

A man with glasses and a red polo shirt sits on a black bench in front of a grand piano on a wooden stage. He is holding a book or folder. The background shows rows of green seats and a green wall.

Annual Responsibility Review 2015



At Shire, we believe that our approach to Responsibility is fundamental to our success. It will enable us to fulfil our purpose to help people with life-altering conditions lead better lives. We use our expertise and resources for the benefit of patients, their families and their caregivers. We also strive to live up to all our responsibilities as a leading global biotech.

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The following symbols are used in this report to highlight our achievements and planned activities.

**2015 Indicators**

Measures to highlight our performance.

**What we did in 2015**

Our accomplishments and accolades.

**What we will do in 2016**

Our planned activities for the year ahead.

This is Shire

At Shire, we enable people with life-altering conditions to lead better lives. We focus on researching, developing, and marketing innovative medicines for people around the world with rare diseases and other specialty conditions.

Our focus on rare diseases

Our focus on rare diseases provides a great opportunity for innovation. There are more than 7,000 rare diseases affecting 300 million people worldwide often resulting in life-altering conditions for patients and caregivers. This places significant demands on individuals, healthcare systems, and societies due to many undiagnosed or misdiagnosed patients, often complex disease management, and required long-term care.

Addressing these challenges requires unique capabilities. At Shire, we have a long history of providing dedicated support for patients, families, physicians, and caregivers. Our commitment to building a pipeline of new medicines for patients through research and development and partnerships means we are well-placed to step up to these challenges.

Our strategy

We are committed to becoming the leading global biotech company focused on rare diseases. To this end, we work together to excel across four strategic drivers: **growth, innovation, efficiency and people.**

More details are available in our Annual Report at shire.com

Our business units and therapeutic areas



Hereditary Angioedema (HAE) and Lysosomal Storage Disorder (LSD)

Hunter Syndrome, Hereditary Angioedema (HAE), Fabry Disease, Gaucher Disease.



Gastrointestinal and Internal Medicine

Ulcerative Colitis, Chronic Constipation*, Chronic Kidney Disease (CKD Stage 5), Essential Thrombocythemia (ET), Adrenal Insufficiency, Short Bowel Syndrome (SBS), Hypoparathyroidism (HPT), Eosinophilic Esophagitis (EoE)*.



Neuroscience

Attention Deficit/Hyperactivity Disorder (ADHD), Pediatric Acute Convulsive Seizures, Adult Binge Eating Disorder (BED).



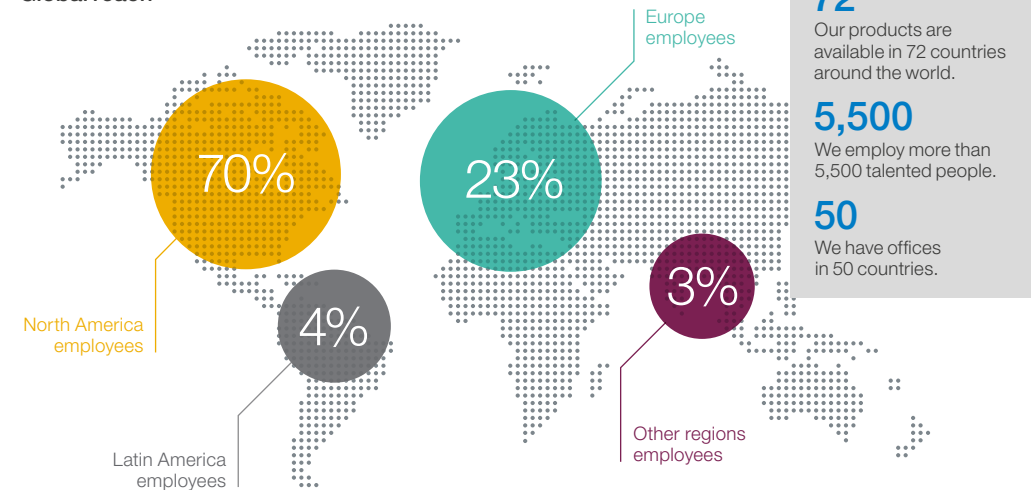
Ophthalmics

Dry Eye Disease (DED)*, Prevention of Retinopathy of Prematurity (ROP)*; Glaucoma*, Infectious Conjunctivitis*, Autosomal Dominant Retinitis Pigmentosa (adRP)*.

For more details please see shire.com

*Pipeline candidate

Global reach



Chief Executive Officer's letter

We're proud of the progress we are making

“Shire continues to operate with responsibility at the forefront of our business. Our patients depend on the treatments we develop to help them live better lives. Our responsibility begins with our patients, but it does not end there. Having an ethical and responsible approach to our daily activities, policies, and programs is fundamental to our company, our patients, and the wider global community.”

Responsibility has always been embedded in our business. It underpins our daily work, our decisions, and our relationships and remains with us as we move even further into complex and challenging areas. Our commitment to Responsibility remains steadfast.

Now more than ever, our primary responsibility is to our patients; helping them access the medicines they need and addressing otherwise unmet medical needs, particularly around rare disease therapies. We do not work in isolation, however, and we are dedicated to working with healthcare professionals, advocacy organizations, and governments to maximize our potential in making a meaningful difference to patients across the world.

We also recognize that our people are crucial to executing our strategy to become a leading global biotech focused on rare diseases and specialty conditions. We believe that being a responsible company will help us attract, develop, and retain the world-class talent we need to achieve our goals.

We are pleased that our efforts to improve our approach to Responsibility have not gone unnoticed. I am proud that this year we moved up 10 places in the Global 100 Sustainability Index¹. Shire ranked 52nd overall in the index and 2nd among all pharmaceutical companies. We have also been confirmed, once again, as a constituent in the FTSE4Good Index Series and ranked as the 2nd “greenest” company in the world by Newsweek magazine.

I am proud of this continued progress and congratulate everyone at Shire for our achievements. But I am keenly aware that we cannot rest and must continue to move forward. This review highlights the issues that matter most to Shire, to our employees, our external stakeholders and most importantly, our patients. It details our work to address these issues and the plans we are making to continue improving our performance in the coming years.

Sincerely,



Flemming Ornskov, MD, MPH
Chief Executive Officer



Gaining recognition

In 2015, we remained a constituent of the FTSE4Good Index Series, a leading responsibility investment index.



FTSE4Good

We are also proud to rank among the 100 Most Sustainable Corporations in the World in 2016 as determined by Corporate Knights with our inclusion for the second time in the “Global 100”.



In addition, we have earned the distinction from Newsweek as the 2nd “greenest” company in the world.



Highlights of 2015

How we've performed

We are proud of our accomplishments in 2015 and we will continue to work towards achieving our Responsibility ambitions.

\$884m
invested in R&D

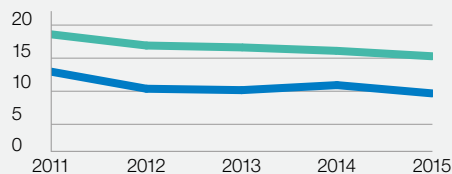
44,000+
patients helped with access and affordability

100+
patient advocacy organizations with whom Shire has built relationships

29
clinical programs in our development pipeline



Carbon emissions as at Dec 31, 2015



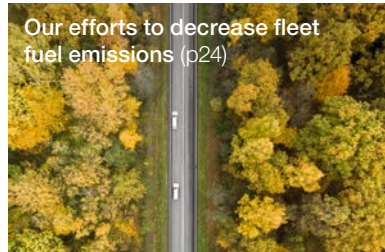
[READ MORE ON PAGE 24 →](#)

45%
of waste diverted from landfill



[READ MORE ON PAGE 25 →](#)

Our efforts to decrease fleet fuel emissions (p24)



Improving access to treatment (p11)

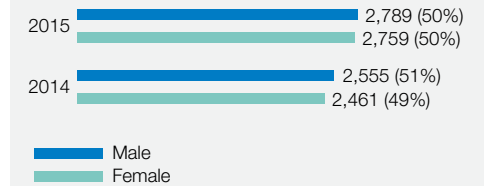


Recognizing outstanding performance (p14)



Overall gender breakdown
as at Dec 31, 2015

Total employees
5,548



[READ MORE ON PAGE 12 →](#)

\$222m
spent with small and diverse suppliers,
13% of total spend

[READ MORE ON PAGE 30 →](#)



2015 employment by country
as at Dec 31, 2015

1 US.....67%
2 UK.....6%
3 Switzerland.....4%
4 Ireland.....2%
5 Other.....21%

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Highlights of 2015

Our year in stories

Climate disclosure

We maintained our strong performance on climate disclosure to CDP (Carbon Disclosure Project). At 91 percent, we scored well above the pharmaceutical average.

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91% CDP score



Raising awareness

We launched a short film competition to raise awareness of what it is like to live with Gaucher disease. The competition was judged by an independent, external panel and a winner and runner-up were chosen from 13 entries.

[READ MORE ON PAGE 17 →](#)



Diagnosis Doesn't Have to Be Rare

In 2015, we launched the 'Diagnosis Doesn't Have to Be Rare' campaign, releasing a series of educational materials to raise rare disease awareness and support improved diagnosis pathways.

