

Better Health, Brighter Future

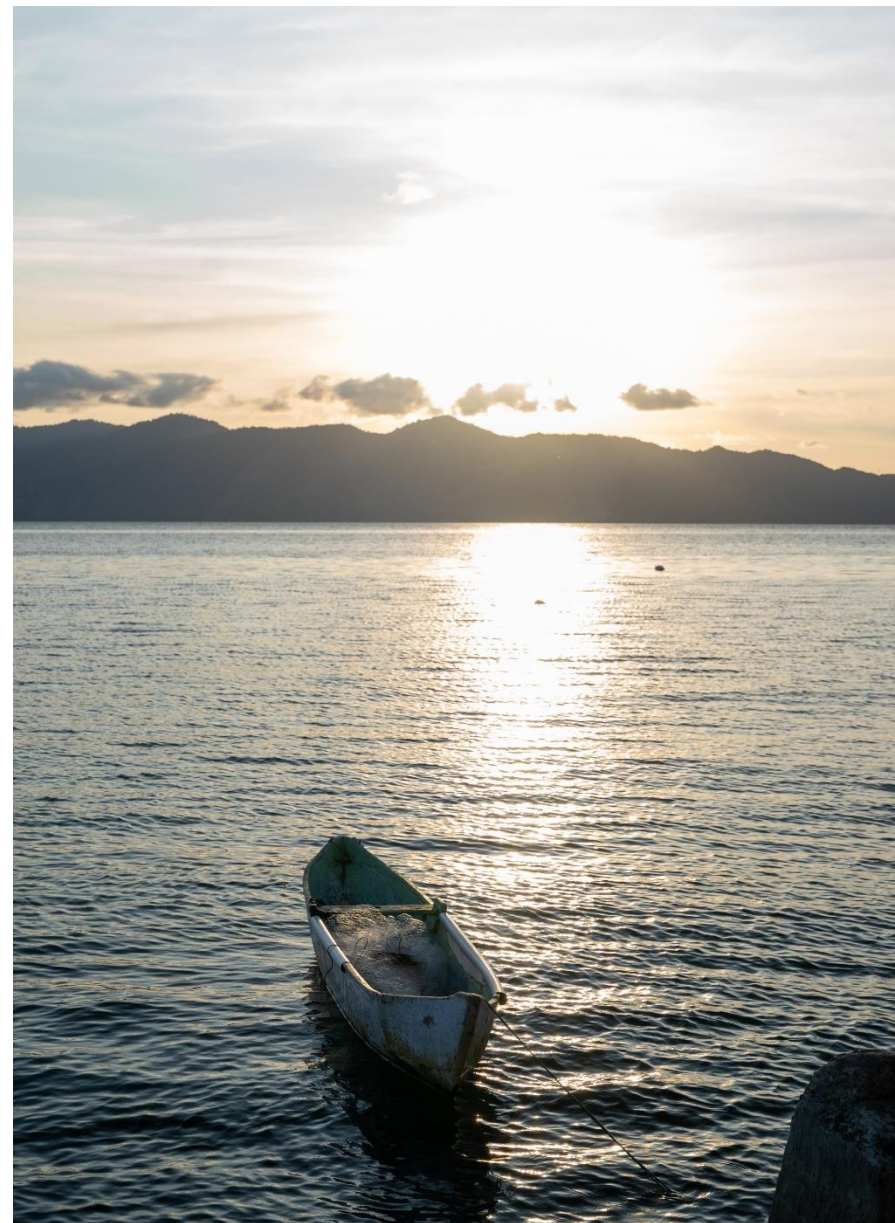
WEF Index Report 2024

Fiscal Year Ended March 31, 2024

This index table summarizes the relevant disclosures aligned to the **Metrics for Measuring Stakeholder Capitalism** released by the **World Economic Forum (WEF) and its International Business Council (IBC)**. The index supplements content provided on our overarching sustainability priorities, commitments and initiatives outlined in our [2024 Annual Integrated Report](#), [Takeda 2024 ESG Databook](#), and Sustainability Disclosures page on [Takeda.com](#). Along with over 60 other business leaders, we aim to adopt and implement the Stakeholder Capitalism metrics to emphasize our commitment to patients, people and planet. More information on the Stakeholder Capitalism metrics can be found in the World Economic Forum's white paper.

