



Takeda's Supplier Code of Conduct



Table of Contents

1.0 Introduction & Applicability.....	3
2.0 Adherence to Applicable Laws, Regulations & Supplier Code	5
3.0 Ethics	5
4.0 Human Rights, Labor and Fair Employment Practices	8
5.0 Health & Safety	10
6.0 Environment.....	11
7.0 Governance and Management System	13
Appendix: Glossary of Terms.....	16

Glossary: Any word identified in the text with an asterisk (*) is defined in the Glossary at the end of the principles.

1.0 Introduction and Applicability

Takeda is proud to have a values-based culture that has served as a strong foundation for over 240 years. We have purposely set our ethical standards of behavior high 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.

Takeda-ism has always been our unique compass. It is the timeless values of Integrity, Fairness, Honesty, and Perseverance that define who we are. They are brought to life through decisions and actions that put our patients 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 underpin everything we do and how we do it.

As part of delivering on our purpose, we are committed to creating value for society by putting forth our core strengths and capabilities as a biopharmaceutical company to help solve key societal challenges. This purpose-led and values-based approach drives all of our actions and decisions, and our commitments across our corporate philosophy Patient, People and Planet imperatives. Our approach is integrated into how we do business – throughout our entire value chain from research and development (R&D) to product distribution – taking into consideration how our work affects patients and people in the communities we serve, as well as the planet.

Our Suppliers, who provide us with quality products and services across the globe every day, play a critical role in helping us deliver our purpose. The Takeda Supplier Code of Conduct (Supplier Code) ensures our supplier relationships align with our commitment and our values.



Takeda's Supplier Code supports our commitment to the UN Sustainable Development Goals (SDGs) and the UN Global Compact's 10 universally accepted principles (www.unglobalcompact.org), in the areas of human rights, environment and anti-corruption*. Takeda's membership of the Pharmaceutical Supply Chain Initiative (PSCI) provides alignment with the societal and industry expectations for the sustainability performance of the whole global pharmaceutical industry and its supplier base. The Takeda Supplier Code of Conduct is aligned with the PSCI Principles.

Given Takeda's global reach, ensuring the sustainable procurement of our goods and services is paramount. Takeda is committed to addressing supplier risks – such as reputational, sustainability, business continuity, compliance and ethical risks – that may exist before or that may arise during performing services or supplying manufactured goods or other products to Takeda. We expect all suppliers acting on our behalf, or providing us with goods or services, to comply with the standards set out in Takeda's Supplier Code of Conduct.

Takeda will assess suppliers throughout the lifecycle of engagement to ensure adherence to the principles contained in this Supplier Code of Conduct and expects suppliers to cooperate in remediating identified issues with such compliance.

Takeda will collaborate with suppliers who demonstrate commitment to solving any issues identified during our relationship, with the goal of improving standards and creating long-term, sustainable value. Takeda is also committed to agility and innovation in medicine – two vital qualities to deliver on our purpose. Suppliers, as our business partners, are part of our innovation network and we will work together to bring life-transforming therapies to patients.

Applicability: This Supplier Code of Conduct applies to individuals, organizations and companies (suppliers) that provide or are intending to provide, goods and services of any form, to Takeda.



2.0 Adherence to Applicable Laws Regulations & Supplier Code

Suppliers must comply with the laws, rules, regulations and industry and local ethical standards applicable to their operations and this Takeda Supplier Code of Conduct.

3.0 Ethics

Preamble: Suppliers shall conduct their business responsibly, ethically and act with integrity.

3.1 Anti-bribery*, Kickbacks, Unlawful Payments and Other Corrupt Practices

Supplier shall not pay bribes or any facilitation payments. Suppliers should not offer, promise, or provide, directly or indirectly, anything of value, with the intent to bribe, improperly influence, obtain an improper advantage, or provide as an inducement or incentive for sales; this includes private persons, government officials, healthcare professionals, healthcare organizations, patients, patient organizations or members of their families and any other individual or entity affiliated with them. Suppliers shall not accept bribes or participate in any illegal inducements in business or government relationships.

Suppliers that interact on behalf of Takeda with other parties should maintain accurate, transparent, and reasonably detailed books, records and accounts on those activities and transactions pertaining to Takeda. Off-the-books records and false or deceptive entries are strictly prohibited.

3.2 Fair competition and Antitrust

Suppliers shall conduct their business consistent with fair and vigorous competition and in compliance with all applicable anti-trust laws. Suppliers shall employ fair business practices including accurate and truthful advertising.

