

CHUGAI PHARMA'S MODERN SLAVERY STATEMENT

Modern Slavery and Human Trafficking Statement

In accordance with the Modern Slavery Act 2015, this statement outlines the actions taken by Chugai Pharma Europe Limited (CPE) and Chugai Pharma UK Limited (CPU) to evaluate and address the risks of modern slavery and human trafficking within their business operations and supply chains. It encompasses the fiscal year from 1 January 2023 to 31 December 2023. CPU and CPE, as representatives of the Chugai Group in the United Kingdom, recognise their responsibility and are committed to combating the risks of modern slavery and human trafficking in their business activities, as well as ensuring that their supply chains remain free of such practices.

Business and Structure

The Chugai Group is consistently innovating and delivering cutting-edge medicines, standing as one of Japan's leading pharmaceutical companies. Established in 1925, we have a global workforce of over 7,500 people¹. Beyond our Tokyo headquarters, our research and development, manufacturing, and commercial operations extend across Germany, France, the United States, the United Kingdom, Taiwan, China, Korea, and Singapore. In 2002, we formed a strategic alliance with the Roche Group², creating a unique business model based in independency and co-promotion, leveraging the strengths, expertise, and infrastructure of both entities.

Presence in United Kingdom and Europe

In 1986, we inaugurated our representative office in the United Kingdom to coordinate the anticipation marketing activities and the forthcoming clinical development of products in Europe. By 1993, we had formally established CPU, marking our presence as one of the first European subsidiaries fully owned by a Japanese pharmaceutical company. The subsequent year, 1994, expanded our scope and established CPE with the objective of assessing research drug candidates from Tokyo and providing insights for regulatory success within Europe.

Initially, CPE was singularly concentrated on development activities, providing European insights into the Chugai Group's global product development pipeline. This initiative was integral to a cooperative tripartite team framework with bases in Japan, North America, and Europe, committed to advancing product candidates from the pre-clinical stage to Phase III, in preparation for market introduction.

A significant restructuring occurred in June 2015, leading to the integration of all European subsidiaries. CPE was repositioned as the central entity, entrusted with the management of all European central functions, encompassing Research & Development, Commercial Operations (Sales & Marketing), Medical Affairs, Safety, and Regulatory Compliance.

Relevant Policies and Standard Operating Procedures (SOPs)

¹ <https://www.chugai-pharm.co.jp/english/profile/about/outline.html>

² https://www.chugai-pharm.co.jp/english/ir/roche_alliance/index.html

CPE and CPU operates the following policies/SOPs that describe their approach to identifying Human Rights, human trafficking, and modern slavery risks, as well as the steps to be taken to prevent related practices in its operations:

- Employee Code of Conduct
- Supplier Code of Conduct
- Policy on Respect for Human Rights
- SOP for Verification of Authorized Supply Chain
- SOP for Third Party Selection and Contracts
- SOP for Audits and Self-Inspections
- SOP for Supply Management of Marketed Products and In-licensed Products

All the above policies/SOPs are stored on our Quality Management intranet site and all CPE and CPU staff are required to adhere to them. The employees receive training around these codes and processes in our Learning Management System, and new trainings are provided whenever there is an update a Policy/SOP, or on a two-yearly basis. Training records are retained by our Quality Assurance department.

In addition to these policies, we also have guidance on how to use our internal 'Speak-Up' line, which is an online whistleblowing system for internal reporting. This is a secure platform operated by external vendor under strict confidentiality, offering the opportunity to our staff to anonymously report any issues or concerns.

Supply Chains

The Chugai Group's global supply chains include providers, drug manufacturers, distributors, and wholesalers, all properly licensed by their respective local authorities.

