

Modern Slavery Act Transparency Statement

Takeda Pharmaceuticals International AG and Takeda UK Limited statement of compliance with section 54 (5) of the UK Modern Slavery Act 2015, for financial year ended 31st March 2019.

Our business and supply chains



238 YEAR HISTORY

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.



**100 COUNTRIES
49,500 EMPLOYEES**

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 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 form part of the Takeda group of companies headquartered in Japan. 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 are focusing 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.

Takeda Pharmaceuticals International AG ("TPIZ") is headquartered in Zurich, Switzerland, operating in the United Kingdom through its branch Takeda International - UK Branch, and of one of its wholly owned subsidiaries, Takeda UK Limited. 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.

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.



Please read more on Takeda's corporate governance here



Takeda Pharmaceutical Company Limited ("TakedaTPC") acquired Shire plc (now known as Shire Limited) on January 8, 2019 (the "Acquisition")



Following the Acquisition, the Shire group is in the process of being integrated with the Takeda group with the aim of streamlining operations and consolidating group policies in the area of supply chain management, risk management, and employee training to support responsible business practices and further mitigate modern slavery risks.



Going forward, the intention is for TPC to adopt a group statement for the combined group.

Modern Slavery Governance

Takeda's supply chains are complex, extensive and global. 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. This statement demonstrates that TPC and its subsidiaries are in full compliance with section 54 (5) of the UK Modern Slavery Act 2015.

Policies in relation to modern slavery and human trafficking



"Takeda-ism", our Values

To fulfill the expectations of our patients, Takeda expects 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.

Mission

Our Mission is to strive towards **Better Health** and a **Brighter Future** for people worldwide through leading innovation in medicine.

Takeda-ism

Established by our founding spirit and integral to every part of our way of working, **Takeda-ism** is our commitment - it guides us to act with integrity at all times.



We take action and make decisions by focusing on our four priorities in this order:

- 1** Putting the patient at the center
- 2** Building trust with society
- 3** Reinforcing our reputation
- 4** Developing the business

Takeda's Global Code of Conduct

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.



Takeda provides the Takeda Ethics Line, a hotline for employees, suppliers or other stakeholders, to facilitate confidential reporting of any ethical concerns. During the 2018 fiscal year, no cases of modern slavery were reported through this helpline.



In addition to our Global Code of Conduct, Takeda has prepared a **Human Rights at a Glance** statement, outlining the internal standards, process and guidelines that exist across the business to support Takeda's commitment to upholding human rights.



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.



Human rights



Environment



Labor



Anticorruption

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. In addition, the code includes instructions for suppliers to contact the Takeda Ethics Line to report any supplier-related concerns. In the operating year 2018, no calls were made to the Takeda Ethics Line to report Modern Slavery-related concerns. As part of the 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 4,000 suppliers committed to Takeda's Supplier Code of Conduct.

The management of risks related to modern slavery within our supply chain is integrated into our sustainable procurement program, which resides within the Global Procurement organization.

The Head of Procurement Risk, Sustainability, Performance & Innovation participates in Takeda's Risk Management Committee, which has responsibility for the enterprise risk management processes.

The Risk Management Committee is chaired by the Chief Financial Officer (CFO) who also holds the role of Chief Risk Office.

The Risk Management Committee has been delegated the management of risks by Takeda's Audit, Risk & Compliance Committee.

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. 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.

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.

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 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 2300 new and existing Takeda suppliers passed through our due diligence process during the year and a further 233 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 became a founding member of 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 lead the PSCI human rights and labor supplier capability team and leverages the PSCI audit guidance to guide our supplier on-site assessment. Within the year, Takeda conducted 45 onsite assessments to evaluate suppliers against the expectations laid out within our Supplier Code of Conduct, including modern slavery. We piloted 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.

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. Over the coming year, Takeda will collaborate with PSCI members to further build upon these workshops and develop guidance for suppliers to address the risk.

Training about slavery and human trafficking available to staff

During the year, Takeda developed and provided modern slavery training to the staff of the Global Real Estate, Facilities and Procurement (GREFP) function. Over 90% of GREFP employees attended the training, and of those who provided feedback, many expressed that they have a clear understanding of the role they can play in addressing modern slavery risk in Takeda's supply chains. 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 plan to continue to offer training to ensure employees are aware of the actions they can take to mitigate modern slavery risks within our supply chains.

Approved by the Board of Directors



Giles Platford
President, EUCAN Business Unit
Takeda Pharmaceuticals International AG



Andrea Ferrari
Regional General Counsel EUCAN
Takeda Pharmaceuticals International AG



Jon Neal
Director
Takeda UK Limited



Andrius Varanavicius
Director
Takeda UK Limited



Shire Pharmaceuticals Limited

*Statement of compliance with section 54 (5) of the UK Modern Slavery Act 2015
for financial year ended 31st December 2019*

Our business and supply chains

Shire Pharmaceuticals Limited, operating in the United Kingdom, forms part of the Takeda Pharmaceutical Company Limited (“Takeda” or “TPC”) group of companies headquartered in Japan, 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. 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 are focusing 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 continue to strengthen 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](#).

Takeda’s supply chains are complex, extensive and global. 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. This statement demonstrates that TPIZ and its subsidiaries are in full compliance with section 54 (5) of the UK Modern Slavery Act 2015.