Optimizing our ESG Reporting is an iterative process. While we do not yet report against every indicator within this reporting framework, we will work to continuously enhance our data capture processes and reporting of ESG information to demonstrate our commitment to transparency and our stakeholders.

The reporting period covers FY23 (April 1, 2023 to March 31, 2024) unless otherwise specified.



WEF Theme

Takeda Disclosure

Governing Purpose

Setting Purpose

Building from Takeda’s strong heritage, our corporate philosophy brings greater focus to our purpose, vision, values and imperatives. At the heart of our corporate philosophy is our purpose to bring “Better Health for People, Brighter Future for the World.” We create long-term value for all our stakeholders – we consider how our actions will impact the next decade, not just the next quarter. We strive to address unmet medical needs by delivering life-transforming or life-saving medicines and vaccines, and we believe this will translate into sustainable growth for the business. Our purpose is deliberately even broader than this, however. It encompasses the wider world, as well as a commitment to be environmentally responsible. Through our purpose-led sustainability approach, we create value for society by putting our core strengths and capabilities as a biopharmaceutical company to work to help solve key societal challenges.

This purpose-led and values-based approach drives all of our actions and decisions, and our commitments across our Patient, People and Planet imperatives underpinned by Data and Digital. Our approach is integrated into how we do business – throughout our entire value chain from research and development (R&D) to product distribution – taking into consideration how our work affects patients and people in the communities we serve, as well as the planet.

For more information on our Corporate Philosophy, refer to [Takeda.com](https://www.takeda.com).

Quality of Governing Body

Governance Body Composition

Biographies of members of the Executive Team and Board of Directors can be found on our [Leadership](#) page, and includes each members’ experience, tenure and other significant positions and commitments. The Takeda Executive Team (TET) includes 17 members diverse in nationality (nine countries), age (40s–60s) and gender (nine women and eight men). Women make up 53% of the TET.

Detailed information on the composition of the Board of Directors and it’s committees, including the skills matrix, can also be found on our [Corporate Governance](#) page and the Corporate Governance Report found therein.

Stakeholder Engagement

Material ESG Issues Impacting Stakeholders

We conducted a comprehensive assessment in FY2019 to better understand which non-financial issues are strategically important to Takeda and of most interest to our stakeholders. Embedding the results of this materiality assessment into our overall strategy and business operations ensures that we allocate resources and make decisions in a way that helps us play our part in meeting major global challenges.

For more detailed information on our ESG materiality process and results, refer to our ESG Materiality page on [Takeda.com](https://www.takeda.com).

WEF Theme

Takeda Disclosure

Ethical Behavior

Anti-Corruption

See our [Takeda 2024 ESG Databook](#) for disclosure of this metric.

We believe our obligation to meet ethical standards goes beyond compliance with laws and regulations. In everything we do we are guided by our values of Takeda-ism, which incorporates Integrity, Fairness, Honesty and Perseverance, with Integrity at the core. Our values are brought to life by taking decisions based on i) the interests of Patients, ii) Trust with society, iii) Takeda’s reputation and iv) building sustainable business, in that order. They help us make ethical decisions today, and in the future.

To promote ethical behavior and provide guidance to our employees, our [Global Code of Conduct](#) is available in multiple languages and lays out a core set of principles for how we conduct business. Catalyzing a companywide culture in line with our values is the responsibility of the Chief Ethics and Compliance Officer and the Risk, Ethics and Compliance Committee. They help ensure a coordinated, companywide approach on ethics and compliance matters. We execute and reinforce our ethics and compliance programs in line with our Global Code of Conduct and applicable global policies. These policies are approved by the Business Sustainability Committee (BSC).

We don’t exert influence over, or provide rewards for, the prescription, use, administration, purchase or recommendation of Takeda products. We don’t promise, offer or provide any money, gifts, services, hospitality or other items of value as an inducement for using our products. To underscore this position, we’ve established various global policies, including the Global Policy on Interactions with Health Care Professionals and Health Care Entities, the Global Policy on Interactions with Patients and Patient Organizations, the Global Policy on Interactions with Government Officials and Government Entities and our [Global Anti-Corruption Policy](#). Training on all these policies must be completed within 30 days of joining Takeda and refreshers are required every 2 years for the interactions policies, and annually for our [Code of Conduct](#) and [Anti-Corruption Policy](#).

