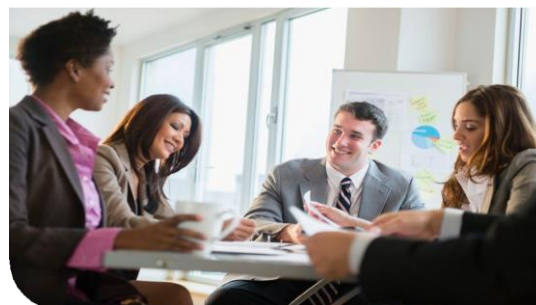


## Diversity, Equity & Inclusion at Takeda

### Our 2023 Ireland Gender Pay Gap Report

December 2023



At Takeda, we strive to have a workforce as diverse as the patients we serve. We are committed to embracing differences, exploring possibilities, and developing our colleagues. Globally, Takeda achieved Top Employer certification for the sixth consecutive year, demonstrating our efforts to foster collaboration and innovation among people from all backgrounds.

Our values of Integrity, Fairness, Honesty, and Perseverance and our priorities, Patient-Trust-Reputation-Business, guide every decision we make and every action we take – this is who we are. Our success depends on fostering an inclusive environment where all colleagues are welcomed, empowered, and inspired to use their unique voices and talents. This is how we'll find innovative approaches to serve our patients, customers, and communities.

Our cultural ambition is for every colleague at Takeda to enjoy the opportunity to thrive, develop and grow based on merit, potential and aspiration, regardless of background (such as gender, age, nationality, race, religion, belief, disability, sexual orientation, gender identity or lifestyle).

We are committed to providing a work environment where everyone feels a sense of respect and belonging, and where talented people want to join and stay, helping them thrive and achieve their fullest potential.

To support this goal, we have an inclusive talent strategy which:

- Guides hiring managers to recruit talented people from all walks of life;
- Offers our people customised, creative opportunities to develop skills;
- Creates a sense of belonging, and celebrates and ensures diversity, equity and inclusion through meaningful policies and procedures;
- Provides flexible career development options; and
- Delivers equal career opportunities for all employees.

**The Gender Pay Gap report provides an opportunity for us to measure our progress against our cultural ambition, specifically our ability to attract, retain and develop women at all levels within Takeda. We are pleased to share this data for the second time as an organisation and we will continue to use it to design initiatives and track progress to reduce our pay and bonus gaps over time.**

## Reporting on our Gender Pay Gap

### A review of the Gender Pay Gap legislation

In 2021, the Irish government introduced the Gender Pay Gap Information Act 2021 (the Act), following similar legislation which is already in place in the UK and across the globe. The Act aims to highlight the progression of women in the workforce into more senior, better paid roles and holds employers accountable for the progression of their female employees.

The Act requires employers with 250 or more 'relevant employees' (typically those who ordinarily work in Ireland and whose contracts are governed by Irish legislation) to report their Gender Pay Gap on an annual basis. This report focuses on the results for our Takeda Ireland Limited legal entity.

Following the same requirements as our 2022 Gender Pay Gap report, we are required to report on six statistics in the year from 1 July 2022 to 30 June 2023:

1. The hourly pay of all full-time employees
2. The hourly pay of all part-time employees
3. The hourly pay of all temporary employees
4. The bonus pay for all employees
5. The percentage of men and women in receipt of bonus pay
6. The percentage of men and women in receipt of benefits in kind

We must also report on the percentage of male and female employees in each pay quartile.

## Defining Gender Pay

**Gender pay** measures the difference in average pay between all men and women in the workforce, regardless of their job type or level (taking into account all their pay and bonuses). It is a group comparison that highlights any differences in the distribution of men and women across the workforce.

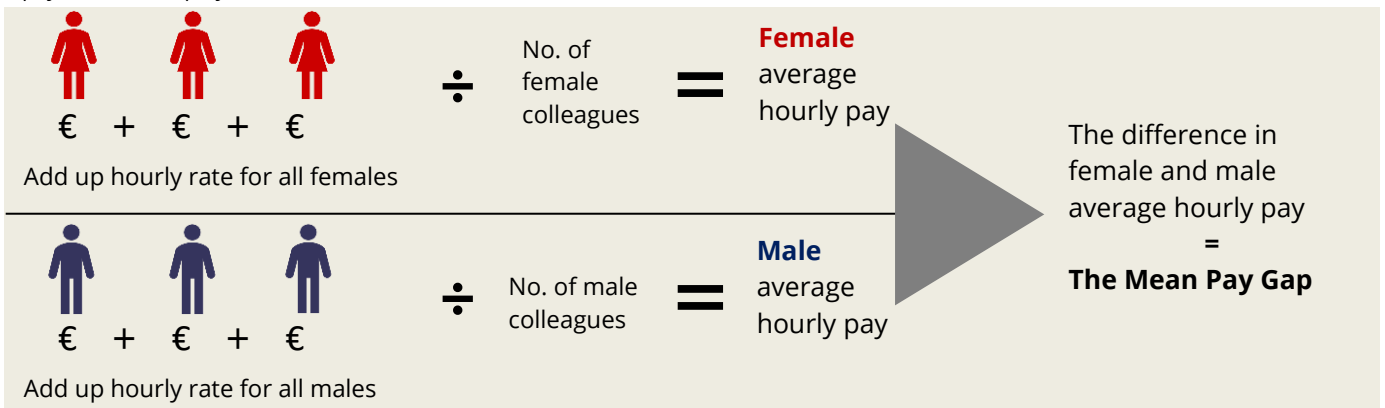
**Equal pay** measures the difference in the pay of men and women performing the same role, similar role or work of equal value. It's an individual comparison that highlights any differences in pay, specific to gender.