[READ MORE ON PAGE 11 →](#)

The Coalition to Prevent ADHD Medication Misuse (CPAMM)

Shire continues to participate in the Coalition to Prevent ADHD Medication Misuse (CPAMM), contributing to research on perception and attitudes towards ADHD prescription misuse.

[READ MORE ON PAGE 20 →](#)



CEO Awards

Our CEO Awards are given to employees who have improved the lives of colleagues and patients alike. In 2015, 115 employees or teams received a CEO Award for their outstanding performance.

[READ MORE ON PAGE 14 →](#)



Community volunteers

We ran our first ever Global Day of Service which saw more than 1,700 employees around the world volunteering a total of 8,000 hours with local community organizations.

8,000 hours

[READ MORE ON PAGE 31 →](#)

Our approach to Responsibility

We aim to be responsible leaders

Responsibility has always been embedded in our business — we have never separated it from our daily activities, decisions, and relationships. Meeting ever-changing stakeholder expectations and anticipating emerging risks, issues, and opportunities continues to be integral to our approach to operating an ethical and responsible business.

Our Responsibility priorities

Our focus is on making a difference where it really matters while living up to all our responsibilities as a leading global biotech. As we continue to increase our focus on rare diseases, we know that our expertise and support need to be leveraged for the benefit of patients, their families, and their caregivers. For this reason, we have defined our long-term Responsibility ambition:

To change the course of the future for people with rare diseases and specialty conditions

Looking to the future is critically important to our ongoing success. With this in mind, we conducted an extensive internal stakeholder engagement exercise in 2015 to identify the most important Responsibility issues that will contribute to Shire's success over the next five years. We identified three ambitious Responsibility priorities that have the potential to guide and differentiate us as we continue our transformation into a leading global biotechnology company. Over the coming months, we will work to define clear goals and metrics under each of these areas.

We will focus on three Responsibility priority areas:

Access

People

Patients

1. Access to medicines

Our primary responsibility is to our patients — to develop effective therapies and help them access the medicines they need. We continue to focus on breaking down the barriers that limit access around the world. This involves developing new therapies, raising awareness, and increasing affordability for those in need. As a leader, we will collaborate with others in the industry to continue to make treatment available, accessible, and affordable.

[READ MORE ON PAGE 09 →](#)

2. People and culture

Our people are at the heart of our journey to becoming a leading biotech. We know we can only achieve true success if we attract, develop, and retain world-class talent. We will continue to invest in the training and development of our colleagues to create a high-performance, healthy, and inclusive environment where everyone is encouraged to excel.

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3. Supporting our patients

Every day we strive to make a meaningful difference for the patients who count on us. This starts by understanding the unmet needs of patients and families affected by rare diseases and specialty conditions. It also requires that we raise awareness and provide evidence-based information so that patients can receive accurate and timely diagnosis and treatment. We can best achieve this by working together with others. Collaboration with patients and advocacy organizations in our key therapeutic areas plays a crucial role in improving patients' lives.

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Our approach to Responsibility continued

Doing business responsibly

Beyond our three strategic Responsibility priority areas, we continue to run our business in a responsible and ethical way. As a global business, we are accountable for the social, economic, and environmental impacts of our operations and the people who work in our supply chains.

We focus our responsible business efforts in the following areas:

Transparency

Environment

Ethics & integrity

Partners & suppliers

Local communities



1. Clinical trial transparency

Ensuring clinical trials are conducted compliantly and transparently.

[READ MORE ON PAGE 22 →](#)

2. Environment

Reducing carbon emissions through actively managing our energy consumption, waste disposal, and water intake.

[READ MORE ON PAGE 24 →](#)

3. Ethics and integrity

Upholding high standards of ethics and integrity in all that we do, including for bribery and corruption, bioethics, and marketing and advertising.

[READ MORE ON PAGE 27 →](#)

4. Supply chain

Ensuring suppliers commit to our Code of Ethics, and meet and maintain our high standards in other Responsibility areas such as health and safety, environment, and labor standards.

[READ MORE ON PAGE 29 →](#)

5. Local community engagement

Being a good neighbor and active partner in the communities in which we operate.

[READ MORE ON PAGE 31 →](#)

The governance of Responsibility

Throughout Shire we are organized to take the lead not only in living up to our own responsibilities, but also across the industry.

From our Executive Sponsor for Responsibility, who is a member of Shire's Executive Committee, through our core team, to our individual sponsors — we have key people driving Responsibility throughout the organization. A number of internal Responsibility leaders serve as sponsors for focus areas such as the environment, our people, and local communities. They are responsible for delivering goals that support our overall strategy, ensuring progress, and maintaining high standards.

Our Responsibility team facilitates the activities of Responsibility working groups, oversees communications, and works with sponsors to identify risks and opportunities. Our approach to Responsibility is championed by our CEO, supported by the Executive, In-line, Pipeline, and Corporate Committees, and endorsed by Shire's Board of Directors.

Stakeholder engagement

Many different groups take an interest in our work and how we conduct our business. These include patients, physicians, advocacy groups, investors, and our own employees. We recognize the importance of staying close to these groups, so we can understand what matters most to them and how we can best address their needs and concerns. For this reason we consult and engage with our internal and external stakeholders on a regular basis including on our environmental performance and reporting, our approach to clinical trials, and our role in providing access to medicines and raising awareness of health conditions.

Responsibility priorities

We have identified three strategic Responsibility priorities to guide and differentiate us into the future. These are: access to medicine, people and culture, and supporting our patients.

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1.

Access to medicines

Improving patient access to medicines

Why it matters:

We are dedicated to improving the lives of our patients by developing and marketing innovative treatments. However, our work doesn't stop here. For those with rare diseases or specialty conditions, receiving a correct diagnosis and gaining access to the right treatment can be a significant challenge.

In fact, a typical rare disease patient may visit four primary care doctors and four specialists, and receive two or three misdiagnoses before a correct diagnosis is made. For those diagnosing, part of the challenge is that rare diseases are often masked by symptoms of more common illnesses making diagnosis extremely difficult particularly in children.

Beyond the issue of correct diagnosis, living with a rare disease can cause social isolation, economic disadvantage, and emotional strain for many, making access to treatment a considerable challenge. Ensuring life-saving and life-improving treatments are available to those who need them or can't afford them is a shared responsibility, and we feel Shire has an important role to play.

Our approach

At Shire, we develop innovative treatments and therapies that fulfill unmet patient needs. Some 7,000 rare diseases have been identified, yet treatment exists for less than five percent of them. We use our specialist knowledge and expertise to help patients access the medical treatment they need by focusing on three areas: availability, accessibility and affordability.

Expanding availability

Our work to improve access to medicines is not limited to ensuring that existing treatments are more readily available. It's also about developing innovative, new medicines for rare conditions and disorders. Rare diseases are often the most severe, life-altering, and complex conditions that disproportionately impact children. Although each disease may only affect a small number of people, combined there are 300 million worldwide suffering from rare diseases — equivalent to the population

of the US. We are committed to making scientific breakthroughs for rare diseases where no therapy currently exists. The experience of patient associations and the deep understanding of the diseases they represent are invaluable to our research and we work closely with these groups on the path to development (see 'Supporting our patients' section for more information).

Improving accessibility

We work to remove the barriers that prevent patients accessing the medicines they need. These can include insufficient capacity in local healthcare or a lack of suitable transport. For example, due to the rarity of each disease, healthcare professionals may never have come across a case before, which means that the path to the correct diagnosis for many patients can be long and frustrating. Once diagnosed, patients often have to travel long distances to reach specialist centers for the right treatment. The infrastructure for supporting people with rare diseases also varies significantly between countries so we work with healthcare providers, patient associations, non-profit organizations and government bodies across the world to help overcome such hurdles.

Increasing affordability

We believe that the costs associated with medical treatments should not be a barrier to patient access. Today, only a few countries have a dedicated process to review and fund medicines for rare diseases. In the US we provide patient assistance programs to help those struggling to afford the treatments their physicians have prescribed. We are also working to develop a global environment in which treatments can better reach those who need them. We can only do this through partnering with the rare disease community to support and inform all those involved in making decisions about the regulation, funding, and policy for rare diseases.



“Some 7,000 rare diseases have been identified, yet treatment exists for less than 5%”

Read more online

[Shire's position on Access to Innovative Treatments](#)

[Shire's position on offering Compassionate Use to Investigational Medicines](#)

Access to medicines continued



What we did in 2015

Investing in R&D to expand availability of treatments

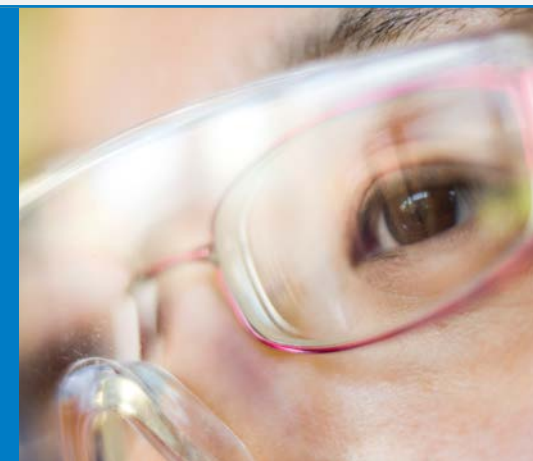
In 2015, we continued to develop our pipeline for new treatments. We focus our research and development (R&D) efforts in four business units and moving into 2016 we have 29 programs in clinical development. Our commitment to innovation is reflected in our \$884 million investment in R&D representing 14 percent of our revenues in 2015.

