



Norway Transparency Act

Financial Year 2023

Introduction

This is Takeda AS' second reporting under the Norwegian Transparency Act of 2021, covering the period from April 01, 2023, to March 31, 2024 (Financial Year 2023).

Scope and definitions

This statement sets out the steps taken to implement, and strengthen, our due diligence processes to identify and address actual and potential risks on fundamental human rights¹ and decent working conditions² in our operations and supply chains. Furthermore, the work completed and in progress at the enterprise level on human rights is applicable to Takeda AS.

Consultation with reporting entity

Takeda's Sustainability/ESG External Disclosure Committee approved this Statement and members of the Board of Directors for Takeda AS and supporting key functions, including Procurement, Ethics & Compliance and Legal locally were consulted in preparation of this report.

Our business, operations and supply chains

Our business and operations

Takeda AS' is part of the Takeda Group. Headquartered in Japan, Takeda Pharmaceutical Company Limited is a global, values-based, R&D-driven biopharmaceutical company committed to bringing Better Health and a Brighter Future to patients by translating science into highly innovative medicines. Unless expressly stated

¹ Fundamental human rights refer to the internationally recognized enshrined in the UN Declaration of Human Rights of 1948), the International Covenant on Economic, Social and Cultural Rights of 1966, the International Covenant on Civil and Political Rights of

otherwise, references to "Takeda", "we" or "our" refers to the Takeda Group including subsidiaries and affiliates. We focus on innovations that contribute to making a difference in people's lives. We aim to discover and deliver life-transforming treatments in our core therapeutic and business areas, including gastrointestinal and inflammation, rare diseases, plasma-derived therapies, oncology, neuroscience and vaccines.

Our supply chains

We engage with suppliers globally and recognize that it is our responsibility to be aware of potential human rights risks within our supply chains and strive to respect human rights in all our business activities. More information are available in our [Annual Integrated Report](#).

Takeda AS

Our activities in Norway focus on the marketing and sales of Takeda's products. We distribute our products locally through local distributors and wholesalers, using local warehouse facilities as well as transport providers for the delivery of our products. In addition, we use local suppliers for facilities management of our office related to general services such as security, catering, car lease, travel, and insurance.

Governance and policies

Corporate Governance

We have a management framework appropriate for a values-based, R&D-driven biopharmaceutical company that operates on a global scale. We have strong internal controls, thorough compliance and

1966 and the ILO's core conventions on fundamental principles and rights at work.

² Decent working conditions refer to work that safeguards fundamental human rights (as described above) and health, safety and environment in the workplace as well as adequate wage.

risk management procedures and a structure that allows agile decision-making while also remaining sound and transparent. We believe that strong corporate governance maximises corporate values. Read more about our [corporate governance](#).

Takeda's human rights commitment

Takeda exists to create better health for people, and a brighter future for the world. [Our commitment to respecting and protecting human rights](#) is aligned with our corporate philosophy, which is endorsed by Takeda's executive team and reinforced within our [Global Code of Conduct](#). Takeda Ethics & Compliance Function oversees our Human Rights Program.

As a long-standing participant in the United Nations Global Compact, Takeda is committed to respecting and promoting internationally recognized human rights within every aspect of our business – across our supply chains and the communities where we operate – in accordance with the United Nation Guiding Principles on Business and Human Rights (UNGPs) and the Organization for Economic Co-operation and Development (OECD) Guidelines for multinational Enterprises. Our commitment covers all internationally recognized human rights included in the International Bill of Human Rights³. We are continuing to evolve and enhance our processes to work toward fulfilling this commitment.

Corporate philosophy

Takeda-ism

Takeda-ism has always been our unique compass. Its timeless values of Integrity, Fairness, Honesty and Perseverance define who we are. They are brought to life through decisions and actions that put our patient at the center of everything we do, build trust with society, reinforce our reputation, and develop a sustainable business, in that order.

Together, Takeda-ism and Patient-Trust-Reputation-Business (PTRB) in that order underpin everything we do and how we do it.

Enterprise Risk Management

Takeda has established an integrated system that brings together the three areas of enterprise risk management, business continuity management, and crisis management based on the "Global Business Resilience Policy."

The Company conducts annual enterprise risk assessment for the identification, evaluation, and mitigation planning for prioritized risks. The Company develops business continuity plans for major risks and essential business areas. The Company formulates crisis management plans to identify, manage and recover from a crisis and responds to it by organizing a Crisis Management Committee according to the level of impact.

The Company has established the principles and processes to identify, monitor and report selected high-risk business activities based on the "Global Monitoring Policy." Each relevant functional area within the business, including Human Rights, is responsible for managing its key risks and responses to them.

Policy Framework

Our Global Code of Conduct

Our Global Code of Conduct affirms Takeda's commitment to providing a safe and healthy working environment, free of harassment and discrimination, and to conduct our business with integrity and speak up for our values. It is based on principles that are organized around *Patient-Trust-Reputation-Business*. Bringing the Code to life makes sure that we are "*Living Our Values Every Day*". All Takeda entities are committed to operating in line with our Global Code of Conduct, which calls for the highest standards of ethical behavior.

Our commitment to Human Rights is further embedded in the Trust section of our Global Code of Conduct, in which we clearly state that "*we respect and protect human rights – within our business, across supply chain and in the communities where we operate, paying particular attention to vulnerable populations*".

³ *Universal Declaration of Human Rights (UDHR), the International Covenants on Civil and Political Rights (ICCPR) and*

Economic, Social and Cultural Rights (ICESCR), as well as the International Labor Organization (ILO) Core Labor Conventions.

