

Better Health, Brighter Future



Norway Transparency Act

Takeda Reporting for Financial Year 2022

Introduction

This is Takeda AS' first reporting under the Norwegian Transparency Act of 2021, covering the period from April 01, 2022, to March 31, 2023 (Financial Year 2022).

This report will provide a general description of Takeda's organization and area of operations, and of its guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions. It will describe the measures implemented to cease actual or potential adverse impacts, and the results of the expected measures. This applies to our operations and supply chain globally and where relevant for Takeda AS.

In addition, this report will also describe additional governance and policies implemented in the Takeda Group.

Our business, operations, and supply chains

Our business

Takeda AS' is part of the Takeda Group. 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 a wholly owned subsidiary of Takeda Pharmaceutical Limited, headquartered in Zurich, Switzerland, and 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 EUCAN operating companies including Takeda AS.

Our operations

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. Read more about our [therapeutic areas](#).

Supply Chains

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

Takeda AS

In 2022 Takeda AS entered into an agreement with NextPharma to divest its manufacturing site located in Asker. The site produces a portfolio of strengths and flavors of calcium/vitamin D3 chewable tablets and was taken over by Takeda in 2011. The facility produces nearly 100% for third parties and the production site serves as contract manufacturing operation. The divestment transaction was successfully closed on March 31, 2023.

Following the divestment of the manufacturing site, Takeda AS' operations in Norway focus on marketing and sales of the Takeda Group's products.

Governance and policies

Governance

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. 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 an important part of 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 Nations 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 Rights¹. Read more about [our commitment to human rights](#).

Corporate philosophy

Takeda-ism

Takeda is proud to have a values-based culture. We understand our responsibility to meet the highest standards of ethical behavior, 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.

Internal policies

Following the acquisition of Shire Pharmaceutical in 2019, Takeda worked to consolidate group policies including supply chain management, risk management, and employee training to support responsible business practices and further mitigate human rights risks.

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 integrity. 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*".

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.

Synergies between anti-corruption and human rights

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

¹ *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.

Enterprise Risk Management

We embed risk management within all levels of the company through our enterprise risk assessment process designed to generate a holistic view of risks for the company and drive a culture of risk-based decision making.

Each relevant functional area within the business is responsible for managing its key risks and responses to them, including for human rights.

Training and capability building

All our employees 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 Training, including 94.3% for Takeda AS.

Embedding respect and human rights due diligence

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.

Human Rights Impact Assessment

Takeda conducted a global impact assessment, relevant for Takeda AS, involving internal and external stakeholders, building from our enterprise risk assessment and insights gained through collective actions. We assessed each of the potential impact 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.

² The list of indices is reviewed periodically and includes key Human Rights from data on child labor and young workers,

Through this assessment, regularly reviewed and updated, we identified our 11 most salient human rights impacts 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	

Building on our impact assessment, we identified Third Party Labor Rights as a focus area and implemented specific measures to prevent potential human rights adverse impacts, including through the enhancement of our existing third-party risk management framework for human rights and labor standards as described below.

Third Party Labor risks in our supply chain

Third Party Risk Management (TPRM)

Our approach to human Rights and Labor Standards (HRL) risk identification and management in our supply chains is embedded within our TPRM program. In 2022, we have revised the process for conducting HRL due diligence to ensure that our expectations of our direct third-party suppliers, are addressed at the earliest stages of the supplier selection process and monitored accordingly.

- **Pre-classification:** For HRL, Third Parties are pre-classified from Low to High Risk against pre-defined criteria including for instance (i) the level of a country Human Rights risks rating using internationally recognized indices², (ii) the scope of services provided by the Third Party and relevant additional information.

living wages, working condition, discrimination in the workplace, forced labor, freedom of association as well as collective bargaining.

- **Due Diligence Process:** As part of the due diligence process, third parties presenting HRL risks undergo a negative media finding screening and are required to complete a HRL Third Party Questionnaire. The questionnaire includes specific human rights and labor queries. The Control Owner for the HRL risk area reviews the findings, and if areas of non-conformance are identified, the Third Party may be required to implement Corrective and Preventive Action Plans (CAPAs).

Additional mitigation measures

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.

External certification

We use [Ecovadis](#) to monitor environmental, ethical, and human rights practices of certain suppliers remotely and on a continuous basis. Since 2016, 650 of our suppliers underwent an enhanced evaluation of their sustainability performance (including for human rights and labor standards) through the digital Ecovadis platform, including 2 suppliers in Norway.

Third Party Audits

In 2022, we conducted 6 onsite assessments, not related to Takeda AS, to evaluate suppliers against the expectations laid out within our Supplier Code of Conduct, including human rights and labor standards. 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 human rights and labor standards.

Human rights adverse impact for Takeda AS

We have not identified actual or potential significant risks of human rights adverse impacts relevant for Takeda AS through our due diligence process in our operations and supply chain.

Remedies and grievance mechanisms

Access to remedies is a core human rights, and the 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.

Exercising the right to information

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

Engagement and advocacy

Takeda is engaged in various collaborative efforts, including 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 endorsed 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.

During the year, we also 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.

Track and communicate

External disclosures

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

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 remedy where required.

Approved by the Board of Directors of Takeda AS

DocuSigned by:

Christine Andersen

Christine Andersen

Takeda AS

DocuSigned by:

Oyvind Lokeberg

Oyvind Lokeberg

Takeda AS

DocuSigned by:

Karolina Minda

Karolina Minda

Takeda AS