Our [Global Anti-Corruption Policy](#) prohibits Takeda from conducting, through third-party intermediaries, activities that Takeda is prohibited from conducting itself. Takeda must assess every third-party intermediary to identify and address issues that pose any potential risks for Takeda. We conduct regular audits to assess instances of bribery and corruption and have implemented an ongoing monitoring program that samples and evaluates high-risk transactions against governing policy and procedure control documents. Takeda executes root cause analysis against monitoring nonadherence and develops remediation plans to drive continuous improvement.

Protected ethics advice and reporting mechanisms

Takeda aims to create a safe place for employees to raise concerns about potential misconduct, while also offering protection against retaliation. Concerns can also be raised internally through functions such as Human Resources, Legal, Ethics and Compliance or directly to senior management. All concerns are addressed promptly, confidentially and respectfully.

The Takeda [Ethics Line](#) provides an alternative channel where employees and the general public can raise concerns if they feel Takeda is not living up to our values. It is available online and by phone, 24 hours a day, in 20 languages. If desired, concerns may be raised anonymously.

Timely and appropriate action is taken against any behaviors or practices that are not in line with our values and our Global Code of Conduct. We are committed to analyzing and understanding the root causes of misconduct to help prevent similar issues arising again.

We continue to strengthen our speak-up culture with general awareness initiatives.

WEF Theme

Takeda Disclosure

Ethical Behavior (Continued)

Monetary losses from unethical behaviour (Expanded Metric)

See our [Takeda 2024 ESG Databook](#) for disclosure of this metric.

Risk and Opportunity Oversight

Integrating risk and opportunity into business process

Risk management helps protect the company’s people, assets and reputation while supporting Takeda’s long-term strategy for growth and success. The overall enterprise risk management (ERM) process is the responsibility of the Chief Ethics & Compliance Officer, with oversight from the Board of Directors. Principal enterprise risks and their mitigation effectiveness are approved by the Risk, Ethics and Compliance Committee (RECC) and Board of Directors on an annual basis.

We embed risk management within all levels of the company through our enterprise risk assessment process in which risks, including those related to sustainability, are identified, assessed, and for which corresponding mitigations are implemented. This process is designed to generate a holistic view of risks for the company and drive a culture of risk-based decision making. Each relevant functional area within the business is responsible for managing its key risks and responses to them.

On annual basis, we disclose the present and future risks that we believe are material to our investors and we could face in our business, including environmental-, social- and governance-related risks. These are disclosed under Risk Factors in our [Annual Securities Report](#) and [Form 20-F](#).

Economic, Environmental and Social Topics in Capital Allocation framework (Expanded Metric)

Today, Takeda’s corporate philosophy articulates why we exist (our purpose), where we are going (our vision) and how we deliver on our vision (our values). Our corporate philosophy imperatives – Patient, People and Planet – identify where Takeda must invest to deliver on our purpose. Guided by our vision to discover and deliver life-transforming treatments, and with a focus on maintaining solid investment grade credit ratings, we will allocate capital to deliver sustainable value to patients and attractive returns to our shareholders.

Climate Change

Greenhouse Gas (GHG) emissions

See our [Takeda 2024 ESG Databook](#) for disclosure of this metric.

WEF Theme

Takeda Disclosure

Climate Change (Continued)

TCFD Implementation
&
Paris-aligned GHG Emissions Targets (Expanded Metric)

In 2020, we set a target to reduce absolute scope 1 and 2 GHG emissions 40% by FY2025 from a FY2016 base year, and a target to have 67% of our suppliers by emissions to have science-based targets by 2024, both of which were approved by the Science Based Targets initiative (SBTi). In 2022, we announced new commitments to achieve net-zero GHG emissions related to our operations (Scopes 1 and 2) by 2035 and for our entire value chain (including estimated Scope 3 GHG emissions) by 2040. These commitments including near term net-zero targets have been submitted to the SBTi for review and approval. While Takeda has maintained carbon neutrality through FY2022, in FY2024 we have transitioned away from carbon neutrality as a climate goal and are focusing resources on initiatives that advance our net-zero roadmap while continuing to invest in nature-based carbon removal projects in projects beyond our value chain.

