



Human Rights Due Diligence Guidance for Suppliers

September 2026





SINCE

1781



TAKEDA-ISM



BROUGHT TO LIFE THROUGH

1

PATIENT

Putting the
patient at
the center



2

TRUST

Building trust
with society



3

REPUTATION

Reinforcing
our reputation



4

BUSINESS

Developing
the business



Ensuring respect for human rights across our value chain

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.

Ensuring high ethical standards within your supply chain can be challenging. We are willing to support you in reaching such standards if this is not yet the case. The ethical standards described below are the same as those applied in our own entities throughout the world.



**Takeda Global
Code of Conduct**



**Takeda Human
Rights Commitment**



**Takeda Supplier
Code of Conduct**



1

Third Party Risk Management

We conduct risk-based due diligence when selecting and engaging our third parties, including for potential human rights and labor risks.

- Learn more [here](#).
- Takeda's Sustainability Disclosure - Human Rights [here](#).

2

Ongoing collaboration

Human rights expectations for suppliers are defined in our Supplier Code of Conduct and contractual requirements

- Aligning with the [PSCI Principles](#) that Takeda adheres to, this guidance provides suppliers with practical support and resources on human rights.

3

Transparency and monitoring

As part of our monitoring efforts, we may review how suppliers meet these standards through social audits or other assessments.

- Suppliers selected for undergoing a third-party audit will receive the **Supplier Audit Manual** from Takeda.

1

Human Rights Due Diligence

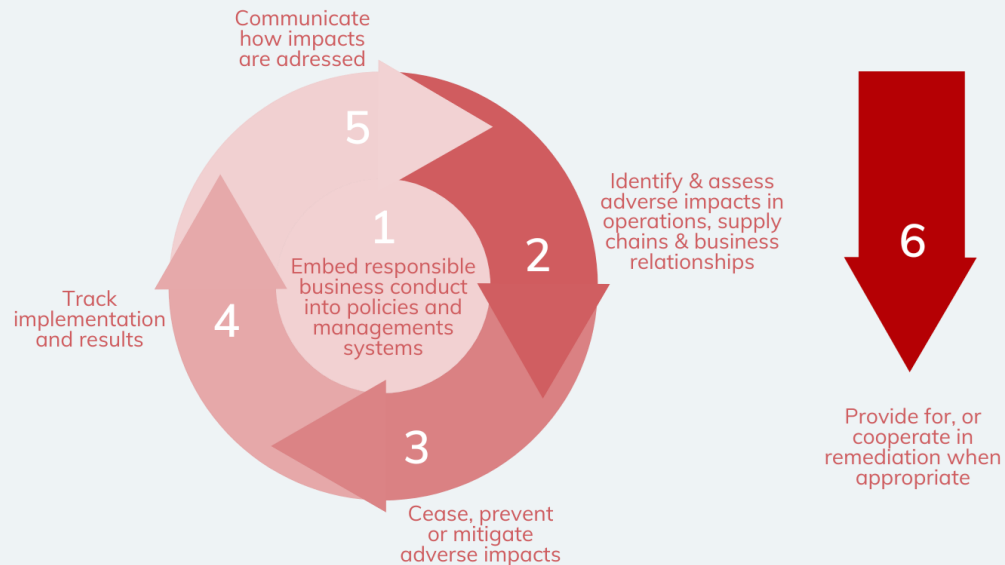


Conducting Human Rights Due Diligence



What is human rights due diligence (HRDD) ?

It follows a set of internationally recognized standards including the [United Nation Guiding Principles on Business and Human Rights](#) (UNGPs) and [OECD Due Diligence Guidance for Responsible Business Conduct](#). HRDD is defined as a continuous process through which a company identifies, prevents, mitigates actual or potential negative impacts on people that may result from its own operations, value chains, and business relationships :



Source: OECD due diligence guidance for responsible business conduct

Why does it matter?



Protect people from harm

Effective due diligence helps identify, prevent, and reduce potential human rights and labor risks in your own value chain.



Strengthen trust

Acting responsibly builds confidence and shared values throughout the lifecycle of a business relationship. Due diligence is not a one-off checklist; it is a continuous process.



Anticipate risks

Identifying human rights risks early protects business continuity and reduces operational, reputational, and regulatory risks in a rapidly evolving global landscape.

2

Supplier expectations



4.1 Freely Chosen Employment

Takeda Supplier Code of Conduct

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.