Takeda acquired Shire plc (subsequently renamed Shire Limited and currently in liquidation) on January 8, 2019 (the “Acquisition”)

- Following the Acquisition, the Shire group is in the process of being integrated into the Takeda group with the aim of streamlining operations and consolidating group policies in the area of supply chain management, risk management, and employee training to support responsible business practices and further mitigate modern slavery risks.

Policies in relation to modern slavery and human trafficking

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

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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. Takeda provides the Takeda Ethics Line, a hotline for employees, suppliers or other stakeholders, to facilitate confidential reporting of any ethical concerns. During the 2019 fiscal year, 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, which includes Ethical Sourcing & Supplier Risk Management; Supplier Diversity; Supplier Performance & Innovation; Procurement Management and Business Intelligence, Systems & Operations has responsibility for the enterprise risk management processes. 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. The Risk Management Committee has been delegated the management of risks by Takeda's Audit, Risk & Compliance Committee.

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. 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. In addition, the code includes instructions for suppliers to contact the Takeda Ethics Line to report any supplier-related concerns. As noted above, in the operating year 2019, no calls were made to the Takeda Ethics Line to report Modern Slavery-related concerns. As part of the 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 committed to Takeda's Supplier Code of Conduct.

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

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

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Over the course of the 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 1,850 new and existing Takeda suppliers passed through our due diligence process during the year and a further 1,300 suppliers underwent enhanced evaluation of their sustainability performance (including modern slavery) through the digital Ecovadis platform. Takeda 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 became a founding member of 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 is an active participant in the PSCI human rights and labor supplier capability team and leverages the PSCI audit guidance to guide our supplier on-site assessment. Within the year, Takeda conducted 45 onsite assessments to evaluate suppliers against the expectations laid out within our Supplier Code of Conduct, including modern slavery. We piloted 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.

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. Over the coming year, Takeda will collaborate with PSCI members to further build upon these workshops and develop guidance for suppliers to address the risk.

Training about slavery and human trafficking available to staff

Takeda developed and provided modern slavery training to the staff of the Global Real Estate, Facilities and Procurement (GREFP) function. 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 plan to continue to offer training to ensure employees are aware of the actions they can take to mitigate modern slavery risks within our supply chains.

Approved by the Board of Directors

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Kentaro Shirahata
Director
 Shire Pharmaceuticals Limited



Shire Biopharmaceuticals Holdings

*Statement of compliance with section 54 (5) of the UK Modern Slavery Act 2015
for financial year ended 31st December 2019*

Our business and supply chains

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

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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. Over the coming year, Takeda will collaborate with PSCI members to further build upon these workshops and develop guidance for suppliers to address the risk.

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Approved by the Board of Directors

DocuSigned by:

Kentaro Shirahata

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Kentaro Shirahata

Director

Shire Biopharmaceuticals Holdings



Baxalta UK Limited

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Baxalta UK Limited, operating in the United Kingdom, forms part of the Takeda Pharmaceutical Company Limited ("Takeda" or "TPC") group of companies headquartered in Japan, 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. 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 are focusing 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 continue to strengthen 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](#).

Takeda's supply chains are complex, extensive and global. 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. This statement demonstrates that TPIZ and its subsidiaries are in full compliance with section 54 (5) of the UK Modern Slavery Act 2015.

Takeda acquired Shire plc (subsequently renamed Shire Limited and currently in liquidation) on January 8, 2019 (the "Acquisition")

- Following the Acquisition, the Shire group is in the process of being integrated into the Takeda group with the aim of streamlining operations and consolidating group policies in the area of supply chain management, risk management, and employee training to support responsible business practices and further mitigate modern slavery risks.

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 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. Takeda provides the Takeda Ethics Line, a hotline for employees, suppliers or other stakeholders, to facilitate confidential reporting of any ethical concerns. During the 2019 fiscal year, 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, which includes Ethical Sourcing & Supplier Risk Management; Supplier Diversity; Supplier Performance & Innovation; Procurement Management and Business Intelligence, Systems & Operations has responsibility for the enterprise risk management processes. 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. The Risk Management Committee has been delegated the management of risks by Takeda's Audit, Risk & Compliance Committee.

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. 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. In addition, the code includes instructions for suppliers to contact the Takeda Ethics Line to report any supplier-related concerns. As noted above, in the operating year 2019, no calls were made to the Takeda Ethics Line to report Modern Slavery-related concerns. As part of the 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 committed to Takeda's Supplier Code of Conduct.

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. 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.

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.

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 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 1,850 new and existing Takeda suppliers passed through our due diligence process during the year and a further 1,300 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 became a founding member of 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 is an active participant in the PSCI human rights and labor supplier capability team and leverages the PSCI audit guidance to guide our supplier on-site assessment. Within the year, Takeda conducted 45 onsite assessments to evaluate suppliers against the expectations laid out within our Supplier Code of Conduct, including modern slavery. We piloted 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.

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. Over the coming year, Takeda will collaborate with PSCI members to further build upon these workshops and develop guidance for suppliers to address the risk.

Training about slavery and human trafficking available to staff

Takeda developed and provided modern slavery training to the staff of the Global Real Estate, Facilities and Procurement (GREFP) function. 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 plan to continue to offer training to ensure employees are aware of the actions they can take to mitigate modern slavery risks within our supply chains.

Approved by the Board of Directors

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Mark Gibbons
Director
Baxalta UK Limited