



Takeda Pharmaceuticals International AG and Takeda UK Limited

UK Modern Slavery Act [2015] modern slavery statement for the financial year ending 31 March 2020

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, a global, values-based, R&D-driven biopharmaceutical leader committed to discover and deliver life-transforming treatments, guided by our commitment to patients, our people and the planet. 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.

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, 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".

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](#).

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, [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](#). The Global Code of Conduct affirms Takeda's commitment to provide a safe and healthy working environment which is free of harassment and discrimination, and to conduct our business with integrity and

speaking 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 2020, no cases of modern slavery were reported through this helpline.

The oversight of modern slavery risk 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 for the Procurement organization.

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 Nations Global Compact 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 2,400 suppliers acknowledged 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. During the year the Procurement Engagement Policy required that any sourcing event that exceeded .1 Oku Yen in value passed 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 is subject to further evaluation through the Enhanced Due Diligence process, 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.

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 Modern Slavery 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. Over the course of the year, we have also adjusted our risk indices to include the 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.
Walk Free Foundation , an international human rights group focused on the eradication of modern slavery
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

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 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 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 19 onsite assessments to evaluate suppliers against the expectations laid out within our Supplier Code of Conduct, including modern slavery. 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.

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 2019, 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

Global Procurement staff and other employees continued to 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. 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

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:

- Strengthening our commitment to Human Rights in our updated version of the Global Code of Conduct which has been approved both by Takeda Executive Team and Takeda Board Of Directors
- 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)

- 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.

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

Approved by the boards of directors of Takeda Pharmaceuticals International AG and Takeda UK Limited

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Takeda Pharmaceuticals International AG



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