

# **SHIONOGI GROUP MODERN SLAVERY STATEMENT**

## **(Year ended March 2025)**

### **1. Introduction**

This statement has been published in response to Section 54 of the UK Modern Slavery Act 2015. It sets out the steps taken by SHIONOGI & CO., LTD. and SHIONOGI B.V. in the fiscal year ended March 31, 2025 (FY2024) to prevent modern slavery and human trafficking in the business and supply chains.

### **2. Business and supply chains**

Since its foundation in 1878, SHIONOGI Group (“we”) has been committed to continuously creating innovative healthcare products and services to provide more comprehensive solutions to patients and society worldwide. SHIONOGI Group consists of SHIONOGI & CO., LTD., 41 consolidated subsidiaries, 5 associated companies, and 2 joint ventures (as of March 31, 2025). SHIONOGI Group has a single business segment related to prescription drugs and operates research, development, purchase, manufacturing, and distribution of prescription drugs and related businesses. With a consolidated workforce of 4,955 employees (as of March 31, 2025), of which the majority is based in Japan, we are engaged in research, development, manufacturing, and distribution of pharmaceuticals, diagnostics, reagents, and medical devices, centered on the ethical pharmaceuticals business.

More information on SHIONOGI Group is available at  
<https://www.shionogi.com/global/en/company.html>.

In Europe, Shionogi B.V. is responsible for the commercial operations for the U.K. and Europe. Shionogi B.V. has its registered office in the Netherlands (Herengracht 464, 1017CA, Amsterdam, the Netherlands), and a U.K. branch office in London, United Kingdom.

With our core business in pharmaceuticals, we procure active pharmaceutical ingredients, intermediates, raw materials, packaging, and services globally, mainly through a network of the head office, manufacturing group companies, and overseas group companies. We also cooperate with a number of outsourcing partners in order to provide the best possible medicines needed to protect people’s health at all times, and require these business partners in the supply chains to address human rights issues appropriately in accordance with the policy described in the following section.

### 3. Policies in relation to modern slavery and human trafficking

#### Policies

- SHIONOGI Group Human Rights Policy

Recognizing our responsibility to respect the human rights of all those affected by our business activities, we established SHIONOGI Group Human Rights Policy in March 2021 based on the UN Guiding Principles on Business and Human Rights and this policy sets out our commitment to promote respect for human rights.

SHIONOGI Group Human Rights Policy is available at

<https://www.shionogi.com/global/en/company/policies/shionogi-group-human-rights-policy.html>.

The policy covers all individuals and groups that may be affected by our business activities and business relationships. This commitment applies to all board members and employees of SHIONOGI Group, and we encourage our business partners involved in the Group's products and services to support this policy. The policy expresses our commitment to adhere to the United Nations International Bill of Human Rights (specifically the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights), the ILO Declaration on Fundamental Principles and Rights at Work, international human rights standards for workers adopted in conventions on such matters as wages and working hours, and United Nations Declaration on the Rights of Indigenous Peoples, and respect the Ten Principles set forth in the United Nations Global Compact and the Ethical Principles for Medical Research Involving Human Subjects (Declaration of Helsinki). SHIONOGI & CO., LTD. has been a signatory to the United Nations Global Compact since August 2019.

The policy has received the approval of our Board of Directors and the signature of our Representative Director, President and CEO.

- SHIONOGI Group Procurement Policy

We conduct procurement activities based on the principles of honesty, accuracy, fairness, and transparency in order to maintain and promote people's health and comfortable lifestyles, and to realize a sustainable and healthy society. We will support and respect international standards such as the United Nations Global Compact 10 Principles, PSCI Principles, ISO 26000 (Guidance on Social Responsibility), and ISO 20400 (Guidance on Sustainable Procurement) as our basic approach to procurement. We will promote procurement that respects the human rights of all people in accordance with various international standards related to human rights, and takes into consideration working conditions and occupational safety and health.

<https://www.shionogi.com/global/en/company/policies/shionogi-group-procurement-policy.html>

- SHIONOGI Group Anti-Corruption/Anti-bribery Policy

There is a proven link between modern slavery and corruption. We have strict policies both at the Group level and at the regional level to prohibit the giving or receiving of bribes.

<https://www.shionogi.com/global/en/company/policies/shionogi-group-anti-corruption-anti-bribery-policy.html>

## **Codes of Conduct**

- SHIONOGI Group Code of Conduct

We have abolished our previous Code of Conduct and established a new Code of Conduct to be observed by the entire group in April 2025. Under this Code of Conduct, we oppose all forms of illegal working environments and inhumane labor practices, and require all business partners to adopt the same stance. We also prohibit forced labor, slavery, and human trafficking in our operations and supply chain.