3.3 Animal Welfare

The utilization of animals in research is a privilege. Takeda is committed to follow the principles of the 3R's* (replacement, reduction and refinement). Every effort is revising to replace animals, to reduce the numbers of animals used or to refine procedures to minimize distress. Alternatives should be used wherever these are scientifically valid and acceptable to regulators.

3.4 Conflicts of interest

Suppliers shall take reasonable care to avoid and manage conflicts of interest. Suppliers must disclose to Takeda management any perceived or actual conflicts of interest which include any personal relationships with Takeda employees or receiving any personal or financial benefit from any employee or professional contracted by Takeda. Suppliers should disclose to Takeda if a Takeda employee or a professional contracted by Takeda may have an interest of any kind in the Supplier's business or any current economic ties with the Supplier.

3.5 Gifts and Entertainment

We will select suppliers based on fair and objective standards and without favor or preference based on any personal relationship. We will not accept or solicit any illegal benefits (including money, goods, hospitality, gifts or anything of value) with the intention of improperly influencing other employees, customers, suppliers or other external stakeholders or if they may cause actual, potential or perceived conflicts of interest. Takeda policies prohibit our company from providing any gifts (including ceremonial gifts) to government officials, government entities, healthcare professionals, healthcare organizations, patients or patient organizations regardless of the occasion. In addition, Takeda does not provide healthcare professionals, healthcare organizations, patients or patient organizations with standalone entertainment or other leisure or social activities, such as tours, concerts, theatre, sporting events or similar activities. Likewise, suppliers shall not offer or provide such standalone entertainment or other leisure or social activities to Takeda employees. Suppliers that interact with these parties on behalf of Takeda should follow the same stated restrictions with respect to not providing HCPs, HCOs, patients, patient organizations or Takeda employees such standalone entertainment or other leisure or social activities.

3.6 Patient Safety and Access to Information

Suppliers shall ensure that adequate management systems are in place to minimize the risk of adversely impacting on the rights of patients, subjects* and donors*, including their rights to health and to access information directly.



3.7 Data Security and Privacy

Suppliers shall safeguard and make only proper use of personal data and confidential information to ensure that company, employee, patient, business partner and donor privacy rights are protected by the implementation of appropriate technical and organizational controls. Suppliers shall comply with applicable privacy and data protection laws and ensure the protection, security and lawful use of personal data.

3.8 Products and Intellectual Property Protection

Suppliers shall institute and maintain a robust system, appropriate quality, process, policies, cyber security procedures to protect Takeda's Intellectual Properties and Products from the risk of loss, adulteration, counterfeiting, theft, tampering and damage while the product is in suppliers' custody during their manufacturing, packaging, storing or transportation stages. Supplier also shall institute and maintain approved Guidance on AI and ML technologies to ensure it is used in a controlled, secure and ethical manner.

3.9 Customs & Trade Compliance

Takeda expects its suppliers to ensure that their business practices are in accordance with all applicable laws and regulations regarding import and export controls, licensing, sanctions, denied parties, embargoes, anti-boycotts, other trade restrictions, and in accordance with industry standards applicable to their business. Suppliers will not directly or indirectly engage in any transaction in violation or circumvention of such laws and regulations. Suppliers must maintain complete and accurate import and export records according to the national regulations of their country of operation.

3.10 Diversity, Equity & Inclusion (DE&I)

Takeda values inclusion, the unique and diverse perspectives it brings to our business, as well as the societal impact it makes. Suppliers are expected to foster an inclusive culture in keeping with Takeda's commitments above, throughout their organization, including the development of their own supplier diversity program by including supplier diversity as a business practice and strategy, to develop a more equitable society, and better health, brighter future for all.

4.0 Human Rights, Labor and Fair Employment Practices

Preamble: Takeda is committed to working with suppliers who operate in a manner that is consistent with our values and ethical principles, and we expect our suppliers to uphold human rights within their own businesses, their supply chains, and in the communities within which they operate, giving appropriate attention to vulnerable populations. Suppliers must comply with laws governing human rights matters, including human trafficking and slavery laws and regulations while providing services or manufactured goods or other products to Takeda.

Suppliers shall conduct human rights due diligence to assess compliance with the (i) UNGPs (United Nations Guiding Principles on Business and Human Rights); the International Bill of Human Rights; and (iii) the International Labor Organization's (ILO) Core Convention.