March 2015

We established a partnership with the Cincinnati Children's Hospital Medical Center to discover and develop novel therapies to treat rare diseases with unmet medical needs. Cincinnati Children's Hospital has expertise in many fields of research that align with our therapeutic areas of focus including rare diseases, gastroenterology, nephrology, and neurology.

May 2015

Along with the Foundation Fighting Blindness we launched a new program to further research to discover a novel treatment for autosomal dominant retinitis pigmentosa (adRP), a rare genetic disease that usually first occurs in late childhood or adolescence and is followed by the progressive loss of peripheral vision.



July 2015

We entered into a worldwide licensing and collaboration agreement with biotechnology company, Armagen, for an investigational enzyme replacement therapy (ERT) for Hunter syndrome. This new therapy aims to penetrate the blood/brain barrier and could potentially address the neurological complications that this disease causes. This collaboration underscores our long-standing commitment to support people with Hunter syndrome.

November 2015

We announced a new research partnership with the University of Pittsburgh designed to advance potential treatments for rare diseases where sizable unmet need exists. The collaboration will combine the university's top-ranked health sciences schools with Shire's research, development and commercialization experience.

Shire's other ongoing rare disease research partnerships include those with the Telethon Institute of Genetics and Medicine (TIGEM), the Cystic Fibrosis Foundation, and Boston Children's Hospital.

To learn more, watch Shire's Innovation Series on YouTube

14%

The \$884m invested in R&D represents 14% of our revenues in 2015



Access to medicines continued



What we did in 2015

Improving access to treatment and diagnosis: Shire's charitable access program

One important area of our work to improve access is our charitable program that provides treatment and care for patients with lysosomal storage disorders (LSDs) in 14 countries. LSDs affect people all around the world — not just in countries where enzyme replacement therapies (ERTs) are available. Individuals with these conditions have real and urgent needs and Shire has a history of supporting patients in countries where access is limited. This program is a partnership that brings together the collective expertise and resources of Direct Relief, patient advocacy organizations, and Shire.

In addition, we continue to partner with Project HOPE to donate ERTs to Gaucher disease patients in Egypt. The program provides help through donated medicine, disease awareness initiatives, and training to local healthcare providers.

Improving diagnostic pathways for rare disease patients

In 2015, we launched the “Diagnosis Doesn't Have to Be Rare” campaign, which aims to raise awareness of rare diseases and implement initiatives to improve diagnostic pathways. Because knowledge and information are critical to early diagnosis, we have launched a series of educational materials to empower patients and their families. Shire will continue to introduce new initiatives under this campaign umbrella in partnership with organizations across the rare disease community. [Read more about improving diagnosis on our website.](#)



“Because knowledge and information are critical to early diagnosis, we have launched a series of educational materials to empower patients”

Increasing affordability through dedicated patient assistance programs

OnePath® is a program to support access to treatment and resources for patients living with Type 1 Gaucher disease, hereditary angioedema (HAE) and Hunter syndrome (MPSII), or other conditions such as Short Bowel Syndrome (SBS) and hypoparathyroidism in the US. Patients with these rare conditions often face a complicated path to treatment. To help navigate this path, Shire case managers provide streamlined product support, answer insurance and coverage issues, and work with specialty pharmacies to facilitate access to treatment.



We don't want cost to stand in the way of a better life, so we've developed Shire Cares™ — an initiative in the US dedicated to helping patients with limited financial resources and no prescription insurance. Since we created the Shire Cares Patient Assistance & Support Program, tens of thousands of patients in the US with a variety of specialty conditions have been able to access Shire medication and treatments. Currently conditions include mild to moderate ulcerative colitis, Attention Deficit/Hyperactivity Disorder (ADHD), moderate to severe Adult Binge Eating Disorder (BED), epilepsy, trigeminal neuralgia and end-stage renal disease.



2015 Indicators

\$884m

invested in targeted R&D during 2015, representing 14 percent of Shire's revenues

44,000+

patients around the world receiving help with access and affordability issues

1,300+

rare disease patients in 34 countries gained access to treatment free of charge in 2015 alone

29

programs in clinical development, the most robust pipeline in Shire's history



What we will do in 2016

Continue to invest in cutting-edge rare disease research in therapeutic areas that cause significant suffering and where we can make a tangible difference.

Continue to refine and roll out an operating model that promotes various pathways to access Shire's therapies for rare diseases and specialty conditions.

Improve pathways to diagnosis and treatment for people with rare diseases through awareness-raising and targeted diagnostic approaches.

People and culture

Having a high-performing, healthy organization

Why it matters:

Our success depends on the commitment of our employees. They are at the heart of our journey to become a leading global biotech focused on rare diseases and specialty conditions.

We strive to maintain a motivated workforce that brings a diversity of experience, skill, and perspective to enrich our business. We have a responsibility to provide an engaging and safe environment that nurtures talent and rewards achievement.

Our approach

To achieve our goal of a high-performing, healthy organization we focus on four distinct areas:

Leadership, development and training

Our long-term success requires having the right people, with the right skills, in the right roles. We aim to fill vacant roles with internal candidates where possible — this helps develop our people and retains valuable knowledge and skills inside Shire. We invest in training and development, identifying and nurturing top talent, and helping all our employees to realize their full potential.

Culture and engagement

We aim to create a culture that inspires, motivates, and rewards our people for performance. In building an engaged workforce we will generate better ideas and encourage stronger performance. These things will help us better serve our patients.

“We invest in training and development, identifying and nurturing top talent, and helping all our employees to realize their full potential”

Health, safety and wellness

We want our employees to be healthy and safe at work. This means providing a safe work environment and promoting healthy lifestyles and behaviors. We see each health and safety encounter with an employee as an opportunity to educate, counsel or coach them with information that encourages healthy living.

Diversity and inclusion

As a global organization, we value all genders, ages, cultures, experiences and backgrounds, and see these as a source of competitive advantage. We do not have diversity targets or quotas and we do not

focus exclusively on one group of employees over another. We do, however, focus very strongly on fostering our culture, which aims to provide all employees with a supportive work environment that values diverse opinions and experiences, and enables individual, group, and organizational success.



People and culture continued



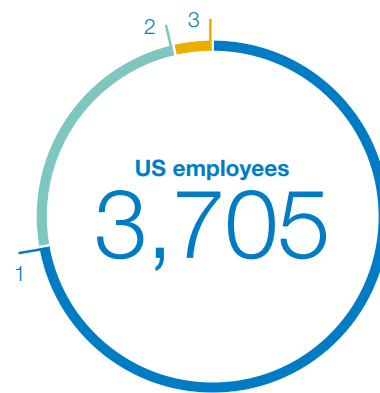
2015 Indicators

2015 employment by country as at Dec 31, 2015



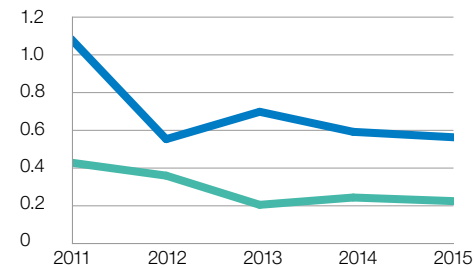
1 US	67%
2 UK	6%
3 Switzerland	4%
4 Ireland	2%
5 Other	21%

Ethnic minorities, US as at Dec 31, 2015



1 Non-minority	72%
2 Minority	24%
3 Unstated	4%

Injury and illness rates as at Dec 31, 2015



— TRIR: Number of recordable incidents per 200,000 hours worked (Pharmaceutical Manufacturing Industry Average is 1.9 and Biological Product Industry Average is 1.4)

— LTIR: Number of recordable incidents resulting in lost time per 200,000 hours worked (Pharmaceutical Manufacturing Industry Average is 0.5 and Biological Product Industry Average is 0.5)

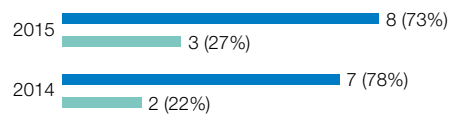
2,000

We filled nearly 2,000 open positions across our organization, including 454 with internal candidates

53%

More than 53 percent of new hires were women and we achieved an external hire acceptance rate of 94 percent

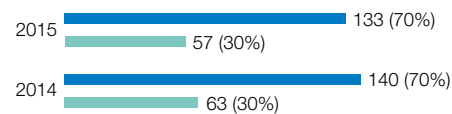
Shire plc Directors gender split as at Dec 31, 2015



Total Directors
11

Male
Female

Shire senior managers gender split as at Dec 31, 2015



Total senior managers
190

Shire global overall gender breakdown as at Dec 31, 2015



Total employees
5,548

People and culture continued



What we did in 2015

This year was an exciting one for Shire. We completed our transition to a single US Operational Headquarters in Lexington, MA and filled nearly 2,000 open positions across our organization, including 454 with internal candidates. More than 53 percent of new hires were women and we achieved an external hire acceptance rate of 94 percent.