Management will lead by example in embodying the spirit of this Code of Conduct through concrete actions and ensure that all members of the SHIONOGI Group are fully informed of it. Additionally, the SHIONOGI Group is requesting that all business partners also endorse this Code of Conduct.

<https://www.shionogi.com/global/en/company/business.html>

- SHIONOGI Group Business Partner Code of Conduct

We have established SHIONOGI Group Business Partner Code of Conduct and ask all business partners to comply with this Code of Conduct in order to contribute to the realization of a sustainable and healthier society across the entire value chain through collaboration with business partners. This Code of Conduct has been formulated based on the UN Global Compact and the PSCI (Pharmaceutical Supply Chain Initiative) principles. It stipulates the elimination of modern slavery and child labor, non-discrimination, fair treatment, observance of fair wages and reasonable working hours, and freedom of association under “2. Human Rights and Labor”. If it emerges that any activity has violated this Code of Conduct, we will take prompt action to remedy it.

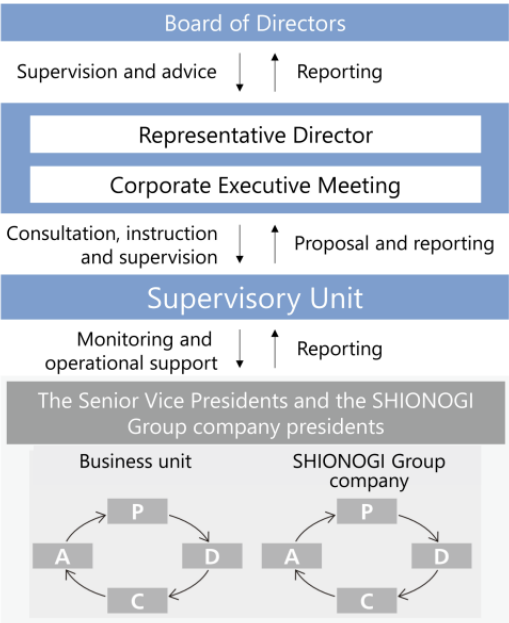
<https://www.shionogi.com/global/en/company/policies/shionogi-group-business-partner-code-of-conduct.html>

## **4. Governance structure for ensuring respect for human rights**

Our company promotes enterprise risk management (ERM) as an important mechanism for

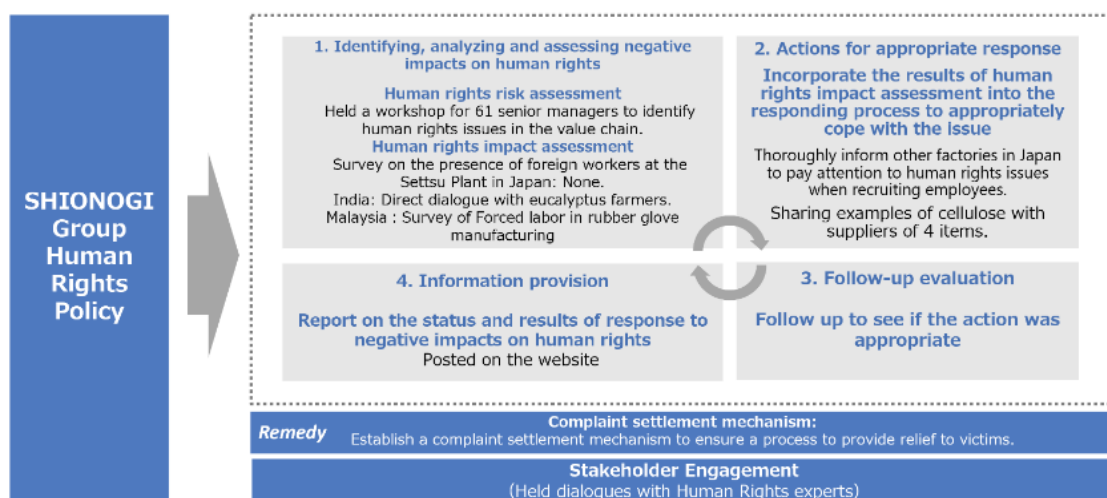
management strategy and management infrastructure, which oversees risks across the entire group. We regularly discuss important risks that are assessed as having the potential to significantly impact business performance and management at management meetings, update risk lists, identify risks that need to be addressed, and appoint persons responsible for managing those risks. Responsible parties appoint risk owners for risks under their jurisdiction, monitor them, and, considering the impact and likelihood of occurrence, have the responsibility to escalate them to the management meeting as “business strategy risks or operational risks” as necessary. Note that risks related to respect for human rights are handled by the Corporate Governance Department of the Sustainability Management Division under the Corporate Management Division.

