region in which the engagement will occur, drive the due diligence evaluation process. Potential suppliers are assessed for a number of risks, including labor standards and modern slavery. Each supplier in the sourcing event is assessed against the below 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 within Takeda. If additional risk is found, the SMEs recommend risk mitigation actions and where required, contractual clauses to address these risks.

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

Modern slavery is a complex issue that can manifest at multiple tiers of the supply chain. As part of our global due diligence process, we have embedded several globally-recognized indices in our risk evaluation process and consulted other sources such as the Global Slavery Index to help determine areas of focus. By using these indices and references, we have identified over 100 countries as being potentially medium or higher risk from a labor standards perspective, a consideration that includes modern slavery. In addition, we have defined a select number of third-party engagements as potentially representing a higher risk to Takeda. The higher risk third party engagements of most relevance to Takeda include; manufacturing, facilities services, construction, hospitality, agriculture and extractives commodities and logistics and warehousing. In Australia, our higher risk suppliers include those from industries including logistics, property and building services such as facilities management, cleaning and security.

<b>LABOR RIGHTS INDICES</b>
<b>UN Human Development Index</b> , 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.
<b>Freedom House - Freedom in the World Civil Liberties</b> , provides a reference for indicating where political, basic civil rights, rule of law and individual rights are in place.
<b>US State Department -Trafficking in Persons</b> , provides reference for industries, commodities and countries that are at risk from human trafficking.
<b>UNICEF % of children aged 5-14 years engaged in child labor</b> , defines countries where the most salient forms of forced labor involving children may be present.
<b>International Trade Union Confederation Violations</b> , represents those industries/countries where trade union positions to protect workers are most at risk based on historical violation records.
<b>World Bank Worldwide Governance Indicators - Regulatory Quality</b> , provides an assessment of the establishment of rule of law to provide enforcement mechanisms to support effectiveness of local laws.

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

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. We partner with our business stakeholders to assess supplier performance relative to these guidelines and make a determination whether to proceed or not. 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. In addition, 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.

Over the course of the 2020 reporting year, we have adjusted our risk indices to include the Global Slavery Index, and these indices are built into the due diligence process to help better identify the potential for modern slavery-related risk early within the third-party engagement process.

Over 12,880 new and existing Takeda suppliers passed through our global due diligence process during Fiscal Year 2020 and a further 82 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.

Additionally, Takeda is a member of the [Pharmaceutical Supply Chain Initiative \(PSCI\)](#), a group of pharmaceutical and healthcare companies who share a vision of better social, environmental and economic outcomes in the communities where we buy. Takeda has representation on the PSCI human rights and labour supplier capability team and leverages the PSCI audit guidance to guide our supplier on-site assessment. Within the Fiscal Year 2020, Takeda conducted 5 onsite assessments to evaluate suppliers against the expectations laid out within our Supplier Code of Conduct, including modern slavery risk.

Also, in collaboration with the PSCI and member companies, Takeda supported the delivery of two supplier capability building workshops in India and China. The workshops focused on understanding and mitigating the

potential risk of modern slavery in the recruitment of migrant, contract labor within the direct material supply chain. Through the end of Fiscal Year 2020, Takeda collaborated with PSCI members to build upon these workshops and develop guidance for members to address pending legislative and regulatory changes that address modern slavery risks.

### **Training about slavery and human trafficking available to staff**

Global Procurement staff and other employees continue to participate in periodic training related to Takeda's Global and Supplier Code of Conduct, as well as training to outline how suppliers are qualified through due diligence. In the coming year, we will offer extensive training pertaining on Takeda's Third Party Risk Management framework, which includes additional focus on modern slavery risks. We plan to continue to offer training to ensure employees are aware of the actions they can take to help them identify, evaluate and mitigate potential modern slavery risks within our supply chains.

We will continue to monitor the effectiveness of our programs to effectively manage the risks of modern slavery through our supply chain.

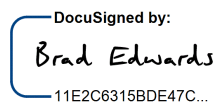
We are committed to continuous improvement, and over the next year our focus will be on:

- Monitoring further legislative or regulatory developments in relation to modern slavery, including in Australia the *Modern Slavery Act 2018* (NSW);
- Reviewing and updating our programs and policies to take account of any changes to applicable laws and delivering appropriate awareness training;
- Reporting on results of engagement with business partners, including through supplier audits (and any open findings);
- Monitoring complaints made to the Australian Human Rights Commissioner, Department of Home Affairs, or whistleblowing alerts through our Compliance Hotline;
- Enhancing the use of our tools and indices to understand trends and opportunities to mitigate labor and modern slavery risks throughout Takeda's supply chain.

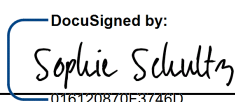
Takeda recognizes that modern slavery is a difficult topic to address throughout the supply chain and continues to look for ways to better manage risks deep within the supply chain.

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

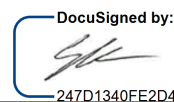
### **Approved by the Board of Directors**

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