We now have more than 5,500 employees globally, an increase of 11 percent since 2014, and are excited about the diverse perspectives and experiences that new talent brings to the organization. Our actions this year focused on supporting this growth and building our culture.

Expanding our onboarding programs

In 2015, we enhanced our employee onboarding programs. Managers now have a framework to create personalized onboarding plans for a new employee's first 90 days. We expect the new approach to result in more efficient use of hiring manager time, improvements in talent outcomes, and a more consistent onboarding experience.

Everyday leadership

We believe that everyone at Shire — irrespective of role or seniority — has the opportunity to demonstrate leadership every day. Shire's new Leadership Behaviors define a set of standards for leadership conduct that are embedded into all of our Performance Management and Talent processes.

To help managers succeed in their roles and exhibit Leadership Behaviors, we introduced a best-in-class cloud-based HR system: Workday. This new tool provides an all-in-one, easy-to-use HR system to manage career development and compensation and benefits, freeing up more time to focus on performance and progress. Feedback to date indicates the tool is a success. More than 75 percent of employees have used the software and nearly 99 percent of managers are using it, logging on an average of 30 times each month.

Recognizing outstanding performance

A strong performance culture supports continuous improvement and helps us to achieve our goals. Our pay-for-performance philosophy provides managers with a variety of programs to recognize and reward employee contributions. Examples include:

- **CEO Award:** Awarded to colleagues who have truly distinguished themselves with outstanding performance, making a significant difference in the lives of our stakeholders, colleagues and teams but most importantly, in the lives of our patients. In 2015, 115 employees or teams received the CEO Award from across our global offices.
- **Recognizing Excellence (Rx) Award:** Awarded to colleagues for actions both small and large that make a difference to Shire and the lives of our patients. In 2015, 4,123 Rx Awards were awarded to 2,347 employees for activities ranging from contributing to a project outside of one's scope, helping develop a New Employee Checklist, to colleague development.



Case study: Fabry in Argentina

2015 CEO Award Recipient

In 2014, our Argentina team launched an effective public awareness campaign and engaged relevant public entities to support early diagnosis and better outcomes for patients with Fabry disease. Some of the outcomes of this vital campaign were: the diagnosis of nine new Fabry patients in Catamarca; increased patient

commitment to their own disease management; enhanced participation by local Health Authorities in Fabry conversations; increased awareness of the disease throughout the province; and a better positioned local key opinion leader.

People and culture continued



What we did in 2015

Employee health and wellness

We continue to provide tools to support our employees in maintaining their health. We operate health clinics at our sites in Lexington and Cambridge (MA), Basingstoke (UK), and Chesterbrook (PA). In addition, we provide health screenings, education programs, and tools for employees at our principal locations. For example:

- We continued our successful flu vaccination program, administering more than 1,500 flu shots globally.
- We launched a cardiovascular disease screening program at our US locations, screening more than 100 employees in the first year. We will continue this program next year.

- We hosted regular “lunch and learns” at five sites bringing in experts to discuss topics such as stress management, work/life balance, and weight loss and nutrition. Employees who participate in these programs often follow up 1:1 with onsite nurses or are referred to follow up with specialists.

- We hosted a health fair in Montreal, Canada, that had over a 90 percent participation rate.

We know these programs have an impact. Collectively, our wellness programs have helped employees discover unknown diabetes, elevated blood pressure, cardiac arrhythmias, unhealthy cholesterol levels, and other health issues.”

“Collectively, our wellness programs have helped employees discover unknown diabetes, elevated blood pressures, cardiac arrhythmias, unhealthy cholesterol levels, and other health issues”



What we will do in 2016

Continue to expand leadership development and training programs, launching new “Manager 101” and “102” programs.

Continue to roll out the Workday HR system, implementing new modules for performance, compensation, and talent management.

Develop new tools for measuring and building employee engagement.

Continue to focus on hiring the best talent.

Develop a comprehensive wellness strategy.

1,500

Over 1,500 flu shots administered to employees globally.



Supporting our patients

Making a valued difference in patients' lives

Why it matters:

Patients and their caregivers are at the heart of all we do at Shire. Understanding the unmet needs of those affected by rare diseases and specialty conditions is essential if we are to support our patients and make a difference in their lives.

We know that we can't address these issues on our own, so we are committed to working with patient associations, industry bodies, non-profits, and others to make a meaningful impact.

Our approach

One of our most important responsibilities is to increase understanding of rare and specialty conditions by sharing our knowledge with patients and caregivers, physicians, and policymakers. We aim to connect patients with relevant organizations and help build networks of those in similar situations. We do this by focusing on two key areas: awareness and advocacy.

Raising awareness

Many of the conditions for which we develop treatments are not widely understood, and we aim to increase understanding and continue raising awareness of these disease states among patients, caregivers, healthcare providers, and the general public. The impact associated with low levels of awareness may lead to misdiagnosis, delayed diagnosis, social stigma, long delays for treatment, misuse of treatments, and lack of access to medication and treatment — all of which can cause unnecessary stress for patients and their families, and caregivers.

Fact- and evidence-based information on the conditions we treat is essential for accurate and timely diagnosis and treatment. We support this by sponsoring new research to build understanding of various conditions. Then, we develop balanced, scientifically rigorous educational materials and communications programs in our four main areas of expertise — Hereditary Angioedema (HAE) and Lysosomal Storage Disorder (LSD), Neuroscience, Gastrointestinal and Internal Medicine, and Ophthalmics.

Enhancing patient advocacy

We have a long history of supporting patient advocacy organizations. Collaborating with these groups improves our understanding of patient and caregiver experiences, and helps these important organizations give patients a voice.

Our Patient Advocacy team works directly, and in partnership, with patient advocacy groups on numerous initiatives focused on the shared objective of improving the lives of patients with life-altering conditions. These initiatives include disease education, raising awareness of clinical trials, supporting efforts to decrease time to diagnosis and treatment, engaging in transparent dialogue with advocates, and championing the patient experience at Shire. Above all, we work together to forge opportunities for better care and to make a difference in the lives of patients and their families, and caregivers.

Within Shire, the Patient Advocacy team works with colleagues in various functions, including Clinical Development, Corporate Communications, Patient Services, Market Access, and Government Relations. With Patient Advocacy team members integrated throughout the business, the patient voice is represented in clinical trial recruitment, internal and external presentations, advisory boards, research projects, educational campaigns, and broad-scale public service announcements.



2015 Indicators

100+

Our Patient Advocacy team has built relationships with over 100 patient advocacy organizations spanning all of Shire's therapeutic areas

\$8.6m

We provided \$8.6 million in educational grants in the US, an increase of \$2 million from 2014

\$13m

We made more than \$13 million in donations to US healthcare-related charities

Read more online

[Our Patient Advocacy team](#)

[Our position on Public Policy Engagement](#)

Supporting our patients continued



What we did in 2015

Raising awareness through education

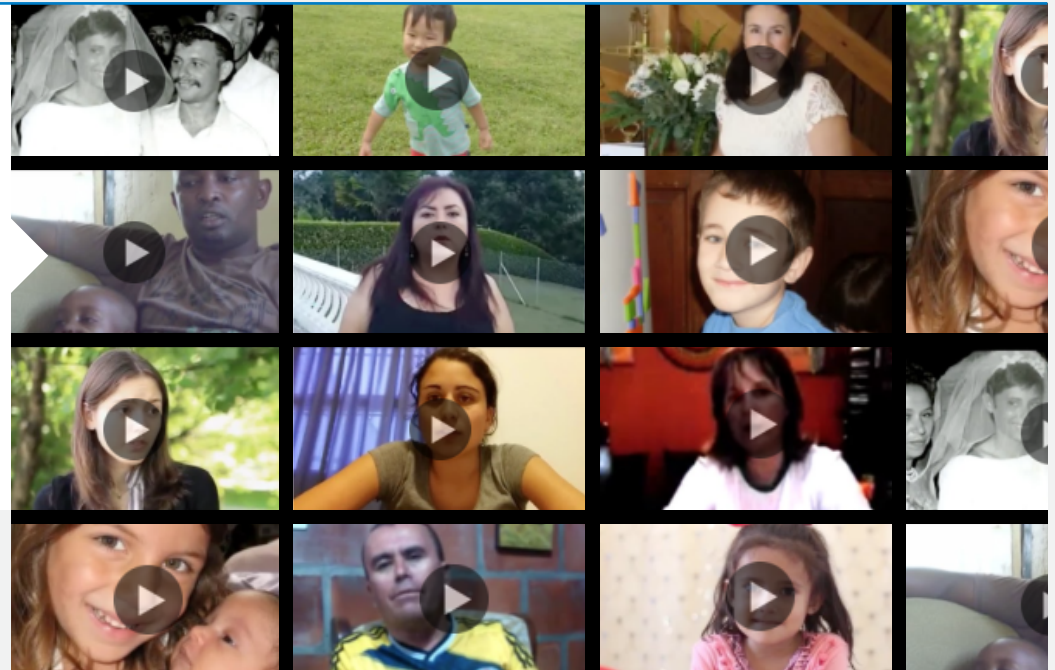
We support patient advocacy organizations in recognizing disease awareness days by hosting and participating in internal and external events and awareness campaigns.