### SHIONOGI Group Risk Management Structure



### 5. Due diligence process

In accordance with processes detailed in the UN Guiding Principles on Business and Human Rights, we have established the following mechanism for human rights due diligence and are taking action accordingly.



### SHIONOGI Group Due Diligence Process

## 6. Human rights impact assessment

In FY2020, we conducted a human rights risk assessment across all businesses of SHIONOGI Group, narrowing down the areas where risks should be more precisely identified.

### (1) Conducting human rights risk assessment

In FY2020, with the support of Caux Round Table Japan (CRT Japan), a third-party organization, we identified potential human rights risks that SHIONOGI Group's business activities might have.

After researching human rights issues and industry-specific risks through desktop research and engagement with experts, we held a workshop on November 4, 2020. 61 senior managers discussed potential human rights risks and risk response situations in our value chain and risk items were organized by rights-holder and value chain. We also held workshops and interviews on November 26 and December 21, 2020, on specific human rights risks with personnel from relevant departments and shared examples of initiatives and opinions on potential human rights risks. The risk assessment results identified human rights themes requiring more precise risk identification from a human rights perspective.

### (2) Human rights themes for more precise risk identification

We have an important responsibility to ensure a stable supply of products and services, safety and quality, as well as respect and pay due consideration to the human rights of patients, healthcare providers, and Group employees. We have already established a dedicated organization within the group to address these issues, and we are responding to risks based on an appropriate management cycle. We will continue to focus our efforts on these issues,

and we recognize the following two points in the supply chain as important human rights issues for the SHIONOGI Group.

- (i) Labor situation of foreign workers
- (ii) Labor situation in the production areas of raw and other materials

(i) Working conditions of foreign workers

The SHIONOGI Group has confirmed that there were no technical interns exist until FY2023 through questionnaire surveys of contractors and subcontractors within the group and at its own factories, as well as questionnaire surveys of major suppliers of COVID-19 treatments and vaccines. For FY2024, based on ongoing communication with the suppliers surveyed, there have been no significant changes in the business conditions of each supplier, and no information indicating human rights risks has been obtained. Therefore, no survey was conducted, and the focus was shifted to dialogue with suppliers of raw materials and components as described in (ii).

**Investigation into foreign technical intern trainee acceptance among our factory's on-site and external contractors.**

Company	FY2021	FY2022	FY2023
Cleaning company A	None	None	None
Cleaning company B	None	None	None
Cleaning company C	None	None	None
Security company D	None	None	None
Cafeteria E	None	None	None
Greenery company F	None	None	None
Laundry company G	None	None	None
Laundry company H	None	None	None
Laundry company I	None	None	None
Logistics company J	None	None	None

**Investigation into the acceptance of foreign technical intern trainees among companies involved in COVID-19 related businesses.**

Company	FY2021	FY2022	FY2023
Pharmaceutical company	None	None	None
Vaccine company	None	None	None

We will continue to monitor supplier trends through communication with our business partners, and if human rights issues are identified, we will consult with CRT Japan and take appropriate action in cooperation with suppliers based on the insights gained.

(ii) Based on the assessment report (Material-specific Human Rights & Environmental Impact Assessment) by PSCI and research by CRT Japan, we set aluminum, glass, cellulose, and ethanol as SHIONOGI Group important items in terms of the significance of their impact on the Group's business and the degree of potential risk recognized by society, and we are continuing our Human Rights Impact Assessment regarding potential violations.

In FY2024, we continued discussions with suppliers regarding four important items and confirmed the situation, including the occurrence of human rights issues in the manufacturing regions of raw materials. As a result, we received responses from all suppliers stating that no human rights issues had occurred. Additionally, some suppliers have begun to actively engage in communication with our company. Such ongoing efforts not only deepen suppliers' understanding but also contribute to further strengthening cooperative relationships and identifying suppliers further upstream that were previously difficult to identify. Going forward, we will continue to work closely with suppliers through detailed communication to secure their cooperation in our human rights initiatives.