As a supporter of the Financial Stability Board’s Task Force on Climate-Related Financial Disclosures (TCFD), we issued our first assessment of Takeda’s climate change resilience in 2022. As part of this assessment, we considered our governance, strategy deployment, risk management, and metrics and targets setting, in line with the TCFD framework.

Takeda has some exposure to both physical and transitional climate change risks (financial and regulatory driven risks) and potentially some opportunity. While we have not experienced significant impacts related to climate change to date, changes in the physical environment and changes in policy, energy markets, and technology associated with the transition to a low-carbon economy, may become more significant to our business in time.

To further our understanding of potential business risks and opportunities related to climate change, Takeda undertook a climate risk and opportunities analysis in FY2020, which included modelling three climate scenarios (based on the level of global warming; 1.5°C, 2.5°C, and 4°C) and across two time horizons (calendar years 2030 and 2050). The scope of the analysis included key business regions covering over 90% of Takeda’s owned and leased assets by property value.

This initial climate scenario analysis provided important insights into the identification, likelihood and magnitude of potential climate risks and opportunities that will be used to further inform Takeda’s strategic business and financial planning. In the future, we will be working to improve the data quality and accuracy of our models and expand the scope of the climate risk and opportunities analysis to include an assessment of potential impacts within our critical supply chain.

Nature Loss

Land use and ecological sensitivity

See our [Takeda 2024 ESG Databook](#) for disclosure of this metric.

WEF Theme

Takeda Disclosure

Fresh Water Availability

Water consumption in water-stressed areas

See our [Takeda 2024 ESG Databook](#) for disclosure of this metric.

We take a context-based approach to water stewardship. We strive to understand watershed-specific stressors and manage associated risks in regions in which we have water-intensive operations. To develop this understanding, our process includes:

- Identifying our site locations most affected by water stress by cross-referencing projections from two globally-accepted water risk evaluation tools WRI Aqueduct and WWF Water Risk Filter.
- Supplementing the water stress model data with site-specific surveys to further validate the models or identify potential discrepancies.
- Investigating the specific water source issues for sites identified as facing “high” or “very high” stress. The assessments include trending of water availability, quality, accessibility, political/regulatory aspects, infrastructure, and reputational elements, followed by an overlay of the sites’ water reliance to determine associated water risk.
- Developing risk mitigation plans to address watershed-specific issues including expectations for enhanced water conservation and engagement with key community partners.

Resource Availability

Resource Circularity (Expanded Metric)

Takeda supports and participates in pharmaceutical take-back programs in collaboration with relevant industry groups, including the Pharmaceutical Product Stewardship Working Group (PPSWG). Takeda also supports education of our patients and end users to encourage safe return or disposal of unwanted or expired medicines and sharps. We will continue to improve our baseline understanding of unused medicine and sharps takeback efforts including remediation plans and improvement roadmap as necessary. Through Takeda’s participation in drug take back initiatives we are able to reduce the amount of medication that can be released into the environment and diminish the potential for abuse of unwanted medication.

Takeda's current support for external drug programs is active only in the United States, Brazil and Canada. Through our participation in and collaboration with PPSWG, the initiative has resulted in the collection of unwanted medicine and sharps-containing drug products for disposal. We continue to evaluate programs in other global regions.

WEF Theme**Takeda Disclosure****Dignity and Equality**

Diversity and Inclusion (%)

See our [Takeda 2024 ESG Databook](#) for disclosure of this metric.

Pay Equality (%)

Not disclosed

Wage Level (%)

Not disclosed

Dignity and Equality (Continued)

Risk for incidents of child, forced or compulsory labor

Our commitment to human rights

Takeda exists to create better health for people, and a brighter future for the world. Our [Human Rights Commitment](#) is an important part of our corporate philosophy, which is endorsed by Takeda’s executive team and reinforced within our [Global Code of Conduct](#). We are continuing to evolve and enhance our processes to work toward fulfilling this commitment.