These include:

- ADHD Awareness Month
- National Eating Disorder Awareness Week
- National Mental Health Month
- Mental Illness Awareness Week
- World Hypoparathyroidism Day
- World Prematurity Day
- Digestive Disease Awareness Month
- Fabry Awareness Month
- Gaucher Disease Awareness Month
- Rare Disease Day

Spotlight on Gaucher

We launched the *Spotlight on Gaucher* film contest in 2015 to encourage those whose lives have been affected by Gaucher disease to share a short film about their experience with the condition. Supported by the European Gaucher Alliance (EGA), the contest aimed to raise general awareness of the signs and symptoms of the disease — a rare condition in which patients frequently experience delayed diagnosis. The winning short films were chosen by an independent judging panel including representatives from the EGA, The Ma'aleh Film School, and Gaucher disease medical and patient communities. For more information and to view the winning films please visit spotlightongaucher.com



Video resource on Fabry disease for patients and healthcare professionals

Fabry disease is a rare genetic disorder in which the absence or dysfunction of a particular enzyme in the body's cells causes a wide range of symptoms, including heart and kidney disease. In 2015, we published an educational video explaining how heart and kidney conditions associated with Fabry disease affect each other and why an understanding of this complex interplay is central to improving patient outcomes. Find out more on [Shire's YouTube channel](#).

“An understanding of the complex interplay between heart and kidney conditions associated with Fabry disease is central to improving patient outcomes”



Supporting our patients continued



What we did in 2015

Supporting patients through scholarships

As part of our commitment to the rare disease community in the US, we offer the Shire ACES (Award for Collegiate Education from Shire) Scholarship. The scholarship provides a \$5,000 grant, which may be renewed annually for up to three years, to cover educational expenses at an undergraduate college or vocational school. Recent high school graduates and equally qualified students with a rare disease may apply.

“I’ve used having the disorder as a way to reach out and motivate and inspire people”



The 2015 ACES Scholarship recipient was Ty, a 19 year old from Clayton, North Carolina. Ty has Fabry disease and was diagnosed when he was five years old. He says, “I’ve used having the disorder as a way to reach out and motivate and inspire people. I’ve also participated in programs to try to raise awareness of Fabry disease.”

Additionally, we continue to provide annual scholarships to support individuals in both the US and Canada with Attention Deficit/Hyperactivity Disorder (ADHD) who are pursuing higher education.

In the US, the Michael Yasick ADHD Scholarship by Shire includes a \$2,000 bursary and a year of ADHD coaching from the Edge Foundation to help recipients overcome the challenges they might face. Since the start of the program in 2011, Shire has awarded 293 national scholarships and 22 employee scholarships.

In 2015, the Shire Canada ADHD Scholarship Program selected five recipients from over 300 applicants across Canada. It was the third year of the program that supports Canadian adults living with ADHD who are pursuing a post-secondary education to reach their full academic potential. Find out more at ShireADHDScholarship.com

A focus on Adult Binge Eating Disorder (BED)

Shire is committed to raising awareness and education of BED as a real medical condition among both adult patients and healthcare providers. In the US, we have partnered with the Binge Eating Disorder Association (BEDA), the National Eating Disorders Association (NEDA), and other related organizations with hope that our combined expertise can encourage adults struggling with BED to learn more and get help from their healthcare provider.

As part of our disease education awareness campaign, real patients with real stories were captured in a public service announcement, which aired on TV and radio, and appeared in print magazines across the US. It was supported by an educational website and online marketing initiatives. The campaign featured globally-renowned tennis player Monica Seles and Sunny Sea Gold, author of Food: the Good Girl’s Drug. Find out more at bingeeatingdisorder.com



Me, Not HAE

As part of our hereditary angioedema (HAE) awareness campaign — Me, Not HAE — we introduced a new educational website for patients to share inspiring stories about living with HAE. We hope this site will help raise awareness of the realities of the condition. Find out more at menothae.com



Supporting our patients continued



What we did in 2015

Shaping the regulatory landscape for rare diseases

Shire is a member of over 30 pharmaceutical and biotechnology industry groups worldwide including BIO, EFPIA, EuropaBio, ABPI, Medicines Australia, and Biotech Canada. Shire has also been a member of the international pharmaceutical trade federation (IFPMA) since July 2015. In December 2015, the IFPMA Council endorsed the creation of a new Rare Diseases Working Group, which elected Shire's Head of International Government Relations and Public Affairs as its first Chair.

The IFPMA Rare Diseases Working Group has four strategic objectives:

- Promote rare diseases as a public health priority at global and country levels
- Shape policy incentives and regulatory frameworks for rare diseases
- Build international networks with the rare disease community
- Ensure sustainable patient access pathways

Creating best-in-class patient support services across Shire

For patient support to be effective, it needs to be tailored to the individual needs of the patient, which varies depending on the disease and the country where they live. We have developed patient support toolkits to identify the services that will provide the biggest benefit to our patients. The toolkits will be rolled out across our global operations to help teams develop their knowledge and establish or expand appropriate support services for patients and their families. The patient support toolkits comprise four booklets:

- Establishing in-country patient support services
- Home care services
- Psychological counseling
- Care coordination

Continuing ADHD education

ADHD Institute is an educational platform developed and funded by Shire. One of the key activities of the Institute has been to organize the Meeting of Minds event—a scientific and educational forum for ADHD scientists and clinicians to discuss the latest scientific evidence and share best practices in the management of ADHD.



In July 2015, the 7th Meeting of Minds took place in Stockholm. It covered key issues related to ADHD as a long-term disorder, including: the diagnosis of ADHD in children versus adults; the neurobiological correlates of ADHD across the lifespan; and long-term management of ADHD. Find out more at adhd-institute.com



Supporting our patients continued



What we did in 2015



Excellence in ADHD Patient Group Awards

To coincide with ADHD Awareness Month, we celebrated outstanding projects led by patient advocacy organizations outside the US that aim to improve the lives of people with ADHD. On behalf of Shire, an international panel of judges awarded unrestricted grants of €10,000 to the following patient groups in recognition of the impact of their innovative work:

- Youth Group — Dundee and Angus ADHD Support Group (UK)
- ADHD Kids Rock — ADHD Kids Rock Society (Canada)
- Learn to Smile — ASOCIACIÓN ANDAH TDAH (Spain)

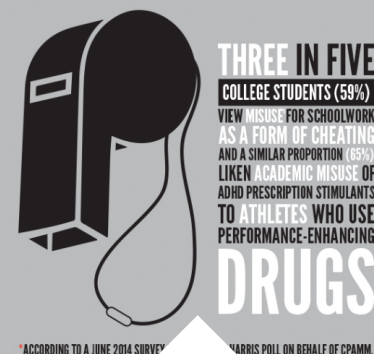
Developed, funded, and organized by Shire, the Excellence in ADHD Patient Group Awards are part of our patient-centric approach that provides support to people living with ADHD and their families and caregivers.

“On behalf of Shire, an international panel of judges awarded unrestricted grants of €10,000 to patient groups in recognition of the impact of their innovative work”



What we will do in 2016

INFOGRAPHIC: COLLEGE STUDENTS' PERCEPTIONS ABOUT THE MISUSE OF ADHD PRESCRIPTION STIMULANT MEDICATIONS



The Coalition to Prevent ADHD Medication Misuse (CPAMM)

In 2014, Shire played an integral role in shaping CPAMM — a coalition of medical, mental health, higher education, student leader, and pharmaceutical organizations that work together to help prevent misuse, abuse, and diversion of ADHD prescription stimulant medication.

Research examining the perception and attitudes on these issues was conducted in 2015 and will inform educational campaigns and programs in 2016 to raise awareness among physicians, college administrators, and students and to provide tools to take action to prevent non-medical use. Coalition members include the American Academy of Family Physicians (AAFP), NASPA—Student Affairs Administrators in Higher Education, BACCHUS Initiatives of NASPA, CHADD—Children and Adults with Attention Deficit/Hyperactivity Disorder, The JED Foundation, and Shire. Learn more at cpamm.org

To mark Shire's 30th anniversary, we will formalize strategic partnerships and launch long-term programs with the ACMG Foundation for Genetic and Genomic Medicine and SeriousFun Children's Network — a community of camps and programs serving children with serious illnesses and their families.

Explore and develop new channels to promote the exchange of knowledge and educational resources on rare diseases and specialist conditions.

Improve our online resource centers for patients and caregivers to enhance the accessibility of credible information on rare diseases and specialist conditions.