< FY 2021 >			< FY 2024 >				
Tier1	Tier2	Tier3	Tier1	Tier2	Tier3	Tier4	Tier5
Company A	Company H	Company L	Company A	Company H	Company L		
Company B	Company I	Not disclosed	Company B	Company I			
Company C	Company C	Not disclosed	Company C	Company C	Company M	Company N	Not disclosed
Company D	Company D	Not disclosed	Company D	Company D		Company N	Not disclosed
Company E	Company J	Not disclosed	Company E	Company J	Not disclosed		
Company F	Company K	Not disclosed	Company F	Company K	Not disclosed (pulp maker)	Not disclosed (material maker)	Farm
Company G	Company G	Not disclosed	Company G	Company G	Not disclosed	Farm	

With regard to cellulose, one of the four key items, we began conducting surveys in FY 2021, focusing on eucalyptus, one of the raw materials for cellulose. We conducted an online dialogue with eucalyptus producers in India and confirmed that there is no salient risk of human rights violations such as forced labor and child labor. In addition, we found that the strong position of the brokers buying the timber resulted in producers not being able to negotiate prices; the significant environmental impact of eucalyptus on the livelihoods of local people and other crop production due to its high water absorption and the lowering of the groundwater table; and the potential future declines in production due to the high

environmental impact and low profitability of eucalyptus.

On November 21, 2024, we received information from CRT Japan that employees at Kawaguchi Manufacturing Sdn. Bhd., a Malaysian plastic product manufacturer, were suffering human rights violations, including indicators of forced labor.

We promptly investigated whether SHIONOGI Group had any business dealings with this company and confirmed that we had no business dealings with the company.

We will continue to assess the human rights risks in the supply chains regarding the SHIONOGI Group's important items and to maintain a management system that allows us to take prompt action to remedy when issues arise.

More information on our human rights due diligence initiatives is available at

[https://www.shionogi.com/global/en/sustainability/society/respect-human-rights/human\\_rights\\_due\\_diligence.html](https://www.shionogi.com/global/en/sustainability/society/respect-human-rights/human_rights_due_diligence.html).

## **7. Procurement initiatives**

We continue to obtain agreement to SHIONOGI Group Business Partner Code of Conduct from all suppliers involved in our business.

In addition, we regularly conduct written and on-site audits of suppliers of critical pharmaceutical raw materials and others using the Self Assessment Questionnaire (SAQ) provided by the PSCI to check the risks in each category, including modern slavery and trafficking in persons. In FY2024, although we did not conduct onsite audits, we completed desktop audits of 25 companies. As a result of the audits, no significant human rights-related issues were confirmed. However, where issues arise, we will promptly address the issues and implement remedies.

Supplier management level and auditing items are available at

<https://www.shionogi.com/global/en/sustainability/society/supply-chain-management.html>.

In addition, since FY2019, we have introduced EcoVadis, a rating platform that objectively and fairly evaluates corporate social responsibility and sustainable procurement, and are conducting evaluations of our priority business partners in order of priority. In FY2024, we completed evaluations of 31 companies, bringing the cumulative total since introduction to 150 companies. As a result of the evaluations by EcoVadis, we identified 18 companies that fell below the benchmark in "Labor and Human Rights" category and have encouraged 16 companies of these companies to take corrective action and have reached an agreement to implement improvement plans by March 2025. In addition, for suppliers who were unable to undergo EcoVadis evaluation for various reasons, we actively engaged in dialogue with them during FY2024 and provided opportunities to explain the usefulness of EcoVadis evaluation and encourage them to undergo evaluation. For suppliers who still did not agree to EcoVadis evaluation, we are considering implementing our own SAQ for as many suppliers as possible to assess risks, including human



rights.

Through the above measures, we are managing important suppliers.

#### **8. Engagement with external stakeholders**

SHIONOGI & CO., LTD. participates in the Human Rights Due Diligence Workshop, organized by Nippon CSR Consortium with CRT Japan serving as secretariat, to discuss human rights issues in the pharmaceutical industry. In FY2023, we participated in the workshop from May to July 2023. The workshop brings together different stakeholders, including companies, NGOs/NPOs, and experts, to exchange views on promoting human rights due diligence initiatives. After issues are raised by NGOs/NPOs and experts, the participating companies discuss and identify human rights issues in the pharmaceutical industry, referring to the Human Rights Guidance Tool developed by the United Nations Environment Programme Finance Initiative (UNEP FI). We refer to these results and use them to promote our human rights initiatives.

