



SUPPLY CHAIN TRANSPARENCY REPORT

Fighting Against Forced Labour and Child Labour in Supply Chains Act

Year 1 | January 1, 2023 – December 31, 2023

Company Overview

In accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the “**Supply Chain Transparency Act**”), this statement outlines the measures implemented, or to be implemented by Vertex Pharmaceuticals (Canada) Incorporated (“**Vertex Canada**”), to address the risks of modern slavery, including but not limited to forced and child labour¹ within its operations and supply chain. This report is not a joint report as there is no entity which Vertex Canada controls that is covered by the *Supply Chain Transparency Act*.

Vertex Canada is committed to establishing a safe, inclusive, and respectful work environment and values the rights of its employees and all who work within its supply chain. This includes freedom from slavery and child labour, equal opportunities for all, a safe and healthy workplace, and freedom from discrimination and harassment. Vertex Canada continues to develop and expand its understanding of the risks associated with the issue of modern slavery and to identify areas within its operations and broader supply chain that may be impacted by such challenges.

Part I – Structure, Operations and Supply Chains

Our Structure and Operations

Vertex Canada is a subsidiary of Vertex Pharmaceuticals Incorporated (“Vertex”), a global biotechnology company that invests in scientific innovation to create transformative medicines for people with serious diseases. The company has approved medicines that treat the underlying causes of multiple chronic, life-shortening genetic diseases – cystic fibrosis (CF), severe sickle cell disease and transfusion dependent beta thalassemia – and continues to advance clinical and research programs in these diseases. Vertex also has a robust clinical pipeline of investigational therapies across a range of modalities in other serious diseases where it has deep insight into causal human biology. At the end of 2023, this included acute and neuropathic pain, APOL1-mediated kidney disease, type 1 diabetes, myotonic dystrophy type 1 and alpha-1 antitrypsin deficiency.

Vertex was founded in 1989 and has its global headquarters in Boston, with international headquarters in London, England. Additionally, the company has research and development sites and commercial offices in North America, Europe, Australia, Latin America and the Middle East.

¹ As these terms are defined pursuant to section 2 of the *Supply Chain Transparency Act*.

Vertex is consistently recognized as one of the industry's top places to work, including 14 consecutive years on Science Magazine's Top Employers list and Fortune's 100 Best Companies to Work For.

Vertex Canada imports and distributes drug products in Canada in accordance with the company's Drug Establishment License held with Health Canada. In so doing, it meets the assets and revenues thresholds under section 2 of the *Supply Chain Transparency Act*.

Our Supply Chains

Vertex and Vertex Canada, generally, use a worldwide network of third-party manufacturers and internal capabilities, including Vertex's own manufacturing facility in Boston, to manufacture product candidates for clinical trials and commercial-use medicines.

Part II – Policies and Due Diligence Processes

Our Commitment & Policies

We are committed to operating our business in a responsible manner and expect all managers, employees, contractors and agents to be accountable for our culture of inclusion, transparency and integrity. Our [Code of Conduct](#) provides guidance on how to live these values, in areas such as human rights, protection of personal data, financial integrity, commitment to communities and environmental sustainability. Specifically, our Code of Conduct requires employees to:

- Comply with laws and practices that prohibit illegal child labour; forced, bonded or indentured labour; involuntary prison labour; human trafficking and unfair wages and benefits.
- Promote the health, safety and equitable and respectful treatment of employees, without discrimination or harassment.
- Respect fundamental human rights and the dignity of every person.

We expect employees to comply with our Code of Conduct and all associated policies, procedures, guidelines and trainings. If we become aware of violations of law or Vertex policy, we investigate the matter and, where appropriate, take disciplinary action and implement corrective measures to prevent future violations.

Our Code of Conduct is a key component of Vertex's Global Compliance Program ("Program") and applies to all directors, officers, employees, and contractors. The Program embodies our shared responsibility to demonstrate the highest level of personal integrity and ethics—from the highest levels of management to the most junior employees. It is purposefully designed to go beyond mere compliance. In addition to the Code of Conduct, the Program includes training and education, auditing and monitoring, risk assessments and other activities and initiatives.

The Program also offers a Compliance Alert Line, which allows individuals to confidentially and anonymously raise concerns of misconduct, and strict anti-retaliation protections. Vertex's Board of Directors, including the Audit and Finance Committee, provide general oversight of the Program. The Chief Compliance Officer is responsible for designing and driving the Program with support and advice from the global Compliance Committees, which are made up of cross-

functional, senior leaders from across Vertex. The Chief Compliance Officer provides regular updates to Vertex's and the Board of Directors about health care compliance and risk.

As a member of the Pharmaceutical Supply Chain Initiative (PSCI), we support the PSCI Principles for Responsible Supply Chain Management and work with our peers to achieve a vision of better social, health, safety and environmental outcomes.

