

Vertex Pharmaceuticals (Europe) Limited Modern Slavery Act Transparency Statement for the year ended 31 December 2019

This statement is made in response to the U.K. Modern Slavery Act 2015. It sets out the steps taken to eradicate slavery and human trafficking from Vertex Pharmaceuticals (Europe) Limited's supply chain as well as within its own organisation for the financial year ending 31 December 2019.

Vertex respects and believes in the inherent rights and dignity of every person. Vertex supports the principles established under the United Nations Universal Declaration of Human Rights. We expect every employee and the suppliers with whom we work to respect human rights in all countries where we do business.

About our Organisation

Vertex is a global biotechnology company that invests in scientific innovation to create transformative medicines for people with serious diseases. The company has multiple approved medicines that treat the underlying cause of cystic fibrosis (CF) — a rare, life-threatening genetic disease — and has several ongoing clinical and research programs in CF. Beyond CF, Vertex has a robust pipeline of investigational small molecule medicines in other serious diseases where it has deep insight into causal human biology, including pain, alpha-1 antitrypsin deficiency and APOL1-mediated kidney diseases. In addition, Vertex has a rapidly expanding pipeline of genetic and cell therapies for diseases such as sickle cell disease, beta thalassemia, Duchenne muscular dystrophy and type 1 diabetes mellitus.

Founded in 1989 in Cambridge, Mass., Vertex's global headquarters is now located in Boston's Innovation District and its international headquarters is in London, UK. Additionally, the company has research and development sites and commercial offices in North America, Europe, Australia and Latin America. Vertex Pharmaceuticals (Europe) Limited is a subsidiary of Vertex Pharmaceuticals Incorporated and is headquartered in London, United Kingdom. Details of our corporate governance policies can be found [here](#).

Our Commitment and Policies

A strong culture of ethics permeates our business. In 2019, the Vertex Pharmaceuticals Board of Directors approved an updated [Code of Conduct](#). The new Code reflects the company's core values and offers expanded guidance in areas such as human rights, protection of personal data, financial integrity, commitment to communities and environmental sustainability. It articulates that employees must comply with laws and practices that prohibit illegal child labour; forced, bonded or indentured labour; involuntary prison labour; and human trafficking unfair wages and benefits. The Code applies to all directors, officers, employees and contractors of the Company. In 2019, 100% of employees completed their annual Code of Conduct training.

The Code of Conduct cannot provide guidelines for every possible situation, but it outlines the Company's expectations for behaviour in important areas. It has references to Company resources, like policies and procedures, which can provide employees with additional guidance, and directs employees on where to seek further guidance if they need it.

Our Code of Conduct is supported by several other policies including our [Supplier Code of Conduct](#), Global Anti-Bribery/Anti-Corruption Policy and Third-Party Due Diligence Standard Operating Procedure.

The global Compliance Committee provides general oversight of the Code of Conduct. The Committee is a cross-functional group made up of senior leaders from across Vertex. The Chief Compliance Officer, together with our Chief Legal Officer and the Audit and Finance Committee of the Vertex Board of Directors, provides additional oversight. The Chief Compliance Officer provides regular updates to the Executive Committee and the Board of Directors about compliance at Vertex.

Supplier Expectations and Due Diligence

Vertex sets high standards for ensuring we conduct our business ethically and in accordance with the law. We have the same expectations for our third-party business partners as we work toward our mission to transform the lives of people with serious diseases through innovative drug discovery.

In 2019, we published a new global [Supplier Code of Conduct](#) to outline our expectations that suppliers share our commitment to high ethical standards and behaviour and to define the expectations they should have of us. All suppliers are expected to comply with our Supplier Code of Conduct, and it is incorporated into all our sourcing contract templates. Our Supplier Code of Conduct states our expectations of suppliers to treat their employees with dignity and respect and to comply with all regulatory and legal requirements relating to the fair and equitable treatment of employees. Specifically, it states:

- Do not engage in any forms of forced slavery including bonded, indentured or involuntary prison labour. Employees should be free to leave their employer at their own discretion.
- Treat your people fairly, equally and with respect.
- Any discrimination in hiring, training, promotion, compensation, or other such area based on race, colour, age, sex, sexual orientation/identity, ethnic group, marital status, disability, religion, membership of a political party, membership in a trade union, or other classification must be prohibited.
- Under no circumstances shall child labour be employed.
- Work hours must be in compliance with country regulations. Furthermore, payment to employees shall be in compliance with applicable wage laws including minimum hourly and overtime wages as well as mandated benefits.

We expect our supplier-partners to have management systems in place that demonstrate their commitment and accountability to these concepts, with mechanisms in place to identify and manage risks for each area addressed, and to maintain documentation to demonstrate conformance.

In 2019 Vertex became a member of the Pharmaceutical Supply Chain Initiative (PSCI). Vertex supports the PSCI Principles and is committed to working with our peers to achieve a vision of better social, health, safety and environmental outcomes.

We have developed systems and processes to track, monitor and oversee our manufacturing suppliers' activities. Vertex may request suppliers provide certifications as to their ongoing adherence to our compliance policies and cause its personnel (including, to the extent reasonably practicable, employees of any permitted subcontractor) to attend and complete compliance trainings related to Vertex's Compliance Policies upon reasonable request by Vertex.

Training

In 2019, Vertex partnered with The Sophie Hayes Foundation, the only organisation in the United Kingdom focused solely on helping women survivors of human trafficking and modern slavery return to productive lives through employability training. The Sophie Hayes Foundation conducted a training on modern slavery for our employees to raise awareness of the issue.

United Kingdom based employees were trained on Vertex's ethics and compliance framework in 2019, to reinforce our commitment to integrity and ethics at Vertex. This training session was delivered by senior leaders who are responsible for compliance operations at a global level for Vertex.

Accountability

Vertex investigates all reports of potential violations of our Codes of Conduct, company policies or the law. Violations may result in disciplinary action up to and including termination of employment or termination of contractual arrangements with Vertex. Some violations may also result in legal action, as appropriate.

Vertex has reporting mechanisms in place to collect and relay information regarding potential violations, including an anonymous **Compliance Alert Line** staffed by an independent organisation. We have procedures that strongly encourage employees and suppliers to report potential suspected compliance violations, company policies, and the laws of the countries in which Vertex operates. We do not tolerate retaliation against anyone who speaks up, in good faith, with concerns about a potential violation of the Code, company policy or the law.

Further steps

Vertex will continually review and improve its practices to ensure the identification and elimination of modern slavery and human trafficking from our business. This includes further developing our Third-Party Risk Management Framework.

This statement has been approved by the Vertex Pharmaceuticals (Europe) Limited Board of Directors.



Ashley Grist

Director, Vertex Pharmaceuticals (Europe) Limited