By participating in the Human Rights Due Diligence Workshop, we will continue to promote systematic human rights initiatives in accordance with the UN Guiding Principles on Business and Human Rights while utilizing the views of stakeholders obtained from the above engagements.

#### **9. Measuring with appropriate performance indicators**

In order to assess the effectiveness of the steps we are taking to ensure that slavery and human trafficking are not taking place in the SHIONOGI Group's business or supply chains, we will continue to (i) conduct the human rights due diligence assessment periodically, (ii) review the results of supplier audits and (iii) monitor the number and the concerns of reports received through the whistleblowing procedures from employees, suppliers or others who raise concerns about modern slavery and human trafficking we evaluate the effectiveness of these efforts, incorporating third-party perspectives.

In addition, from the perspective of a third party, CRT Japan, an expert in "business and human rights," highly evaluated our efforts in conducting a human rights risk assessment, including holding workshops involving management and employees, and conducting an impact assessment to collect reliable first-hand information through direct communication with eucalyptus producers. Furthermore, we received advice on points to consider when developing future human rights activities. Taking these into account, we will continue to promote our initiatives for the 2025 fiscal year.

In summary, the SHIONOGI Group is committed to ensuring that no forced labor or human trafficking occurs in its operations or supply chain by: (i) conducting regular human rights due diligence investigations, (ii) reviewing the results of supplier investigations, (iii) monitoring the number and content of reports received through reporting procedures from employees, business

partners, or other parties regarding concerns about modern slavery or human rights violations, and evaluating the effectiveness of these initiatives.

#### **10. Grievance mechanism**

SHIONOGI Group has established online contact points for all workers in the Group's operations, including those of its business partners to report compliance concerns in Japanese and English. We ensure the privacy of the raising party and those involved is protected and have a policy on non-retaliation for the raising party. In FY2024, there were no cases of human rights-related reporting to this contact point.

The detail of this contact point is available at

<https://fofa.jp/song/a.p/115/>.

In Europe and UK, we have a Speak Up process run through an independent company. In FY2024 we have had no reports involving modern slavery or human rights.

#### **11. Training to eradicate forced labor and human trafficking**

We provide education to raise awareness of human rights risks, including modern slavery and human trafficking to ensure that each Group employee understands the importance of respect for human rights and that they embed the understanding into their day-to-day business operations. In FY2024, we conducted e-learning for all employees, including those at domestic group companies, in December 2024, focusing on the themes of "due diligence for responsible corporate behavior" and "human rights and the environment." The participation rate was 93.1% (4,234 out of 4,549 employees). In a post-program survey, positive responses exceeded 80% for nearly all items. Through such education, employees are deepening their understanding of how human rights relate to their own work, their organization, and the supply chain.

#### **12. Plan for the next year and onward**

In accordance with the UN Guiding Principles on Business and Human Rights, we are committed to ensuring that our operations and supply chains do not cause or contribute to human rights violations. To achieve this, we will specifically focus on the following.

- (1) Confirming the current status of human rights due to changes in the business environment  
With the planned completion of the succession of JAPAN TOBACCO INC.'s pharmaceutical business and the full acquisition of Torii Pharmaceutical CO., LTD. in FY 2025, the scope of our business, including the supply chain, will expand. Therefore, we will confirm the status of human rights issues within the expanded scope during FY 2025.

(2) Implementation of the second human rights due diligence risk assessment

In light of the above (1), we have determined that it is necessary to implement this assessment, which was scheduled to be conducted in FY 2025, in consideration of the expanded business environment, and have decided to conduct it in FY 2026. When conducting the assessment, we will gather relevant departments and perform a human rights due diligence risk assessment in line with the value chain to identify human rights issues. We will also conduct a human rights impact assessment on the human rights risks identified and disclose the results on our website. We will constantly monitor social concerns and investigate and consider countermeasures before risks become apparent.

(3) Implementation of human rights education for board members

Based on the results of the human rights risk assessment described in (2) above, we will provide education to the members of the board of directors, who are the supervisory officers of our company, to deepen their understanding of the latest human rights risks identified by the executive side. By ensuring that both the executive and supervisory sides share a common understanding of human rights risks, we will further strengthen our ability to appropriately address human rights risks in our business activities.

This statement was made by SHIONOGI & CO., LTD. on behalf of itself and SHIONOGI Group (including SHIONOGI B.V.) and has been approved by the Board of Directors of SHIONOGI & CO., LTD. and signed by Representative Director, President, and CEO on September 29, 2025.

September 30, 2025

SHIONOGI & CO., LTD.

Representative Director, President, and CEO