Our Supplier Code of Conduct

Consistently with the UNGPs, our [Supplier Code of Conduct](#) outlines our expectations of fair treatment and freedom of association including compliance with applicable laws, such as child labor, discrimination, rights to association, human trafficking and freely chosen employment. It also includes instructions for suppliers to use Takeda Ethics Line to report any suspected human rights concerns.

In 2023, we worked on updating our Supplier Code of Conduct to specify human rights due diligence and environmental sustainability expectations from third parties, including a clear expectation that suppliers adopt the same principles in their own supply chains. This updated version of the Supplier Code of Conduct will be rolled out in 2024.

Anti-corruption and human rights synergies

We also recognize that corruption may lead to negative impacts on human rights and we strictly prohibit all forms of such conduct as detailed in our [Global Anti-Corruption Policy](#).

Training and capability building

All our employees are trained on our Code of Conduct, which includes our commitment to respecting human rights. As of the date of this reporting, 98% of Takeda's employees completed the annual Code of Conduct refresher training, including 97% for Takeda AS.

Addressing human rights risks in our operations and supply chains

We are continuously trying to improve human rights risk management capabilities and due diligence systems to manage human rights risks and impacts throughout our own operations and business relationships, including through the following initiatives.

Global Human Rights Impact Assessment

Takeda conducted in FY21 a global impact assessment, relevant for Takeda AS, involving internal and external stakeholders. We assessed

each of the potential impacts identified throughout Takeda's value chain and operations, using the UNGPs methodology embedding the following criteria:

- **Impact on internal and external** human rights as per the UNGPs.
- **Level of priority** based on the severity of the impact on people.
- **Likelihood** based on Takeda's enterprise risk assessment likelihood scale.

In applying these factors, we made appropriate adjustments for attribution (proximity of Takeda to the impact), leverage (Takeda's influence over the impact) and the strength of our current management practices. Through this assessment, regularly reviewed and updated, we identified our 11 most salient categories of human rights impacts (aligned to our strategic imperatives), as follows.

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	

Takeda has also adopted position papers outlining its position on significant issues that arise in realizing our purpose and vision as a global, values-based, R&D-driven biopharmaceutical company, including certain relevant to our most salient human rights impacts. More information is available on our [global website](#).

Third Party Risk Management (TPRM)

Takeda works with various external partners worldwide and our approach to identifying and managing human rights risks in our supply chain is conducted through our TPRM Program.

By considering country risk and procurement category risks, we identify specific areas that may present higher human rights risks in our supply chain. Those must undergo negative media findings and are required to complete a third-party questionnaire. Where relevant, they may be required to complete Corrective and Preventative Action Plans (CAPAs).

Third parties as part of the onboarding process must acknowledge Takeda's Supplier Code of Conduct, which requires suppliers to comply with laws governing modern slavery. Based on the associated contractual requirements, cases of non-compliance may lead to the termination of our relationship with partners who are unable to meet our requirements.

Third Party Audits

As per previous years, we continued in 2023 to undertake announced and independent third party audits conducted by an external audit firm to evaluate suppliers against the expectations laid out within our Supplier Code of Conduct, including human rights and labor standards, following the Pharmaceutical Supply Chain Initiative (PSCI) Audit Guidance. Non-conformances are assessed as minor, major and critical and we communicate the findings and how we categorize them to each supplier with our expectations for a documented plan of time-bound corrective actions and demonstrated improvement.

Contractual provision

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.

Actual and potential risks for Takeda AS

Based both on our global human right's due diligence process and targeted human rights due diligence conducted for Takeda AS, we have not identified actual human rights impacts in 2023. We identified two potential risk areas specific for Takeda AS including distribution and logistics as well as facility management. Suppliers providing the following services to Takeda AS were assessed

under our TPM Program as presenting low risk for human rights and will be reassessed regularly.

Regarding products sold in Norway, we source commodities throughout our business, including raw materials which may present potential human rights risks. We work to understand the potential risks associated with our global procurement activities, including through collective action with the Pharmaceutical Supply Chain Initiative (PSCI) and aim to define appropriate standards including certification and controls within our existing processes.

Remedies and grievance mechanisms

We provide access for employees and stakeholders to raise concerns, including human rights related concerns. Takeda's Ethics & Compliance function has the responsibility for receiving, assessing, and handling in scope concerns of misconduct in accordance with our Global Policy on Raising and Handling Concerns.

Reporting potential human rights violations

Takeda provides the confidential [Takeda Ethics Line](#), a hotline available 24 hours a day for internal and external stakeholders to facilitate confidential reporting of any ethical concerns. A dedicated category to report potential concerns relate to Human Rights is included in the channel. In 2023, no concerns reported through Takeda Ethics line were related to potential human rights risks.

Exercising the right to information

Takeda Ethics Line includes the possibility for any stakeholder to submit questions and exercise their right to request information under the Norway Transparency Act.

Engagement and advocacy

Takeda is engaged in various collaborative efforts, including the Pharmaceutical Supply Chain Initiative (PSCI). We endorsed the [PSCI Principles for Responsible Supply Chain Management](#), actively participate in PSCI's Sub-Committees, including for Human Rights.

We also continued to support the [Responsible Health Initiative](#), in collaboration with Ecovadis to improve sustainability standards across the pharmaceutical industry.

Track and communicate

Measuring effectiveness

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 remedies where required.

External disclosures

All our Environmental, Social and Governance (ESG) related disclosures can be found on our [global Sustainability Disclosures Portal](#).

Approved by the Board of Directors of Takeda AS

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