Supplier Code of Conduct and Contractual Obligations

Our Supplier Code of Conduct (the "Supplier Code") additionally outlines expectations that suppliers share our commitment to high ethical standards and behaviour and defines the expectations they should have of us. All suppliers are expected to comply with our Supplier Code.

The Supplier Code sets minimum expectations and guidelines for suppliers to abide by international and domestic laws. Specifically, the Supplier Code outlines the following expectations for its business partners:

- They must not engage in any forms of forced slavery, and that employees are free to leave at their own discretion;
- They must treat their people fairly, equally and with respect;
- They must not discriminate in any way in its hiring, training, promotion, compensation, or other such area based on any prohibited grounds, including race, colour, age sexual orientation, religion, etc.; and
- They must not engage in child labour.

Further, suppliers are expected to comply with applicable wage laws, including minimum hourly wage and overtime wages.

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.

Suppliers must comply with Vertex policies relevant with respect to particular services (all together, the "Compliance Policies"). Vertex has made its Supplier Code of Conduct available at: www.vrtx.com/sites/global/files/Vertex-Supplier-Code-of-Conduct.pdf and will make other policies available as needed.

At Vertex's request, suppliers will provide Vertex with certifications, in a form reasonably acceptable to Vertex, as to the company's ongoing compliance with the Compliance Policies. In addition, the company will attend, and complete, compliance trainings related to the Compliance Policies upon Vertex's reasonable request. Trainings will be conducted online where practicable.

Our Due Diligence Processes

We have developed systems and processes to track, monitor, and oversee our activities and those of third-party manufacturers. This includes implementing a quality assurance program intended to ensure that third-party manufacturers comply with best manufacturing practices. We regularly

evaluate the performance of third-party manufacturers with the objective of confirming our continuing capabilities to meet our needs efficiently and economically.

Vertex has implemented a number of due diligence measures to ensure layers of review. As described above, suppliers are expected to comply with our Supplier Code, as incorporated into our sourcing contract templates.

Auditing and Enforcement

The Supplier Code and our contracts grant us the right to audit suppliers, or to authorize a third party to audit suppliers. Under the Supplier Code, Vertex can audit suppliers' practices and facilities to confirm compliance.

Part III – Risks of Forced Labour and Child Labour in Operations and Supply Chains

We believe there is minimal risk of forced labour or child labour in our supply chain for the following reasons:

- Vertex Pharmaceutical's workforce of approximately 4,800 people is largely comprised of R&D staff, office based and field-based employees;
- Most employees work in countries with very low prevalence of modern slavery;
- Except for early career programs, such as internships and industrial placements, all employees are 18 years or older; and
- Our employees work in controlled settings where there are established standard operating procedures, in line with the highly regulated nature of the pharmaceutical industry.

Part IV – Measures to Remedy Forced Labour and Child Labour

Vertex Canada has not had to take any remedial measures in response to incidents of forced labour or child labour. Should an incident arise, Vertex Canada is committed to taking the appropriate measures to putting a stop to any misconduct or illegal activities.

Part V – Measures to Remediate the Loss of Income to those Impacted by the Elimination of Forced Labour and Child Labour

Vertex Canada is not aware of any loss of income to vulnerable families resulting from measures to eliminate the use of forced labour and child labour in our activities and supply chains.

Part VI – Training Provided to Employees

All Vertex employees complete annual Code of Conduct training as part of a commitment to the core values that guide us as a company – providing guidance as we go about our work each day, shaping our interactions with external groups, and outlining expectations in important areas. This yearly refresher helps reinforce our commitment to living our core values and helps us make choices that reflect the kind of company we want to be. It is our pledge to one another, to our company, and most importantly, to patients that we will adhere to the highest standards of ethics and accountability. As stated, this includes avoiding forced labour and child labour in supply chains.

Part VII – Assessing Effectiveness of Actions against Forced Labour and Child Labour

In 2023, 100 percent of Vertex employees completed annual Code of Conduct training. We recognize that an effective compliance program must evolve and respond to the changing circumstances of the company and its environment. To this end, we are committed to continuous improvement based on regular reviews and assessments of the regulatory and business landscape.

Through our Compliance Alert Line, potential instances of modern slavery can be reported within Vertex for investigation. The Compliance Alert Line, which is monitored and assessed to ensure effectiveness, did not receive any reports of modern slavery in 2023.

Vertex also tracks distribution of its Supplier Code of Conduct for the purposes of measuring the level of awareness among suppliers of our expectations over time.

Vertex will continually review its practices to ensure we assess and address modern slavery and human trafficking from our business. Vertex will review its reporting document and update as necessary to ensure that it reflects the emerging consensus on best practices to address these complex issues. Vertex will also consistently review its Code of Conduct, and auditing process, to ensure continued compliance and implement any improvements required to ensure it is accurately obtaining and retaining information from its external and indirect suppliers.

* * *

Attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

By signing the below, I hereby confirm I have the authority to bind Vertex Canada.

DocuSigned by:
Michael Siauw
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Michael Siauw
General Manager, Vertex Canada