Addressing human rights risks in our operations and supply chains

We are continuously trying to improve human rights risk management capabilities and due diligence systems to manage human rights risks and impacts throughout our own operations and business relationships. We conducted in FY21 a global human rights impact assessment, through this assessment which we regularly review and update, we have identified our 11 most relevant (salient) human rights impacts (aligned to our strategic imperatives). Furthermore, Takeda works with various external partners worldwide and our approach to identifying and managing human rights risks in our supply chain is conducted through our Third Party Risk Management Program. By considering country risk and procurement category risks, we identify specific areas that may present potential human rights risks in our supply chain.

We are engaged in various collaborative efforts, including the [Pharmaceutical Supply Chain Initiative](#) (PSCI). We endorsed the [PSCI Principles for Responsible Supply Chain Management](#), actively participate in PSCI’s Sub-Committees, including for Human Rights. We also continued to support the [Responsible Health Initiative](#), in collaboration with Ecovadis to improve sustainability standards across the pharmaceutical industry.

Access to remedies and grievance mechanisms

We strive to create and maintain a safe place for employees and third parties to raise questions on our human rights program or concerns about potential misconduct, including human rights violations, and we provide access to several channels for this purpose, including the [Takeda Ethics Line](#). We take timely and appropriate actions to address any behaviors or practices that can cause or contribute to adverse human rights impacts. In addition, we are committed to analyzing and evaluating root causes to help prevent any similar issues from arising in the future and providing access to timely remedy.

Additional information on our human rights program can be found on [Takeda.com](#).

Discrimination and harassment incidents - total amount of monetary losses (Expanded Metric)

See our [Takeda 2024 ESG Databook](#) for disclosure of this metric.



WEF Theme

Takeda Disclosure

Health and Well Being

Health and safety (%)

See our [Takeda 2024 ESG Databook](#) for disclosure of this metric. More information on our Employee Well-Being initiatives can be found at [Takeda.com](#).

Skills for the Future

Training provided (#, \$)

Not disclosed.

WEF Theme

Takeda Disclosure

Employment and Wealth Generation

Absolute number and rate of employment

See our [Takeda 2024 ESG Databook](#) for disclosure of this metric.

Economic contribution

Detailed information on our economic contributions and financial investments can be found in in our [financial statements](#).

Financial investment contribution

Innovation of Better Products and Services

Total R&D expenses (\$)

Annual Research and Development expenses can be found in our [financial statements](#).

Vitality Index (Expanded Metric)

See our [Takeda 2024 ESG Databook](#) for disclosure of this metric.

Community and Social Vitality

Total Tax Paid

See [Takeda's Total Tax Contribution](#) for detailed regarding income taxes paid by Takeda. More information on our approach to tax transparency can be found in our [Position on Taxation](#).

Legal Disclaimers

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For the purposes of this notice, “report” means this document, any oral presentation, any question and answer session and any written or oral material discussed or distributed by Takeda Pharmaceutical Company Limited (“Takeda”) regarding this report. This report (including any oral briefing and any question-and-answer in connection with it) is not intended to, and does not constitute, represent or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction. No shares or other securities are being offered to the public by means of this report. No offering of securities shall be made in the United States except pursuant to registration under the U.S. Securities Act of 1933, as amended, or an exemption therefrom. This report is being given (together with any further information which may be provided to the recipient) on the condition that it is for use by the recipient for information purposes only (and not for the evaluation of any investment, acquisition, disposal or any other transaction). Any failure to comply with these restrictions may constitute a violation of applicable securities laws. The companies in which Takeda directly and indirectly owns investments are separate entities. In this report, “Takeda” is sometimes used for convenience where references are made to Takeda and its subsidiaries in general. Likewise, the words “we”, “us” and “our” are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies. The product names appearing in this document are trademarks or registered trademarks owned by Takeda, or their respective owners.