4.1 Freely Chosen Employment

Suppliers shall not use forced, bonded or indentured labor, involuntary prison labor, or take part in human trafficking or any form of modern slavery. No worker shall pay for a job or be denied freedom of movement.

4.2 Child Labor and Young Workers

Suppliers shall not use child labor. The employment of young workers below the age of 18 shall only occur in non-hazardous work and when young workers are above a country's legal age for employment, or the age established for completing compulsory education.

4.3 Non-Discrimination and Harassment

Suppliers shall strive for equality, providing a work environment free from discrimination for reasons such as race, color, age, pregnancy, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership or marital status.



4.4 Fair Treatment

Suppliers shall provide a work environment free of harassment, harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse of workers, and no threat of any such treatment.

4.5 Wages, Benefits and Working Hours

Suppliers shall pay workers according to applicable wage laws and agreed employment contracts, including minimum wages, overtime hours and mandated benefits.

Suppliers shall communicate with the worker the basis on which they are being compensated in a timely manner. Overtime work shall be voluntary, as well as consistent with applicable national and international standards.

Suppliers are expected to communicate with the worker whether overtime is required and the wages to be paid for such overtime. Suppliers should provide appropriate rest periods, and adequate days or time off from work and comply with applicable state, national and international standards regarding maximum working hours and paid holidays.

4.6 Freedom of Association and Right to Collective Bargaining

Open communication and direct engagement with workers (i.e. social dialogue*) to resolve workplace and compensation issues are encouraged. Suppliers shall respect the rights of workers, as set forth in local laws, to associate freely, join or not join labor unions, seek representation and join workers' councils, as well as to bargain collectively.

Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

4.7 Local Communities

Suppliers shall respect the rights of the local communities* around their sites including the right to a clean and healthy environment.

5.0 Health and Safety

Preamble: Suppliers shall provide a safe and healthy working environment and support the wellbeing of workers. Health, safety and wellbeing measures shall extend to contractors and subcontractors on supplier sites. Suppliers must comply with all applicable health and safety laws and regulations.

5.1 Worker Protection

Suppliers shall have mechanisms in place to identify, control and mitigate all risks and hazards associated with their processes. Suppliers shall protect workers from exposure to chemical, biological and physical hazards*. Adequate equipment, facilities and services shall be provided to support worker safety, health and wellbeing.

5.2 Emergency Preparedness and Response

Suppliers shall have management processes in place to identify potential emergency situations in the workplace and any company-provided living quarters, with appropriate controls to mitigate the associated risks including implementing emergency plans and response procedures.

5.3 Hazardous Material Information

Adequate risk assessment and emergency plans shall be in place to ensure the safety of the work environment*. Safety information relating to hazardous materials – including pharmaceutical compounds and pharmaceutical intermediate materials – shall be made available and used to educate, train and protect workers from hazards. Suppliers shall demonstrate good housekeeping practices and a culture of safety. Suppliers shall provide information regarding hazardous materials content to Takeda.





6.0 Environment

Preamble: Suppliers shall operate in an environmentally responsible and efficient manner to minimize negative impacts on the environment, and to help their own suppliers do the same.

Suppliers are expected to set science-based targets for reducing greenhouse gas (GHG)* emissions, seek to minimize waste, preserve biodiversity and fresh water, especially in water stressed areas, and minimize and control the use of hazardous materials.

6.1 Environmental Authorizations

Suppliers shall comply with all applicable environmental regulations. All required environmental permits, licenses, information registrations and restrictions shall be obtained, and their operational and reporting requirements followed.

6.2 Management of Waste and Emissions

Suppliers shall have adequate systems and controls in place to ensure compliant management of any waste(s) or emission(s) generated by their processes, with an emphasis on reduction. Any waste(s) or emission(s) with the potential to adversely impact human health or the environment shall be appropriately managed to prevent negative impacts. This includes managing releases of active pharmaceuticals into the environment.

6.3 Spills and Releases

Suppliers shall have effective systems in place to prevent and mitigate accidental spills and releases to the environment and adverse impacts on the local community*.





6.4 Climate Change

Takeda has made a commitment to reach net-zero greenhouse gas emissions (GHGs) in our operations (scope 1 and 2 emissions) by 2035 and across our value chain (scope 3 emissions) by 2040. This net-zero commitment and associated nearterm and long-term targets have been verified by the Science Based Targets Initiative (SBTi) and confirmed to be in line with limiting global warming to 1.5°C. Accordingly, Takeda expects suppliers to take action to set science based GHG emissions reduction targets, reduce energy usage and GHG emissions, and to commit to and share GHG emissions data and support their suppliers to do the same.

