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# Slavery and human trafficking statement

For the financial year ended 31 December 2021

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 for the financial year ended 31 December 2021. 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. Organisation, business and supply chains

OPEL is a subsidiary of Japan-based, Otsuka Pharmaceutical Co., Ltd., and over-see sales and marketing operations including 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. became a signatory to the United Nations Global Compact (UNGC)<sup>1</sup> on 16 November 2016 in order to express its commitment to corporate social responsibility (CSR) and sustainability, and OPEL’s modern slavery approach is consistent with the spirit of the UNGC. OPEL is committed to ensuring that where it can have influence the risk of modern slavery or human trafficking in its supply chain or in any part of the business is minimised.

## 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 2021” was also rolled out to all employees.

Further to the publication of the EU Code of Conduct in 2020, in which consideration of modern slavery was incorporated, this document was updated in 2021 and is available on the OPEL public facing corporate website.

## 3. Due diligence processes

OPEL has integrated modern slavery considerations into existing supplier selection and 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 each of its: (i) procurement policy; and (ii) supplier selection, engagement and management process policy. 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.

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<sup>1</sup> <https://www.unglobalcompact.org/>

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OPEL has also developed and integrated specific questions relating to modern slavery risks as set out in '4. Risk assessment' below for potential new suppliers at OPEL. A risk-based approach is used to identify which potential suppliers are required to answer these questions. See '4. Risk assessment' below for more details.

OPEL has a whistleblowing facility 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. In the future, OPEL plans to explore the feasibility of extending use of this whistleblowing facility to some key suppliers to allow any concerns within the supply chain to be raised directly to OPEL.

#### 4. Risk assessment

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 location<sup>2</sup> and OPEL's ability to influence the supplier and its performance/track record in relation to slavery and human trafficking. OPEL intends to utilise this risk assessment with suppliers prior to contracting during the tender process. 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 information regarding its management of modern slavery risks through a questionnaire (as described above). This questionnaire will then be deployed either through OPEL's Request for Tender, Request for Proposal or Request for Quotation processes, and integrated into OPEL's supplier evaluation criteria.

OPEL assesses existing suppliers to test OPEL's risk assessment framework which has given OPEL an understanding of the inherent level of risk in its current supply base and to prioritise actions to manage modern slavery risks going forward.

Additionally, OPEL commenced its participation in a global third party risk management pilot in 2021, which will also enhance the above risk assessment process.

#### 5. Key Performance Indicators and effectiveness

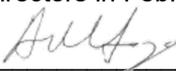
OPEL has developed a number of key performance indicators to measure and track the effectiveness of different elements of our modern slavery approach, including with regards to training and identifying high and medium risk vendors.

#### 6. Training

OPEL will continue to deliver training to all its employees, contractors and consultants. OPEL plans to repeat this training on an annual basis. OPEL has also conducted awareness raising activities with all other employees, which has included communications on modern slavery to ensure employees have an understanding of modern slavery risks and know how to raise any concerns.

This statement has been approved by the OPEL Board of Directors in February 2022.

By Andy Hodge President & CEO



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on behalf of Otsuka Pharmaceutical Europe Limited

Date

1st February 2022

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<sup>2</sup> 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/>