Key expectations based on applicable standard, local laws and regulations:

- ✓ Employee shall work of their own free will without being under threat of punishment.
- ✓ Do not deceive or defraud prospective employees regarding the nature of the work.
- ✓ Do not demand payment from their employees for any fees related to their employment, including recruitment or transportation fees
- ✓ Do not confiscate, destroy, hide, or deny access to employee passports and other identity documents
- ✓ Do not restrict employees' freedom of movement



Ensuring respect with Takeda Supplier Code of Conduct

As part of our due diligence efforts, we may request evidence to assess if expectations defined in our Supplier Code of Conduct are being met, including for instance:



Recruitment documentation to ensure internal rules support legal and responsible labor practices



Right-to-work documents to ensure all employees are legally eligible to work

Why is it important ?

Ensuring workers are free to choose their employment is essential to protect their rights and prevent modern slavery and forced labor. Potential violations may lead to severe reputational and regulatory risks for implicated businesses.

Applicable standards

- Art. 2 (2) of [Convention No. 29 of the ILO](#)
- Art. 8 (3) (b) and (c) of the [International Covenant on Civil and Political Rights](#).

4.2 Child Labor and Young Workers

Takeda Supplier Code of Conduct

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.

Key expectations based on applicable standard, local laws and regulations:

- ✓ Employment practices must comply with the ILO conventions and national law, whichever is stricter, relating to minimum age, child labor and the employment of underage workers
- ✓ Do not employ a child under the age at which compulsory schooling ends or under 15, except where local laws and regulations differs.
- ✓ Ensure no hazardous work is performed by children under the age of 18.



Ensuring respect with Takeda Supplier Code of Conduct

As part of our due diligence efforts, we may request evidence to assess if expectations defined in our Supplier Code of Conduct are being met, including for instance:



Child labor and remediation policy to verify the supplier prohibits child labor



Recruitment processes to confirm age verification procedures in hiring processes

Why is it important ?

Respecting child labor standards is essential because child labor violates fundamental human rights, depriving children of education, safety, dignity, and healthy development. It also exposes businesses to serious legal, operational, and reputational risks.

Applicable standards

- [Convention No 138 of the ILO](#)
- [Convention No. 182 of the ILO](#)

4.3 Non-discrimination and Harassment

Takeda Supplier Code of Conduct

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.

Key expectations based on applicable standard, local laws and regulations:

- ✓ Objective, job-related criteria are applied in hiring, promotion, and pay process
- ✓ Equal pay and access to roles for employees are ensured regardless of gender or ethnicity
- ✓ Irrelevant health, marital, or family information is not requested from employees or candidates
- ✓ Employees are appropriately trained and aware of non-discrimination requirements



Ensuring respect with Takeda Supplier Code of Conduct

As part of our due diligence efforts, we may request evidence to assess if expectations defined in our Supplier Code of Conduct are being met, including for instance:



Salaries and benefits to ensure that gender and ethnic background do not impact pay levels



Anti-discrimination policy to confirm protections against unequal treatment

Why is it important ?

Respecting non-discrimination and harassment standards is a core legal requirement international laws, designed to protect workers' fundamental rights and dignity. Beyond compliance, it ensures a safe and inclusive work environment where individuals are treated fairly and can perform without fear of bias, intimidation, or harm.

Applicable standards

- [ILO Convention No. 111](#)

4.4 Fair Treatment

Takeda Supplier Code of Conduct

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.

Key expectations based on applicable standard, local laws and regulations:

- ✓ No tolerance for behavior that is threatening, abusive, exploitative or sexually coercive, including gestures, language and physical contact
- ✓ Maintain effective reporting and grievance mechanisms to address harassment
- ✓ **When providing housing** to worker ensure that they meet the minimum expectation described in ILO [Worker housing standards](#)



Ensuring respect with Takeda Supplier Code of Conduct

As part of our due diligence efforts, we may request evidence to assess if expectations defined in our Supplier Code of Conduct are being met, including for instance:



Evidence that effective grievances are available for workers to report unfair treatments



For housing provided to workers:

- ✓ Evidence of structural safety, reasonable levels of decency, hygiene and comfort
- ✓ Procedure to vacate premises upon termination of employment

Why is it important?

Fair treatment is a core requirement under international labor and human rights standards, protecting workers' dignity. Beyond compliance, it ensures a respectful work environment free from harassment, abuse, coercion, or intimidation.