Continue to execute our patient advocacy strategy to ensure that patients are represented throughout the lifecycle of product development by fostering the growth of a structured patient engagement plan.

Doing business responsibly

We focus our responsible business efforts in five areas: clinical trial transparency, environment, ethics and integrity, partners and suppliers, and local community engagement.

- 22 Clinical trial transparency
- 24 Environment
- 27 Ethics and integrity
- 29 Partners and suppliers
- 31 Local community engagement



2.

Clinical trial transparency

Ensuring clinical trials are conducted compliantly and transparently

Why it matters:

At Shire, our commitment to clinical research goes beyond developing innovative medicines. We recognize that providing clinical trial data to patients, healthcare providers, independent researchers, and the public can help to improve confidence in medicines and help all stakeholders make better healthcare decisions.

Our approach

Shire follows the Principles for Responsible Clinical Trial Data Sharing that have been jointly adopted by the Pharmaceutical Research and Manufacturers of America (PhRMA) and European Federation of Pharmaceutical Industries Association (EFPIA).

We pledge to share clinical trial data in a responsible manner consistent with the following principles:

- Safeguarding the privacy of patients
- Preserving scientific rigor and trust in regulatory systems
- Maintaining incentive for investments in biomedical research

We disclose clinical trial information for medications on publicly available websites at a number of points in the lengthy trial process, including: at the time of patient recruitment; within one year of study completion; after marketing authorization has been granted; and when investigational research programs have been discontinued.



Read more online

Principles for Responsible Clinical Trial Data Sharing

ShireTrials.com, our dedicated clinical trials website

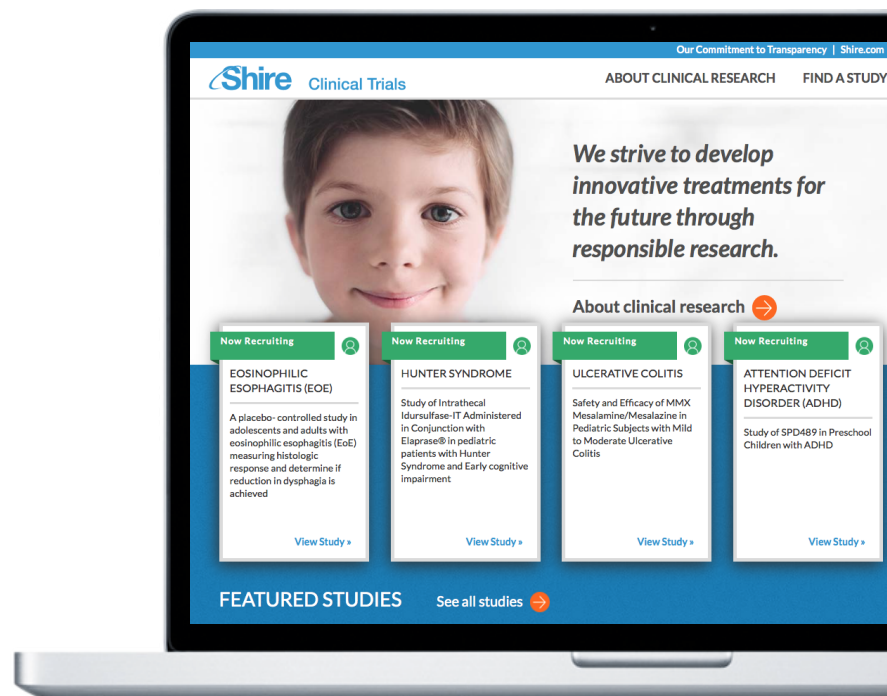
Clinical trial transparency continued



What we did in 2015

- We have enhanced ShireTrials.com, our dedicated clinical trials website. It now includes a comprehensive description of our commitment to clinical study data transparency. It is also easier to search, providing a better experience for patients and others seeking information about our clinical studies.
- We expanded the scope of trials disclosed on relevant public registries to include non-interventional studies and Phase 1 studies in patients. Beginning in January 2015, we now register all Shire-sponsored interventional and non-interventional studies from Phase 1 through Phase 4. Clinical pharmacology studies in healthy volunteers will be registered only after review and approval from Shire's protocol review committee.
- We continue to meet our own ethical commitments to transparency and abide by relevant laws and regulations, such as the FDA Amendment Act of 2007 and EMA Directive 2001/20/EC.
- We have integrated and aligned our clinical trial disclosure policies across all acquired companies as applicable and transferred relevant studies into Shire's ownership disclosing clinical trial data to comply with our own policies and any applicable laws and regulations.
- We evaluated and responded to all requests from independent researchers for patient-level data in accordance with our data sharing policy.
- Following the success of a pilot in 2014, we continue to provide simple summaries of study results for participants so that they can understand the outcome of the study to which they contributed.

“We are committed to creating more value for our patients by expanding the scope and utility of ShireTrials.com”



What we will do in 2016

We will continue to follow relevant global disclosure regulations and EFPIA/PhRMA principles to shape and develop our disclosure commitments.

We will continue to evaluate and evolve the scope of our clinical trial data disclosure policy and practices to provide greater value to patients, researchers, and the public.

We will continue to develop and enhance ShireTrials.com to further improve the user experience.

We will implement the European Medical Agencies' policy on patient lay summaries as applicable to new European clinical trial reporting guidance.

Environment

Understanding and reducing our environmental impact

Why it matters:

We are committed to operating a sustainable business that protects our environment, employees, and the communities in which we work so that we can continue to operate in the future. Efficient use of resources is a key component in achieving excellent company performance and making Shire a world-class organization.

Our approach

Compliance with environmental regulations is the minimum standard wherever we operate. Beyond this, we strive to minimize adverse environmental impacts and risks associated with our products, facilities, and operations. We promote the sustainable and efficient use of natural resources, waste minimization and recycling, energy efficiency, and responsible product stewardship in our business activities.

While Shire's environmental commitments apply equally across our global operations, we recognize action must be taken to tackle our impacts at the local level. We therefore focus on local initiatives to reduce our impacts. This means that at each of our facilities we work to identify our environmental impacts and implement projects to reduce them.

“We source 10% of our total energy from renewable energy sources. At Zug, Switzerland and Basingstoke, UK, this figure is 100%”



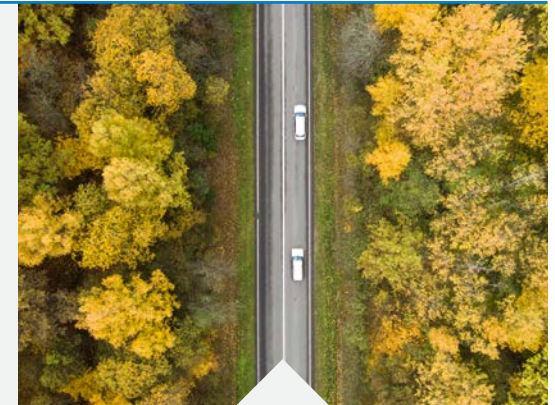
What we did in 2015

In 2015 we started, but didn't complete, our goal of setting our five-year reduction targets. This remains a focus of our activity this year and we hope to continue to make progress towards this goal. With the proposed acquisition of Baxalta, and expected close in mid-2016, we will need to undertake this review as part of the integration. Meanwhile, we continue to work on a climate change policy in collaboration with our Responsibility Sponsor Network.

We also continued to implement initiatives to reduce our environmental footprint. We used the findings of our 2014 environmental materiality assessment to help us create target initiatives that address our most critical environmental issues. The assessment identified four key issues, including energy and greenhouse gas (GHG) emissions, waste, and responsible use of water and materials. For 2015, we focused on two of these—energy and greenhouse gas emissions, and waste.

Energy and GHG emissions

We have been tracking our carbon footprint for seven years and know that over 60 percent of our direct GHG emissions come from energy consumption and our sales vehicle fleet. In addition to continuing to purchase carbon offsets, we've been working to better understand and reduce our emissions in these areas.



- **Fleet emissions:** As part of our ongoing efforts to decrease fleet emissions, we upgraded our vehicle leasing program in 2015. Our sales teams are now able to choose from a selection of higher fuel efficiency vehicles. We plan to take this effort a step further in 2016 by adding a hybrid car to the selection available for our US sales team. We will track the impact of these changes on fuel efficiency and emissions over the next three years as our sales teams transition to new vehicles.
- **Energy consumption:** We conducted energy audits at six of our facilities in France, Germany, Italy, UK, and Ireland in order to better understand our energy footprint and identify reduction opportunities. We are reviewing the findings and recommendations of the assessments and will use them to reduce energy consumption at these sites in 2016.
- **Emissions data verification:** We engaged a third party to verify our Scope 1 and Scope 2 GHG emissions for the purpose of reporting to CDP.

Environment continued



What we did in 2015

Waste management

We believe small efforts can add up to a big impact and our sites have the data to prove it. Thanks to local initiatives and the combined efforts of our employees we were able to increase recycling and our landfill diversion rate by over 25 percent from 2014 to 2015.

