

Modern Slavery Act Statement of Intercept Pharma Europe Ltd. (“IPEL”)

Fiscal Year 2022

Introduction

Section 54 of the Modern Slavery Act 2015 requires that certain commercial organizations, including IPEL, must prepare a slavery and human trafficking statement for each financial year. This is that statement for fiscal year 2022 (ending 31 December 2022).

A slavery and human trafficking statement for a financial year is a statement of the steps that the organization has taken during the financial year to ensure that slavery and human trafficking are not taking place in any of its supply chains, and in any part of its own business.

An organization’s slavery and human trafficking statement may include information about:

- (a) the organization’s structure, its business, and its supply chains;
- (b) its policies in relation to slavery and human trafficking;
- (c) its due diligence processes in relation to slavery and human trafficking in its business and supply chains;
- (d) the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps that it has taken to assess and manage that risk;
- (e) its effectiveness in ensuring that slavery and human trafficking are not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate;
- (f) the training about slavery and human trafficking available to its staff.

A slavery and human trafficking statement must be approved by the board of directors, and signed by a director. The statement must then be published on the company website.

IPEL’s practices

In 2022, IPEL continued its prior corporate practices, including its policy-based and ethics-based approach to managing its business and supply chains. Particular areas mitigating the risk of slavery and human trafficking included:

- **Policies and procedures.** IPEL and its affiliates (collectively, “**Intercept**”) followed and follow a Global Code of Business Conduct (the “**Code**”) available on the Intercept website (<https://ir.interceptpharma.com/corporate-governance>). The Code emphasizes operating with ethics and integrity. Particular areas of focus include:
 - Prompt communication of concerns and violations.
 - A compliance and ethics hotline.
 - A professional employment environment, compliance with fair labor laws, and workplace health and safety.

- Oversight of agents and contractors. Intercept associates who oversee agents and contractors are expected to ensure that such agents and contractors conform to Code standards when working for or on behalf of Intercept. Agents and contractors act as an extension of Intercept, and Intercept associates must not use, authorize, or request an agent or contractor to do indirectly anything that Intercept cannot do directly.
- Labor and human rights policies. In 2022, Intercept promulgated a Labor Policy and a Human Rights Policy, available on the Intercept website (<https://ir.interceptpharma.com/corporate-governance>).

The Labor Policy describes important standards of conduct for Intercept and its vendors, including:

- Conduct that exploits workers or denies them the rights and benefits to which they are legally entitled is inconsistent with Intercept values and policies and will not be tolerated.
- Intercept is committed to striving to work with vendors that share our commitment to human rights and labor laws and are free from practices associated with human rights or labor law violations. If Intercept learns that a vendor is being abusive, Intercept will reevaluate its relationship with such vendor.
- Intercept employees must report any actual or potential breach of the Labor Policy, whether that breach is by Intercept or by a third party.
- Intercept will not knowingly work with business partners that employ children.
- Intercept does not knowingly use forced or involuntary labor, including but not limited to prison labor, slave labor, debt bondage, indentured labor, or otherwise. As part of this commitment, Intercept does not: (i) destroy, conceal, or confiscate identity or immigration documents; (ii) apply improper restrictions on the movement of staff; or (iii) use fraudulent recruiting tactics.
- Intercept pays employees at least the minimum wage required by applicable local laws, and provides legally mandated benefits, including holidays and paid or unpaid leave.
- Intercept has implemented measures to help ensure that employees working at Intercept's facilities have sanitary working conditions.
- Intercept recognizes the legal rights of freedom of association and collective bargaining, to the extent established in local law.
- Intercept is committed to creating a work environment that does not subject individuals to harsh or inhumane treatment, including abuse or coercion.

The Human Rights Policy describes important standards of conduct for Intercept and its vendors, including:

- Intercept is committed to striving to work with vendors that share our commitment to human rights and are free from practices associated with human rights violations. If Intercept learns that a vendor is being abusive, Intercept will reevaluate its relationship with such vendor.
- Intercept's employees must report any actual or potential breach of the Human Rights Policy, whether that breach is by Intercept or by a third party.
- Intercept's onboarding process for all employees includes a training component on our commitment to appropriate business conduct, including various principles with respect for human rights.
- Verification and risk assessment. As part of our procurement vendor diligence process, all high-risk suppliers are vetted by our screening process which is intended to flag identified modern slavery and human trafficking risks. In 2019, we implemented a centralized Vendor Management and Onboarding process and technology across the organization in order to increase vendor information efficiency with a centralized information base, identity and manage vendor risk, and increase monitoring of vendor performance. This process covers multiple lines of vendor due diligence including but not limited to Anti-Slavery, Anti-Corruption, Anti-Bribery, Compliance, Quality Assurance, Data Privacy, and Information Technology. Ad hoc due diligence reports (such as ethical background checks obtained from Refinitiv) can also be requested by the business to support their vendor vetting as part of competitive bidding processes or as deemed necessary or prudent from time to time.
- Employee training.
 - Annually, new and existing employees, independent contractors, consultants with Intercept email addresses, agency workers, and interns (collectively, "Staff") are required to review and acknowledge that they will comply with the Code. Every other year, they also complete an associated training module.
 - As part of their onboarding process, our procurement and supply chain Staff are required to complete a compliance training course in Modern Slavery Due Diligence, both at IPEL and at IPEL's parent company.
 - This training provides a legal overview, summarizes our internal screening process for new suppliers, highlights higher-risk goods and services, and highlights country tier designations, e.g., per the U.S. Department of State Trafficking in Persons Report (<https://www.state.gov/reports/2022-trafficking-in-persons-report/>) and the Chartered Institute of Procurement & Supply ("CIPS") (<https://www.cips.org/intelligence-hub/ethics/modern-slavery>).
 - We also have an Anti-Bribery and Anti-Corruption ("ABAC") training that is assigned to all Executive Directors and above across Intercept, including the entire compliance team.

- Supplier & Distributor Code of Conduct. IPEL has a Supplier & Distributor Code of Conduct in the UK and Europe that sets out our high standards and expectations when it comes to business conduct, and that sets out our commitment to ensuring that we only partner with suppliers that share our vision for adopting and maintaining responsible and sustainable business practices. Our key suppliers in the UK have received this Code of Conduct, and it is incorporated into the terms of our standard vendor agreements used in the region.

Overall structure and risk

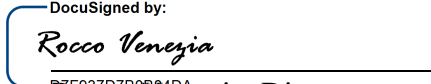
Overall, IPEL believes that in the highly regulated pharmaceuticals sector, the risk of slavery and human trafficking is lower than in other industries.

In addition, IPEL is a company that relies heavily on outsourcing and relationships with other companies. IPEL sources product from third-party suppliers, conducts medical research largely through third-party organizations, and does not sell product to patients directly. Rather, IPEL sells product to distributors including its affiliates and, beginning in 2022, Advanz Pharma and its affiliates (“**Advanz**”). Further, in 2022, IPEL and its affiliates sold their ex-U.S. commercial operations to Advanz, reducing the size and scope of remaining IPEL operations, which focus on supply chain management and certain other business functions. Accordingly, IPEL believes that the risk of slavery and human trafficking at IPEL is fairly low.

Accordingly, IPEL manages the risk of slavery and human trafficking primarily through the policies, diligence, training, and compliance practices described above.

Signature

This statement was approved by IPEL’s board on August 14, 2023.

Signed: 
Rocco Venezia, Director
August 22, 2023