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This report and any materials distributed in connection with this report may contain forward-looking statements, beliefs or opinions regarding Takeda’s future business, future position and results of operations, including estimates, forecasts, targets and plans for Takeda. Without limitation, forward-looking statements often include words such as “targets”, “plans”, “believes”, “hopes”, “continues”, “expects”, “aims”, “intends”, “ensures”, “will”, “may”, “should”, “would”, “could”, “anticipates”, “estimates”, “projects”, “forecasts,” “outlook” or similar expressions or the negative thereof. These forward-looking statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those expressed or implied by the forward-looking statements: the economic circumstances surrounding Takeda’s global business, including general economic conditions in Japan and the United States; competitive pressures and developments; changes to applicable laws and regulations; challenges inherent in new product development, including uncertainty of clinical success and decisions of regulatory authorities and the timing thereof; uncertainty of commercial success for new and existing products; manufacturing difficulties or delays; fluctuations in interest and currency exchange rates; claims or concerns regarding the safety or efficacy of marketed products or product candidates; the impact of health crises, like the novel coronavirus pandemic; the success of our environmental sustainability efforts, in enabling us to reduce our greenhouse gas emissions or meet our other environmental goals; the extent to which our efforts to increase efficiency, productivity or cost-savings, such as the integration of digital technologies, including artificial intelligence, in our business or other initiatives to restructure our operations will lead to the expected benefits; and other factors identified in Takeda’s most recent Annual Report on Form 20-F and Takeda’s other reports filed with the U.S. Securities and Exchange Commission, available on Takeda’s website at: <https://www.takeda.com/investors/sec-filings/> or at www.sec.gov. Takeda does not undertake to update any of the forward-looking statements contained in this report or any other forward-looking statements it may make, except as required by law or stock exchange rule. Past performance is not an indicator of future results and the results or statements of Takeda in this report may not be indicative of, and are not an estimate, forecast, guarantee or projection of Takeda’s future results.

FINANCIAL INFORMATION AND CERTAIN NON-IFRS FINANCIAL MEASURES

Takeda’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”). This report and materials distributed in connection with this report include certain financial measures not presented in accordance with IFRS, such as Core Revenue, Core Operating Profit, Core Net Profit, Core EPS, Constant Exchange Rate (“CER”) change, Net Debt, EBITDA, Adjusted EBITDA and Free Cash Flow. Takeda’s management evaluates results and makes operating and investment decisions using both IFRS and non-IFRS measures included in this report. These non-IFRS measures exclude certain income, cost and cash flow items which are included in, or are calculated differently from, the most closely comparable measures presented in accordance with IFRS. Takeda’s non-IFRS measures are not prepared in accordance with IFRS and such non-IFRS measures should be considered a supplement to, and not a substitute for, measures prepared in accordance with IFRS (which we sometimes refer to as “reported” measures). Investors are encouraged to review the definitions and reconciliations of non IFRS financial measures to their most directly comparable IFRS measures. Beginning in the quarter ending June 30, 2024, Takeda will (i) change its methodology for CER adjustments to results of subsidiaries in hyperinflation countries to present those results in a manner consistent with IAS 29, Financial Reporting in Hyperinflation Economies, and (ii) re-name Free Cash Flow as currently calculated as “Adjusted Free Cash Flow” (with “Free Cash Flow” to be reported as Operating Cash Flow less Property, Plant and Equipment). The usefulness of Core Financial Measures to investors has significant limitations including, but not limited to, (i) they are not necessarily identical to similarly titled measures used by other companies, including those in the pharmaceutical industry, (ii) they exclude financial information and events, such as the effects of non-cash expenses such as dispositions or amortization of intangible assets, that some may consider important in evaluating Takeda’s performance, value or prospects for the future, (iii) they exclude items or types of items that may continue to occur from period to period in the future (however, it is Takeda’s policy not to adjust out normal, recurring cash operating expenses necessary to operate our business) and (iv) they may not include all items which investors may consider important to an understanding of our results of operations, or exclude all items which investors may not consider to be so.

EXCHANGE RATES

In this report, certain amounts Presented in Japanese yen have been translated to US dollars solely for the convenience of the reader. Except where otherwise noted, these convenience translations have been made at an exchange rate of 1USD = 151.22 JPY, the noon buying rate certified by the Federal Reserve Bank of New York on March 29, 2024. The rate and methodologies used for these convenience translations differ from the currency exchange rates and translation methodologies under IFRS used for the preparation of Takeda’s consolidated financial statements. These translations should not be construed as a representation that the relevant Japanese yen amounts could be converted into U.S. dollars at this or any other rate.

MEDICAL INFORMATION

This report contains information about products that may not be available in all countries, or may be available under different trademarks, for different indications, in different dosages, or in different strengths. Nothing contained herein should be considered a solicitation, promotion or advertisement for any prescription drugs including the ones under development.



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