Applicable standards

- ILO R115 Workers' Housing [Recommendation](#) and [Standards](#)
- [ILO Convention No. 111](#)

4.5 Wages, Benefits and Working Hours



Takeda Supplier Code of Conduct

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 all 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.*

Ensuring respect with Takeda Supplier Code of Conduct

As part of our due diligence efforts, we may request evidence to assess if expectations defined in our Supplier Code of Conduct are being met, including for instance:



Wage records and samples of pay slips to assess compliance with legal standards and review transparency and accuracy of payments



Overtime notices and records to ensure workers receive proper schedule information and overtime is voluntary and compliant

Why is it important?

Ensuring wages, benefits, and working hours are aligned with applicable laws is essential to safeguard employees' financial stability, health, and overall wellbeing.

Applicable standards

- ILO Standards on Working Time
- [ILO Standards on Wages](#)

4.6 Freedom of Association and Right to Collective Bargaining

Takeda Supplier Code of Conduct

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.*

Key expectations based on applicable standard, local laws and regulations:

- Enable worker representation by providing appropriate facilities and recognizing legitimate representative bodies
- Facilitate worker organization and constructive labor-management relations, including where formal unions or collective bargaining are restricted



Ensuring respect with Takeda's SCoC

As part of our due diligence efforts, we may request evidence to assess if expectations defined in our Supplier Code of Conduct are being met, including for instance:



Freedom of Association policy to verify workers can freely join and form worker groups



Collective Bargaining Agreement to confirm compliance with negotiated labour terms

Why is it important?

Respecting employees' freedom of association and right to collective bargaining is essential to ensure they can voice concerns, engage in dialogue, and protect their working conditions without fear of retaliation.

Applicable standards

- [ILO Conventions No. 87](#)
- [ILO Conventions No. 98](#)

Access to grievance mechanisms



Takeda Supplier Code of Conduct

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.

Why is it important for workers to have access to confidential grievance mechanisms ?

- ✓ Confidential channels are essential because they give workers a safe way to speak up about labor or human rights concerns without fear of retaliation, which is a core requirement under international standards and increasingly mandated by laws globally.
- ✓ They help detect potential risks early, prevent issues from escalating. Trusted reporting channels, ultimately strengthen transparency, trust, and responsible business conduct across our value chains.

What shall I do if my company doesn't have confidential channels to report concerns?

In that case, information on [Takeda Ethics Line](#) should be provided to the workers to ensure they can report concerns in full confidentiality.

As part of Takeda's diligence process and when relevant, suppliers may be asked to provide evidence that such information has been communicated to workers in a language they understand.

3

Supporting resources



Supporting resources for suppliers



Pharmaceutical Supply Chain Initiative (PSCI) membership program and available materials

PSCI is a non-profit industry coalition of pharmaceuticals and healthcare companies committed to promoting responsible and ethical supply chain practices. It provides a shared framework including principles, audit tools, and benchmarking programs that helps member companies assess and improve supplier performance across areas such as ethics, labor, health and safety, environment, and management systems.

Why and how can my company become a PSCI Supplier?

Joining PSCI gives suppliers a single, recognized framework accepted by 80+ pharmaceutical companies : meaning fewer redundant audits, less administrative burden, and clear standard to meet.



[Supplier
Registration
Portal - PSCI](#)



Benefits



Full access to library and resources including e-learning



Events including in-person Supplier Conferences and Webinar



Sharing audits and assessments with PSCI members



Practical guidance on the PSCI Principles which Takeda which Takeda adheres to

Due Diligence

Research and analysis of a company or organization done in preparation for a business transaction or as part of operational reviews.

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.

Applicable Standards

Generally accepted management systems and / or specifications emanating from international organizations.

Work Environment

Surrounding conditions in which an employee works and operates.

Human Trafficking:

Recruitment, transportation, transfer, harboring or receipt of persons. The means that are used to accomplish one of the prohibited acts; namely, the use of threat or of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person.

Modern Slavery:

is an umbrella term that describes when any person (adult or child) is coerced to work against their will.

Freedom of Movement:

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.

Country's Legal Age for Employment:

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.

Housing Accommodation:

Housing accommodation is lodging provided or arranged by an employer for workers to live in, typically near or connected to the workplace.

Minimum Wage:

Has been defined as the minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract.

Involuntary Prison Labor:

Forced or compulsory labor refers to the situation when any person is forced to provide work or service involuntarily and under coercion. Prisoners are forced to make products for a company in the private sector and are not paid the legal minimum wage.