This year, we launched an innovative, single-stream recycling program at our Lexington, MA facilities. To raise awareness for the program, we hosted kick-off events such as a Go Green pledge, composting and electronics recycling initiatives, an autumn office cleaning campaign, and a 30-Day Recycling Challenge. We also held electronic waste recycling events at other offices around the world.

Recognition

In 2015, we were proud to be ranked second in Newsweek's 2015 Green Rankings of the world's largest companies based on corporate sustainability and environmental impact. The assessment recognizes companies both for their approach and performance.

We also maintained our strong performance on climate performance and disclosure through CDP. We scored 91 percent for disclosure and were graded "B" for Performance. In both measures we are ranked well above the pharmaceutical industry average of 88 percent for disclosure and grade "C" for performance, and above the FTSE4Good pharmaceutical industry average of 86 percent, grade "C". This demonstrates our commitment and ongoing motivation to reduce our carbon footprint and impact on natural resources.

Mobilizing our employees into action around the world

Global Earth Day contest

To mark Earth Day on April 22, local health, safety and environment teams mobilized our employees into action around the world. We asked employees to perform a positive environmental action, take a photo and post it to our intranet. We received entries from eight countries and awarded prizes for the most innovative action and biggest waste or energy saver.



2015 Indicators

137,909

Energy consumption (MWh)
(2014: 140,848MWh)

13,045

Renewable energy purchased (MWh)
(2014: 12,341MWh)

9,484

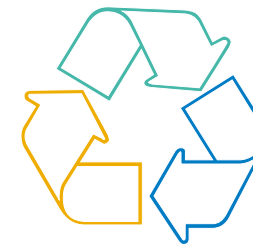
Electronic waste recycled (kg)
(2014: 4,640kg)

200

Carbon offsets purchased (tonnes CO₂e)
(2014: 200 tonnes CO₂e)

45%

of waste diverted
from landfill
(2014: 42%
diverted
from landfill)



Read more online

For more information on our environmental performance data please see 2015 Environmental Performance Data online

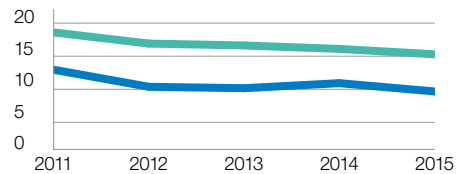
Environment continued



2015 Indicators

Carbon emissions

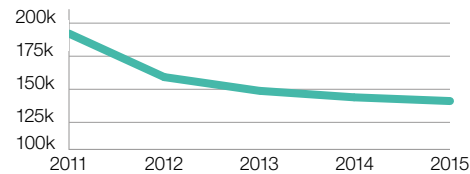
as at Dec 31, 2015



Carbon footprint scopes 1-3 MTCO₂e per employee
Carbon footprint scopes 1+2 MTCO₂e per employee

Energy consumption

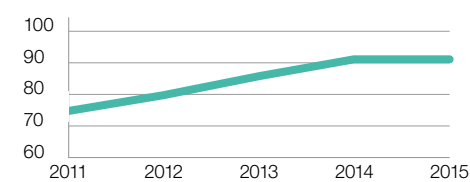
as at Dec 31, 2015



Facility energy consumption (MWh)

CDP carbon footprint disclosure score

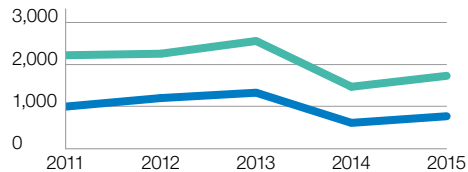
as at Dec 31, 2015



Carbon footprint disclosure score

Total waste/waste recycled

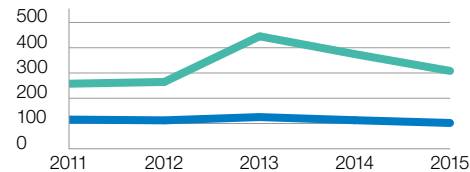
as at Dec 31, 2015



Total waste (metric tonnes)
Waste recycled/reused/recovered (metric tonnes)

Water usage and effluent discharge

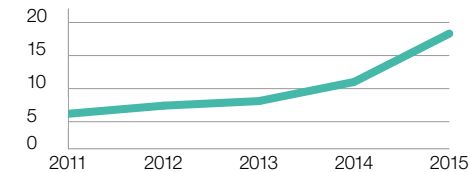
as at Dec 31, 2015



Water usage (m³ 000s)
Industrial effluent discharge (m³ 000s)

Volatile Organic Compounds

as at Dec 31, 2015



Volatile Organic Compounds (tonnes/yr)



What we will do in 2016

Re-evaluate our environmental sustainability strategy to ensure it is scalable as we continue to expand our operational footprint.

Continue to add more fuel-efficient car choices for sales fleet, including a hybrid option.

Continue to look for opportunities to reduce our environmental impact at the local level.

Share best practice across sites as we continue to expand our global footprint.

Implement energy reduction activities at European facilities where energy audits were conducted.

Read more online

For more information on our environmental performance data please see 2015 Environmental Performance Data online

Ethics and integrity

Doing the right thing in the right way

Why it matters:

Our business is complex. We strive to deliver strong results in all areas and how we achieve these results is of equal, if not greater, importance than the results themselves. Our work affects lives, creating a need for us to behave ethically and with integrity at all times. It is absolutely fundamental that everyone working at or on behalf of Shire understands our focus on operating responsibly.

Our approach

We are committed to the highest standards of ethics and integrity. This means ensuring we have the right policies and procedures in place and make sure all our employees, especially our managers, understand how to foster an ethical, responsible culture. We count on all our employees to act with integrity every day.

To achieve our aim to do the right thing in the right way, we focus on:

Ethical conduct

Our [Code of Ethics](#) outlines our expectations for doing business with integrity. It helps employees understand the aspects of our business where there may be an ethical dimension and provides help in making the right decisions. Shire employees are required to review and commit to our Code of Ethics annually.

Anti-bribery and corruption

We do not tolerate bribery or corruption. Everyone working for or with Shire, including partners and suppliers, must take individual responsibility to make sure they work without engaging in bribery or corruption in any form. All employees have access to our [Anti-Bribery and Corruption \(ABC\)](#) policy and receive training on the policy when they join the Company and annually thereafter. Additional training is provided to employees working in high-risk areas.

“We adhere to the most stringent commercial and medical regulatory requirements and obey industry promotional and non-promotional guidelines for each country in which we operate”

Ethical marketing, selling, and professional support

We focus on meeting the needs of specialist physicians and strive to develop strong and transparent relationships with them, as well as with patient groups. We do this by providing appropriate data and information on the therapeutic areas in which we specialize.

We adhere to the most stringent commercial and medical regulatory requirements and obey industry promotional and non-promotional guidelines for each country in which we operate. We do this by training our Sales, Marketing, and Medical Science Liaison (MSL) professionals so that they have a thorough understanding of the guidelines and requirements. Read more on [our approach to conducting business with integrity](#), and our approach to [ethical conduct](#).

Bioethics and animal welfare

Shire is committed to researching and developing new, well-differentiated medicines that provide meaningful patient benefits compared to existing treatment options. While great progress has been made over past decades to reduce, refine, and replace the use of animals in pharmaceutical research and development, some animal experiments remain a regulatory requirement and essential to human disease research.

We have clear ethical standards, principles, and processes governing the necessary use of animals for research, development, and registration of new medicines at Shire. Read more on our approach to [animal welfare](#).

Human rights

We recognize the importance of observing the human rights and fundamental freedoms of all. We support the UN Universal Declaration of Human Rights and commit to the principles of the [International Labor Organization's Declaration on Fundamental Principles and Rights at Work](#).

It is critically important that we safeguard the rights of those taking part in our clinical trials. We do this through the informed consent of trial participants and we adhere to the [International Conference on Harmonization Good Clinical Practice Guidelines](#).

Read more online

For more on our approach to ethics visit the policies section of our website

Ethics and integrity continued



What we did in 2015

As our company continues to grow, our compliance programs must evolve, continuing to add value and support our growth. In 2015, we updated our compliance vision and began upgrading our policies and expanding training, while continuing to monitor compliance with existing policies.

Upgrading policies

This year, we started to update our existing policies and procedures and to establish a set of global minimum standards across the organization. During 2015, we received approval for our new Bioethics & Animal Welfare policy and are in the process of updating our Code of Ethics. We aim to finalize our review of policies and procedures in the first half of 2016.

Training employees and third parties

We are committed to providing effective compliance training for all of our employees. In 2015, we rolled out a new compliance training module for all of our customer-facing international employees. We are also developing a new compliance training program to equip employees with the skills needed to meet the changing demands of our operating environment.

Our third-party partners work on behalf of Shire in many countries to deliver, market, and sell our products. We hold them to the same standards we apply to our own operations. This year, we rolled out a new online training course for third-party partners on our Anti-Bribery and Corruption (ABC) policy and Code of Ethics for third-party partners. We had 100 percent of

third-party partners complete the online training. For our partners operating in higher risk markets, we supplemented the online training with additional face-to-face training.