6.5 Resource Efficiency

Suppliers shall strive for circularity*, designing out waste, taking measures to improve efficiency and reduce the consumption of resources, including water, favoring renewable* and sustainable* sources. They shall also take measures to reuse and recycle.

6.6 Biodiversity Conservation

Suppliers shall understand their impacts on biodiversity*, reducing and mitigating their footprint wherever practicable.

7.0 Governance and Management System

Preamble: Good governance and management systems are the foundation for compliance with all the PSCI Principles. Suppliers shall use appropriate systems to conduct due diligence* on risk and impact, monitor legislation, set priorities, assign responsibility, adopt risk-mitigation measures and facilitate continual improvement and compliance.

7.1 Culture, Commitment and Accountability

Suppliers shall demonstrate commitment to the concepts described in this document by, amongst the other expectations outlined in this document, allocating appropriate resources, and identifying senior responsible personnel, thereby creating a culture of responsible practices. A supplier's failure to meet the requirements of this Supplier Code of Conduct, or a failure to correct a non-complying situation, will affect Takeda's decision to do future business with that supplier and may cause an interruption or termination of business relationships with the supplier.

7.2 Legal and Customer Requirements

Suppliers shall identify and comply with applicable laws, regulations, recognized standards* and relevant customer requirements*.

7.3 Risk Management

Suppliers shall have mechanisms to determine and manage risks in all areas addressed by these Principles. Suppliers shall have a management of change process in place to evaluate and control the risk of change.



7.4 Business Continuity

Supplier shall be responsible for the development and implementation of appropriate business continuity plans for operations supporting Takeda.

7.5 Accurate Records and Documentation

Suppliers shall maintain accurate records and documentation necessary to demonstrate conformance with these expectations and compliance with applicable regulations. Records must be made available to Takeda or its designated auditor to inspect upon request to confirm compliance to these standards. Records must be legible, transparent and reflect the actual situation.

7.6 Training and Competency

Suppliers shall have a training program that achieves an appropriate level of knowledge, skills and abilities in management and workers to Takeda to address the expectations of this Supplier Code of Conduct.

7.7 Continual Improvement

Suppliers are expected to continually improve by setting performance objectives and executing implementation plans. Suppliers shall take necessary corrective actions for deficiencies identified by internal or external assessments, inspections and management reviews, including the recording and reporting of near-misses, incidents and incident prevention opportunities.

7.8 Effective Communication

Suppliers shall have effective systems to communicate these Principles to relevant stakeholders including their workers, contractors, suppliers and local communities*.

7.9 Grievance Mechanism

Suppliers shall establish grievance mechanisms accessible to internal and external stakeholders* who shall be encouraged to use them to report concerns, illegal activities or breaches of the principles set forth in this Supplier Code of Conduct that work without threat of or actual reprisal, intimidation or harassment.



7.10 Identification of Concerns

All Suppliers, their employees and contractors shall report concerns of actual or suspected violations of laws, regulations, this Supplier Code of Conduct or any other form of potential misconduct. Suppliers shall promptly conduct independent and impartial investigations into concerns and, when needed, determine appropriate disciplinary and corrective actions. Suppliers shall promptly notify Takeda of internal and external investigations directly or indirectly related to activities conducted for Takeda or that could potentially adversely affect a supplier's and/or Takeda's reputation. Based on the outcome of the investigation, it is expected that the supplier performs an analysis of underlying root causes of identified misconduct or gaps in internal processes and remediate them as needed. Who in good faith reported the concerns of misconduct and who collaborated with the investigation must be protected from retaliation. Takeda does not tolerate any form of retaliation.

Concerns can be raised directly and anonymously to Takeda via the Takeda Ethics Line, at www.Takeda.EthicsPoint.com. All concerns reported to Takeda will be assessed and, if required, investigated independently. Information provided by the reporter/s will be treated with strict confidentiality. For all other questions related to the Supplier Code of Conduct, suppliers and their employees can reach out to SustainableProcurement@takeda.com.

7.11 Sustainable Sourcing and Traceability

Suppliers shall have systems in place to carry out due diligence* on their own supply chain, including traceability for the sources of raw materials, especially nature-based commodities, to support legal and sustainable sourcing.

