

## Modern Slavery Act Statement

Shire plc (“Shire”) (LSE: SHP, NASDAQ: SHPG) supports the UK’s Modern Slavery Act. Shire is opposed to slavery and human trafficking and believes that the Modern Slavery Act is a significant step in encouraging companies to identify and tackle the risks of modern slavery and human trafficking across business operations and in supply chains.

This statement has been prepared in response to Section 54 of the Modern Slavery Act 2015 and outlines Shire’s policies and efforts to mitigate the risks of modern slavery throughout our business and supply chain. It covers Shire’s financial year from January 1, 2016 to December 31, 2016.

### **About our business**

Shire is the leading global biotechnology company focused on serving people with rare diseases and other highly specialized conditions. We strive to develop best-in-class products, many of which are available in more than 100 countries. Our more than 22,000 employees come to work every day with a shared mission: to develop and deliver breakthrough therapies for the estimated 350 million people in the world affected by rare diseases, as well as those with other high-need conditions, and who lack effective therapies to live their lives to the fullest.

Shire operates with responsibility at the forefront of our business. We are committed to sound corporate governance principles, practices, and policies.

To learn more about our business and governance policies, please visit: <https://www.shire.com/who-we-are>

### **Managing modern slavery risks**

We recognize our responsibility to identify, mitigate, and address potential and actual human rights impacts that are directly linked to our business activities around the world. While the risk of modern slavery and human trafficking is relatively lower in the highly regulated biopharmaceutical industry, we recognize that this responsibility also extends to our business relationships.

Shire’s [Human Rights Policy](#) applies to our business and supply chain. It reaffirms our support of the United Nation’s Universal Declaration of Human Rights and asserts our commitment to the International Labor Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work, which includes the following four major principles: (1) Freedom of association and the effective recognition of the right to collective bargaining; (2) Elimination of all forms of forced or compulsory labor; (3) Abolition of child labor, and; (4) Elimination of employment discrimination.

We have taken several steps to mitigate the risks associated with modern slavery in our business and supply chain. These include the below activities conducted during 2016:

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- **Verification and risk assessment:** As part of the procurement solicitation process, all suppliers were asked to sign a statement in which they attest that their business meets specified human rights employment standards in accordance with the Modern Slavery Act. These standards include expectations that suppliers shall not use child labor or forced labor, and that they shall comply with legal minimum wage requirements, prevent discrimination or harassment in the workplace, and provide fair working conditions.
- **Vendor on-boarding:** Once selected, all suppliers were asked to certify that products and their component parts that are provided to Shire comply with the laws regarding slavery and human trafficking of the country or countries in which they do business. The only exceptions are patient organizations, healthcare organizations, and healthcare professionals which are not required to certify this given the nature of payments (typically honorarium, grants and sponsorships).
- **Employee training:** Shire's [Code of Ethics](#) outlines expectations for employees to conduct business with integrity. New employees were required to review the Code and complete the Code of Ethics training. This training includes a section on supplier conduct with a reference to our [Responsible Supply Chain Management Policy](#), which includes human rights.
- **Industry collaboration:** In 2016, Shire became a member of the Pharmaceutical Supply Chain Initiative (PSCI), which focuses on advancing fair and safe working conditions and practices, responsible business practices, and environmental sustainability in pharmaceutical supply chains. We support PSCI's Principles for Responsible Supply Chain Management and are in the process of integrating them into our supplier programs.

On June 3, 2016, Shire combined with Baxalta Incorporated ("Baxalta"), significantly expanding our global reach. As a newly combined company, we are committed to making progress in strengthening our approach to risk assessment and due diligence on modern slavery and human trafficking.

### Improving in the year ahead

The progress Shire plans to make in 2017 includes:

- Harmonizing legacy policies from both companies that govern our extended supply chain
- Including obligations in Shire's new contracts with suppliers to reflect modern slavery legislation within our standard terms and contractual arrangements to the extent possible
- Developing tools and processes to educate our team on how to engage with new and existing suppliers on this topic
- Conducting a risk assessment of existing suppliers to identify areas of highest risk within our supply chain

We will report on progress in our next statement.

This statement has been reviewed and endorsed by our Board of Directors on 15 February, 2017.

Signed,

A handwritten signature in black ink, appearing to read "Flemming Ornskov".

Flemming Ornskov, MD, MPH  
Chief Executive Officer