

Modern Slavery Act Statement

Shire plc (“Shire”) (LSE: SHP, NASDAQ: SHPG) has published the following position statement on Modern Slavery to demonstrate Shire’s active commitment to perform in accordance with the UK Modern Slavery Act. Shire 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, 2017 to December 31, 2017.

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 therapies, many of which are available in more than 100 countries. Our more than 23,000 employees around the world feel a strong sense of urgency to address unmet medical needs and work tirelessly to improve people’s lives with medicines that have a meaningful impact on patients and all who support them on their journey. Shire is headquartered in Dublin, and has a large presence in both Massachusetts at our US operational headquarters and at our strategic hub in Zug, Switzerland.

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 low 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 2017:

- **Statements:** Shire convened teams of internal stakeholders to harmonize policies and statements pertaining to expectations of suppliers and Modern Slavery, including Shire's Supplier Code of Conduct found [here](#) and Shire's statement on California Transparency in Supply Chains which can be found [here](#).
- **Verification :** As part of the procurement solicitation process, all suppliers solicited to participate in a request for proposal (RFP) are 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.
- **Risk assessment:** As part of Shire's sourcing due diligence, the company developed a risk assessment process to identify suppliers in regions identified as having increased human rights risks. Efforts will focus on enhancing the review of such risks among identified suppliers. This process will be conducted annually. We will look to 2018 to create more rigorous mitigation programs with these suppliers.
- **Vendor on-boarding:** Once selected, all suppliers are 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). Further, Shire's Purchase Orders and Contracts were updated to include language forbidding use of forced or slave labor as a condition of becoming a supplier to Shire.
- **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 [Supplier Code of Conduct](#) 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 utilized these Principles as the framework for our harmonized Supplier Code of Conduct.

Improving in the year ahead

The progress Shire plans to make in 2018 includes:

- Enriching training for Procurement employees, including updates resulting from new Modern Slavery requirements.
- Improving our sourcing processes to enhance our risk assessment and due diligence activities when conducting tenders within categories and countries deemed to be at high risk of Modern Slavery violations.
- Enhancing our internal processes and creating Key Performance Indicators to mitigate risk, improve our due diligence assessments and better manage high risk supplier performance.

We will report on progress in our next statement.

This statement has been reviewed and endorsed by our Board of Directors on February 12, 2018.

Signed,

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

Flemming Ornskov, MD, MPH
Chief Executive Officer