Glossary and Terms

- 3Rs rule:** means replacement, reduction and refinement that provides a framework for performing more humane animal research. Replacement as avoiding or replacing the use of animals in areas where they otherwise would have been used, reduction as minimizing the number of animals used consistent with scientific aims and refinement as minimizing the pain, suffering, distress or lasting harm that research animals might experience
- Biodiversity:** The variability among living beings from all sources including, inter alia, aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species and of ecosystems.
- Bribery:** The offering, giving, soliciting or receiving of any item of value as a means of influencing the actions of an individual holding a public or legal duty.
- Circularity:** A systems solution framework that tackles global challenges like climate change, biodiversity loss, waste and pollution. It is based on three principles, driven by design: eliminate waste and pollution, circulate products and materials (at their highest value) and regenerate nature.
- Corruption:** The abuse of entrusted power for private gain and / or illicit benefits.
- Customer Requirements:** any requirements coming from buyers, which may be higher standards than local regulations.
- Donor:** Any person who donates tissues, cells, organs and any other body parts for research purposes.
- Due Diligence:** Research and analysis of a company or organization done in preparation for a business transaction or as part of operational reviews.
- External Stakeholder:** A person or an organization outside a particular company who has a vested interest in and / or is affected by its activities, including customers, suppliers, investors or local communities.
- Greenhouse Gas (GHG) Emissions:** Emissions from the six GHGs covered by the United Nations Framework Convention on Climate Change (Carbon dioxide (CO₂); Methane (CH₄); Nitrous oxide (N₂ O); Hydrofluorocarbons (HFCs); Perfluorocarbons (PFCs); and Sulphur hexafluoride (SF₆)) which contribute to global warming and climate change.

- 11. Takeda's net-zero targets that have been approved by the Science Based Targets Initiative (SBTi):** Overall Net-Zero Target: Takeda Pharmaceutical Company Limited commits to reach net-zero greenhouse gas emissions across the value chain by FY2040. Near-Term Targets: Takeda Pharmaceutical Company commits to reduce absolute scope 1 and 2 GHG emissions 65% by FY2030 from a FY2016 base year.* Takeda Pharmaceutical Company also commits to reduce absolute scope 3 GHG emissions 25% by FY2030 from a FY2022 base year. *The target boundary includes land-related emissions and removals from bioenergy feedstocks. Long-Term Targets: Takeda Pharmaceutical Company commits to reduce absolute scope 1 and 2 GHG emissions 90% by FY2035 from a FY2016 base year.* Takeda Pharmaceutical Company also commits to reduce absolute scope 3 GHG emissions 90% by FY2040 from a FY2022 base year. *The target boundary includes land-related emissions and removals from bioenergy feedstocks.
- 12. Human Rights:** As laid out in the United Nations Guiding Principles on Business and Human Rights (UNGPs), human rights are defined, at a minimum, as the rights expressed in the International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.
- 13. Local Community:** The people living and / or working in areas around a company's operations and activities.
- 14. Physical Hazards:** Factors within the environment that can harm the body without necessarily touching it.
- 15. Recognized Standards:** Generally accepted management systems and / or specifications emanating from international organizations.
- 16. Renewable Resources:** an energy source that cannot be depleted and are able to supply a continuous source of clean energy.
- 17. Social Dialogue:** All types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.
- 18. Subject:** Any person who participates as a subject in scientific and medical experimentation or product testing.
- 19. Sustainable Resource Use:** Use of resources in a way and at a rate that does not lead to the long-term degradation of the environment, thereby maintaining its potential to meet the needs and aspirations of present and future generations.
- 20. Work Environment:** Surrounding conditions in which an employee works and operates.

1. <https://ec.europa.eu/health>
2. [Convention on Biological Diversity](#)
3. [Cornell Law School-Legal Information Institute](#)
4. [Ellen McArthur Foundation](#)
5. [Transparency International](#)
6. Definition by Takeda's SMEs
7. Version 2 of the PSCI Principles
8. [Merriam Webster Dictionary](#)
9. [Cambridge Dictionary](#)
10. [Kyoto Protocol to the United Nations Framework Convention on Climate Change](#)
11. <https://sciencebasedtargets.org/>
12. [United Nations Guiding Principles on Business and Human Rights](#)
13. [Cambridge Dictionary](#)
14. [United States Occupational Safety and Health Administration](#)
15. PSCI Management Systems experts' definition
16. [National Geographic](#)
17. [International Labor Organization](#)
18. Version 2 of the PSCI Principles
19. [United Nations Environment Programme](#)
20. [IGI Global](#)