



# Takeda Modern Slavery Statement

Financial Year 2023

## Introduction

This statement addresses the United Kingdom Modern Slavery Act 2015, Australia Modern Slavery Act 2018 (Cth), Canada Fighting Against Forced Labor and Child Labor in Supply Chains Act (2023) covering the reporting period from April 01, 2023, to March 31, 2024 (Financial Year 2023).

### Reporting entities

This is a joint statement made on behalf of Takeda UK Limited and Takeda International - UK Branch ("Takeda UK"), Takeda Australia Pty Ltd ("Takeda Australia") and Takeda Canada Inc. ("Takeda Canada").

### 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 of modern slavery which encompasses risks of human rights violations related to forced labor<sup>1</sup>, human trafficking<sup>2</sup> and child labor<sup>3</sup> in our operations and supply chains. References to "modern slavery" in this statement cover all aforementioned risks. Furthermore, the work completed and in progress at the enterprise level on human rights, including modern slavery, is applicable to all reporting entities.

### Consultation with reporting entities

Takeda's Sustainability/ESG External Disclosure Committee approved this Statement and members of the Board of Directors for the reporting entities as well as supporting key functions, including Procurement, Ethics & Compliance and Legal

locally were consulted in preparation of this statement.

## Our business, operations and supply chains

### Our business and operations

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 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.

### Supply Chains

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

## Governance and policies

<sup>1</sup> According to the ILO Forced Labor Convention (1930, No. 29) "forced or compulsory labour shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily".

<sup>2</sup> According to the Palermo Protocol (2000) Human Trafficking is defined as "the recruitment, transportation, transfer, harboring or receipt of an

individual by means of threat or use of force or other forms of coercion for the purpose of exploitation".

<sup>3</sup> Child labor means labor or services provided or offered to be provided by persons under the age of 18 years as defined under the ILO Minimum Age Convention, 1973 (No. 138) and ILO Worst Forms of Child Labor Convention, 1999 (No. 182).

## 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 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 Human Rights Commitment](#) 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 internationally recognised 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 recognised human rights included in the International Bill of Human Rights<sup>4</sup>. 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* in that order. 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 behaviour.

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

<sup>4</sup> 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.

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 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.

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, including modern slavery. 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. In 2023, 98% of Takeda’s employees completed the annual Code of Conduct refresher training, including 98% for Takeda UK, 95% for Takeda Australia and 100% for Takeda Canada.

## **Addressing modern slavery 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 has conducted in FY21 a global impact assessment, relevant for the reporting entities 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, including but not limited to modern slavery, is conducted through our TPRM Program.

By considering country risk and procurement category risks, we identify specific areas that may present the highest risk of modern slavery in our supply chain. Those must undergo negative media screening 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 provisions

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.

Additionally, Takeda Australia updated its local template service agreement and template master service agreement to introduce a dedicated clause which imposes an obligation on our service providers that they will conduct its business in a manner that is in compliance with the Modern Slavery laws in Australia.

### Actual and potential modern slavery risks identified for the reporting entities

Based both on our global human rights due diligence process and targeted assessment conducted for the reporting entities, we have not identified actual human rights impacts in 2023. In addition, we have determined an overall low risk of modern slavery in our operations, based on the type of activities conducted.

Regarding products sold locally by the reporting entities, 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 we 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.

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 related to Human Rights is included in the channel.

In 2023, no concerns reported through Takeda Ethics line were related to risks of modern slavery.

## 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 issues from arising and providing access to timely remedy where required.

### External disclosures

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

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### Approved in accordance with the UK Modern Slavery Act (2015)

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### Approved in accordance with the Australia Modern Slavery Act (2018)

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### Approved in accordance with the Canada Fighting Against Forced Labor and Child Labor in Supply Chains Act (2023)

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