
Slavery and human trafficking statement

For the financial year ended 31 December 2023

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 for the financial year ended 31 December 2023. It sets out the steps taken by Otsuka Pharmaceutical Europe Limited (“OPEL”) to minimise the risk of modern slavery and human trafficking in its operations and supply chain.

1. Organisational structure, business and supply chains

OPEL is a subsidiary of Japan-based, Otsuka Pharmaceutical Co., Ltd. (OPC), which oversees sales and marketing operations in France, Germany, Italy, the Nordics, Spain, Switzerland, BeNeLux, the UK, Ireland and Austria. Operations in other EU markets are managed via distribution companies. This statement summarises the activities of OPEL only.

OPEL is headquartered in the United Kingdom and has a primary focus at this time on the pharmaceutical business, operating in a number of therapeutic fields. Otsuka Pharmaceutical Netherlands B.V. (OPNL) is the Marketing Authorisation Holder for most of the products in OPEL’s operating model. OPNL is a wholly owned subsidiary of OPEL and OPEL has retained the exclusive rights to commercialise these products in the UK and European Economic Area (“EEA”).

OPEL is guided by an overarching corporate philosophy of “Otsuka-people creating new products for better health worldwide” and OPEL believes that modern slavery is a deplorable crime. Otsuka Holdings Co., Ltd., which is the holding company of OPC, became a signatory to the United Nations Global Compact (UNGC)¹ on 16 November 2016 to express its commitment to sustainability, and OPEL’s modern slavery approach is consistent with the spirit of the United Nations Global Compact (“UNGC”). OPEL is committed to ensuring that where it can have influence, it will minimise the risk of modern slavery or human trafficking in its supply chain or in any part of its business.

2. Policies in relation to slavery and human trafficking

OPEL has a standalone modern slavery policy in place, the purpose of which is to outline OPEL’s commitment to minimising the risk of modern slavery in its operations and supply chains, and to lay the foundation for embedding modern slavery considerations into the way it operates and conducts business. The policy sets out the responsibilities of specific teams and departments within OPEL with regards to modern slavery. The Otsuka Group Human Rights Policy was published in 2021 and a global e-learning entitled “Global Human Rights” was also rolled out to all employees, with refresher training conducted each year.

Both the EU Code of Conduct and the Global Code of Business Ethics incorporate modern slavery considerations. The EU Code of Conduct document is available on the OPEL and local affiliates public facing corporate website and the Global Code of Business Ethics is available on the corporate website of Otsuka Holdings Co., Ltd.

3. Due diligence processes

A global Third Party Risk Management project has been developed in order to harmonise due diligences processes and procedures across the world, led by a representative of the Global Compliance team. Included within the documents designed is a specific Human Rights / Labour Rights due diligence questionnaire, developed to align with the highest ethical standards and to ensure the organisation is aligned with existing and future legal requirements. The Human Rights / Labour Rights due diligence questionnaire is currently under review to harmonise best practices around the globe. The roll-out of the Global Third Party Risk Management project will be implemented by phases, starting with the Asia-Pacific region. OPEL provided feedback throughout the development of the project. The implementation within Europe is planned for 2025/2026, and

¹ <https://www.unglobalcompact.org/>

incoming legislation relating to sustainability due diligence, namely the EU Corporate Sustainability Due Diligence Directive, is being considered.

In the meantime, the OPEL European Procurement and Ethics & Compliance teams have worked in 2022 to review and simplify the procurement process (including due diligence requirements). The principles of the existing European Supplier Selection Policy have been incorporated in the new version of the European Procurement Policy and the existing European Due Diligence Policy has been updated to implement a stronger due diligence process based on the maturity level of the organisation. The goal is to help the organisation in transitioning from a regional to a global third-party management system. The two new documents have been effective since February 2023 and face-to-face training sessions in OPEL and its affiliates have been conducted during the first part of the year.

Regarding Human Rights, OPEL has included modern slavery considerations into existing procurement processes to ensure OPEL's modern slavery approach is integrated with current practices within the business. OPEL has published and trained all employees at OPEL and its affiliates on its: (i) procurement policy; and (ii) due diligence and contract management policies. Both such policies place importance upon and consideration with regards to modern slavery.

OPEL has developed modern slavery clauses for inclusion in the terms and conditions of its contracts and purchase orders. These have been introduced for all new suppliers. For existing suppliers, OPEL is introducing these clauses at the point suppliers are due for re-contract with OPEL. Further, initial work has been conducted to create such standard clauses to be included in the organisation's contract templates for OPEL's affiliates.

OPEL has also developed and integrated specific questions relating to modern slavery risks for potential new suppliers at OPEL. A risk-based approach is used to identify which potential suppliers are required to answer these questions. Please see item '4. Risk assessment and management', below, for more details.

OPEL has a whistleblowing facility (Speak Up Line) managed by an external third party (NAVEX) and incident management system in place through which employees are encouraged to report concerns regarding unethical behaviours and/or practices without fear of retaliation or retribution. OPEL has extended the scope of this facility for employees to report any modern slavery concerns, following the process described within the EU whistleblowing policy. During 2022, OPEL also updated the information available on the Speak Up Line website (new version effective May 2022) to comply with new legal requirements. In order to ensure compliance with the European Whistleblowing Directive, a link to the Otsuka Speak Up page is present on OPEL and OPEL's affiliates' corporate public websites, to give opportunity to every external stakeholder to raise concerns. In 2023, the European Incident Response Standard of Procedure (SOP) was revised and the European Whistleblowing Policy is under review to incorporate new local legal requirements from different countries following their transposition of the European Whistleblowing Directive into national laws and regulations.

4. Risk assessment and management

OPEL has developed a modern slavery risk assessment framework to assess suppliers based on the level of risk associated with their sector, the level of risk associated with the supplier country of location² and OPEL's ability to influence the supplier and its performance in relation to slavery and human trafficking. Since February 2023, OPEL is utilising this risk assessment with suppliers prior to contracting during the tender process or extending a contract, if the contract value is EUR 100k or higher. The results of the risk assessment framework will inform and determine the level of due diligence OPEL conducts.

Any suppliers identified as high or medium risk may be asked to provide additional information regarding its management of modern slavery risks through a questionnaire (as described above) at the tender stage.

5. Key Performance Indicators and effectiveness

² OPEL has used the Global Slavery Index, particularly the prevalence of modern slavery as a percentage of a country's total population, to indicate the level of modern slavery risk in each country. <http://www.globalslaveryindex.org/>

OPEL monitors its risk in relation to modern slavery and human trafficking through its procurement process.

6. Training

OPEL will continue to deliver training, annually, to all its employees, contractors and consultants.

This statement has been approved by the OPEL Board of Directors on 6 February 2024.

By Andy Hodge President & CEO

on behalf of Otsuka Pharmaceutical Europe Limited

Date



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A handwritten date "6/2/24" in blue ink is written over a horizontal line.