Monitoring compliance

We use internal audit and monitoring programs to assess the effectiveness of our compliance programs and help us make adjustments where appropriate. In 2015, we completed ABC risk assessments internationally.

We also successfully completed an external audit by the Association of Assessment and Accreditation of Laboratory Animal Care (AAALAC) as a part of our AAALAC re-accreditation process. This audit provides external verification that we adhere to animal welfare principles in our operations.



What we will do in 2016

Finalize a new Code of Ethics and compliance policies and procedures as appropriate.

Roll out new compliance training programs to prepare the business to meet changing demands within our operating environment.

Add real time analytics to our compliance monitoring program to enhance awareness and identification of compliance risk.

Roll out our updated Bioethics & Animal Welfare policy and train all relevant employees.

Conduct a comprehensive assessment of the animal welfare practices of our external vendors and partners.



“We hold our third-party partners to the same standards we apply to our own operations”

Partners and suppliers

Building responsible and beneficial relationships with partners and suppliers

Why it matters:

We understand that the limits to our responsibilities do not stop at our own operations. Every day at Shire, we do business with a broad range of partners and suppliers. We must lead by example, encouraging those we work with to operate responsibly and ensuring they meet our high standards.

Our approach

In every relationship we have with our partners and suppliers, we require the highest ethical standards. When selecting suppliers, we consider ethical and Responsibility factors in our decision-making alongside functional, quality, and financial aspects. Where appropriate, we also conduct compliance, quality, and health, safety and environment (HSE) audits. All partners and suppliers are expected to commit to and uphold our ethical standards.

As part of our responsibility to our communities, we make every effort to select suppliers who have a local presence resulting in a positive impact on jobs and revenue in local communities.

Managing relationships with partners

We work continuously to improve the policies and procedures, selection processes and assessments we use in our interactions with partners and suppliers.

Our key focus areas are:

- Ethics
- Labor
- Animal Welfare
- Health and Safety
- Environment
- Risk Management
- Contract Compliance
- Quality
- Supplier Diversity



2015 Indicators

\$222m

\$222 million was spent with small and diverse suppliers in the US during 2015



Read more online

For more information on each of these areas see the Stewardship of Partners and Suppliers section on shire.com

Partners and suppliers continued



What we did in 2015

Supplier diversity

We actively seek and select suitable and qualified suppliers from diverse segments of the business community in all of the markets in which we operate. In the US, we have a Supplier Diversity Program, which provides opportunities for small, minority, women-owned, disabled-or-veteran-owned businesses. In 2015, we spent \$222 million with companies in our Supplier Diversity Program. This equates to more than 13 percent of our total spend with US suppliers and exceeded our target of 11.3 percent. For 2016, we have set our goal at 13 percent.

Supplier audits

As part of our Responsible Supplier Program, we completed HSE audits at nine direct suppliers and completed one labor audit. No material non-compliance issues were identified.



What we will do in 2016

Maintain the number of competitive bid opportunities extended to our supply base. To the maximum extent possible, competitive bids will be executed and managed using Ariba, our online, electronic system. The competitive bid process is intended to improve price, savings and the quality of goods and services.

Maintain the amount of business we do with local, small and diverse supplier groups.

Standardize procurement processes. This will include reviewing and updating purchasing policies and guidelines to ensure we have the right policies to support responsible supplier management.

Implement standard bid and proposal documents and templates to aid communication with our current and prospective suppliers.

Work with our stakeholders to raise awareness of our policies and processes to provide uniformity and to ensure that all procurement activities are conducted consistently and in an ethical manner.

Become a member of the Pharmaceutical Supply Chain Initiative (PSCI). This will give us access to resources that will help us improve and maintain our responsible supply chain management and sourcing processes. PSCI membership will also give us a network and platform to benchmark and share best practices.



PSCI

PHARMACEUTICAL SUPPLY CHAIN INITIATIVE

Pharmaceutical Supply Chain Initiative

The mission of PSCI is to create and nurture a better, more robust supply chain in the pharmaceutical and healthcare industry. The Initiative is a collective of companies within our industry sharing a vision and goal of better social, environmental, and economic performance in our business areas. As a member, Shire will benefit through the exchange of knowledge and experiences.

Local community engagement

Building positive relationships in our local communities

Why it matters:

We understand that our impact goes beyond our company and extends to the communities in which we operate. We want to make sure that this impact is positive and we work in partnership with many different stakeholders to achieve this.

Our approach

We have a responsibility to the local communities where we live and work, as well as a responsibility to therapeutic communities such as the groups that represent patients and their families. We want to be an active partner to these communities, helping them to thrive and be healthy and sustainable in the long term. Our community programs offer support to partners and organizations that are working to meet local needs. We have a particular focus on improving the wellbeing of children and their families that are most in need. To achieve maximum impact, our programs run globally and locally.



What we did in 2015

Global Day of Service

In 2015 we held our first ever Global Day of Service, which continued a long-standing Shire tradition of reaching beyond the corporate campus and into the lives of those in need. More than 1,700 global employees supported dozens of community charities and non-profit groups. In total, Shire employees volunteered 8,000 hours, exceeding our target by nearly 50 percent.

In the US, we hosted science fairs and helped run innovative educational programs in and around Boston, MA and, in Wayne, PA, we renovated educational campuses and packed meals for underserved children.

In Europe, staff from our office in Basingstoke UK, worked at a young-adult nursing home digging a sensory garden to help provide expanded horticulture therapy sessions. In Zug, Switzerland employees collaborated with established artists to create activity books for children in local hospitals and in Dublin, Ireland, we revamped a playroom at the largest community daycare facility in Europe.

“This is my first time working with a company that organized a corporate volunteer day and it was so rewarding”

Business Process Analyst, Facilities & Engineering, Lexington, MA

Financial support for those in need

Every year we invest in local projects designed to make a difference to disadvantaged young people and their families. This includes supporting projects that provide career inspiration for students with special needs to donating surplus supplies of much needed equipment to schools.

In 2015, we continued our support for Cotting School—a special education school for students aged three to 22 with learning, communication, and physical disabilities, based near our US Operational Headquarters in Lexington, MA. This year, we donated a further \$25,000 to Project Bridges. This program offers student placements in local businesses to explore realistic career options while gaining vocational experience and developing social skills. Building on the success of the program in 2013 and 2014, we provided two more internships in 2015 for upper school students at Shire's mailroom. In addition, we donated excess office supplies to the school for use in writing and language arts classes.



Local community engagement continued



What we did in 2015

Other activities from across Shire

Since 2010, our Massachusetts sites have donated more than \$800,000 worth of surplus equipment and supplies, such as microscopes and laptops, to local schools and non-profit organizations.

In the UK, we donated approximately \$4,000 to Sebastian's Action Trust who support families of seriously ill children from diagnosis, through treatment and beyond by listening and responding to their unmet needs.

Local efforts to support our communities

We enable all employees to volunteer in the local community for up to eight hours every year.

Our employees participated in a number of local efforts across 2015 to support their communities. For example:

As part of our sustained commitment to the Zug community, this year we repeated our annual Holiday Wish Tree initiative. This saw employees donate over 150 Christmas presents to four different charity institutions, all supporting local disadvantaged children.

In Lexington, MA, Shire employees serve on the Advisory Boards of both Middlesex Community College and Minuteman Career and Technical High School. These voluntary positions include reviewing and designing a curriculum aligned to the specific skills required in manufacturing. We also invited

students to tour our lab space, donated equipment and materials so students can learn using the same technology that we use in our processes, and sent guest lecturers to the schools to share their experience with students.

During a Global Procurement meeting in Chesterbrook, PA, attendees combined team building with a goodwill effort. Four groups were formed, each building a bicycle to be donated to a charitable organization for the benefit of underprivileged children in the greater Philadelphia area.



2015 Indicators

25%

More than 25 percent of Shire's workforce participated in the Company's first Global Day of Service, supporting dozens of local non-profits with 8,000 volunteer hours



What we will do in 2016

Conduct our second Global Day of Service, with an aim to increase participation and our overall impact.

Roll out an online employee volunteer portal to capture, analyze, and promote employee volunteering at Shire globally.

Provide a centralized inquiry mechanism on shire.com to manage local non-profit requests and inquiries.



Disaster relief

Although our main focus is supporting communities in the immediate vicinity of our offices, we also understand the need to react to and support unforeseen issues globally. In significant disasters, affected local communities still require support long after the crisis has passed. With this in mind, in 2015 we supported the relief effort following the Nepalese earthquake disaster through Direct Relief and AmeriCares. We donated approximately \$100,000 to this cause — a \$90,000 corporate donation and \$10,000 raised by our employees.

We continue to take an active role as a board member of the Partnership for Quality Medical Donations (PQMD), a global alliance of non-profit and corporate organizations whose aim is to enhance access to healthcare in underserved communities and in areas affected by disaster.

Further information

Assurance statement

We engaged Trucost to provide assurance of the GHG emissions data held within its 2015 CDP Climate Change Questionnaire Response.

To view the full assurance statement please visit shire.com



Your feedback counts

We welcome your feedback on this review or on any aspect of our Responsibility performance. Please contact us at: responsibility@shire.com