Within Europe, CPE and CPU are responsible for managing the distribution network of three oncology products, which are part of two distinct supply chains. The active ingredient of one of these products is produced in Japan by our parent company, Chugai Pharmaceutical Co., and shipped to *Sanofi Winthrop Industrie* in France. This facility also receives needles, solvent syringes, and back-stop plunger rods from suppliers in Belgium, Spain, and France. *Sanofi Winthrop Industrie* assembles these components, manufactures, and packages the final product, which is then transported directly by third parties to Germany, Ireland, the UK, and a warehouse in France, from where it is further distributed to France and Belgium.

In contrast, the other two products are manufactured in Ireland by *Helsinn Birex Pharmaceuticals* and transported by a third party to warehouses in the UK and Ireland. These products are then sold directly by two certified wholesalers, one in each country.

To ensure compliance with anti-modern slavery and human trafficking regulations across Europe, we make sure all entities within our extended supply chain publish annual statements describing the actions they are taking to prevent and combat these practices on their operations. Furthermore, the warehouses undergo audits every two years and provide daily, weekly, and monthly stock movement reports to the Chugai Group.

Due Diligence

All our partners operate within the European Economic Area, which presents local laws that safeguard human rights. In the United Kingdom, we have established a structured procurement process in the first quarter of 2024 to evaluate, register, and monitor all our suppliers and service providers. Before any engagement, third parties are required to submit relevant information through a designated form. Upon submission, they are registered in our internal systems and agree to Terms and Conditions that also mandate compliance with the Modern Slavery Act of 2015. This third-party information is shared with an external provider, Dun & Bradstreet, which is a UK-based firm specialised in due diligence solutions. The suppliers' details are subject to thorough due diligence and continuous monitoring. This includes examining company profiles, failure risk scores, corporate family trees, financial statements, public filings, beneficial ownership data, ESG ratings, sanctions, PEP, adverse media screenings, and more. For each supplier, risk reports are generated, and any updates in the company information are promptly flagged to our Procurement team.

Training

All Chugai employees receive training regarding transparency, respect to human rights, combat of human trafficking and modern-slavery, and identification of related practices in our supply chains. This training is undertaken every two years. Our contract with the training provider will end in July 2024 and we have acquired training modules which were successfully disseminated to all staff during the first semester of 2024. This is in line with our two-year training schedule.

Actions and Future

In 2022, a specialist consultancy was hired to assess Chugai's practices in the UK regarding the combat against Modern Slavery. A report was finalized in April 2023, identifying the foundations for a robust and well-structured modern slavery programme, and providing detailed recommendations.

Demonstrating our commitment, the Chugai Group has set its global objectives for 2024 to include: (i) the establishment of a Corporate Governance Framework based on Human Rights, and (ii) the development of a sustainable Supply Chain. The actions planned for 2024 to achieve these objectives include: (i) extending the due diligence and third-party risk management process successfully implemented in the United Kingdom to all European affiliates; (ii) developing Chugai's European Human Rights Governance Framework in alignment with relevant internal policies, local laws and regulations, and the United Nations Guiding Principles on Business and Human Rights³; (iii) raising awareness on the programme and processes throughout the organisation, providing the necessary training and support to successfully implement all the report's recommendations. These actions are scheduled to be fully implemented by the fourth quarter of 2024.

³ <https://www.business-humanrights.org/en/big-issues/un-guiding-principles-on-business-human-rights/>



Published on June 2024

This statement was approved by the Executive Committee of Chugai Pharma Europe Limited on 4 June 2024 and published on 7 June 2024. This committee is the internal regional body which has oversight of all of Chugai's affiliates in Europe.

If you have any queries or would like any further information, please contact modernslavery@chugai-pharm.co.uk

DocuSigned by:
Troy Robinson
133214C2F6DA42F...

CHUGAI PHARMA EUROPE LIMITED

Troy Robinson

Managing Director - CPE

Date: 6/6/2024

DocuSigned by:
Mike Crosher
E1A6C0C3B22146F...

CHUGAI PHARMA U.K. LTD.

Mike Crosher

Managing Director - CPU

Date: 6/6/2024