An employer can have a Gender Pay Gap even if men and women doing the same role are paid exactly the same. For instance, this could occur if there is larger male representation in senior positions. **This report and the figures provided will focus on gender pay.**

## Measuring Gender Pay

### What is the Mean Pay Gap?

The Mean Pay Gap is the difference between the average hourly rate of pay for female employees, compared to the average hourly rate of pay for male employees.



### What is the Median Pay Gap?

If you lined up all female employees against all male employees at Takeda, from the lowest to the highest hourly paid, the Median Pay Gap represents the difference in hourly pay between the middle female employee, compared to the middle male employee.



### What are Pay Quartiles?

Under the regulations, all companies required to report must publish the results of their gender distribution across their range of hourly pay rates. This is achieved by ranking employee pay rates from highest to lowest and dividing the range of pay into four equally sized groups that cover all employees. These groups are referred to as quartiles. Employees are then positioned in their respective pay quartile, regardless of gender.



## Our 2023 Ireland Gender Pay Gap results

The figures displayed below are a snapshot of our Gender Pay Gap and Gender Bonus Gap as of 30 June 2023.

### Measuring our Gender Pay Gap

	2022		2023	
	MEAN	MEDIAN	MEAN	MEDIAN
Hourly Pay Gap - All employees	7.8%	5.5%	6.8%	6.3%
Hourly Pay Gap - Part-time employees*	-	-	-	-
Hourly Pay Gap - Temporary employees	-2.5%	6.0%	-2.2%	-1.2%

\*We have not reported Gender Pay Gaps for part-time employees.

*Due to data confidentiality and having a very small sample of part time employees at the snapshot date, we have chosen not to report statistics in relation to this grouping. To ensure confidentiality of data, we have reported on a minimum group size of 10 employees, containing a minimum of 3 men and 3 women. This is in line with standard market practice.*

We are pleased to see the Mean Hourly Pay Gap for all employees and temporary employees has decreased since last year, reducing 1.0% (from being 7.8% to 6.8% in favour of male employees) and 0.3% (from -2.5% to -2.2% in favour of female employees) respectively. The Median Hourly Pay Gap for temporary employees also fell, reducing 4.8% (from 6.0% in favour of male employees to -1.2% in favour of female employees), whilst the Median Hourly Pay Gap for all employees increased slightly by 0.8% (from 5.5% to 6.3% in favour of male employees).

We are delighted to report that our Mean Hourly Pay Gap is significantly lower than the most recent EU average (13%) and the 2022 average pay gap for Irish companies (12.6%). While we remain comfortably below these averages for organisations across Europe and Ireland, we know we must remain committed to addressing our Gender Pay Gap.

### Measuring our Gender Bonus Gap

	2022		2023	
	MEAN	MEDIAN	MEAN	MEDIAN
Bonus Gap	13.3%	4.0%	9.3%	-6.1%

We are pleased that our Mean Bonus Gap has reduced by 4.0% (from 13.3% to 9.3% in favour of male employees). In comparison, our Median Bonus Gap has changed from being 4.0% in favour of male employees to 6.1% in favour of female employees.

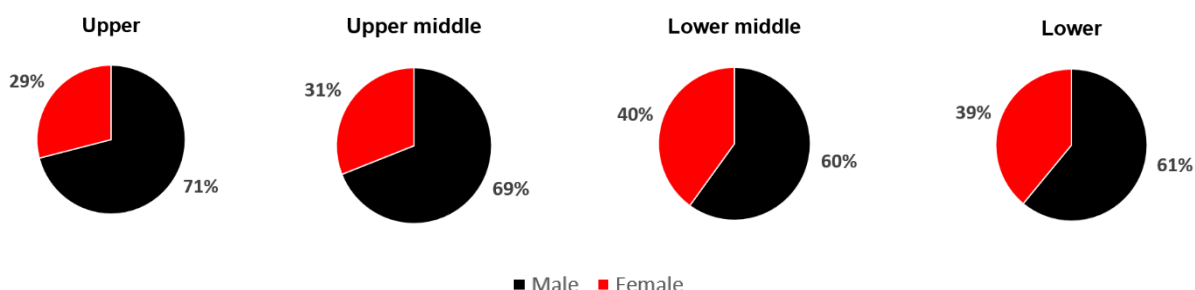
	2022		2023	
	MEN	WOMEN	MEN	WOMEN
% of employees receiving bonus	92.4%	87.8%	94.5%	93.3%
% of employees in receipt of BIK	95.9%	92.8%	79.7%	77.5%

The percentage of employees receiving bonus payment, across both male and female employees, has increased, whilst the gap between both employee gender populations has reduced (from 4.6% to 1.2% in favour of male employees). The gap between male employees and female employees receiving benefit in kind (BIK) has also reduced (from 3.1% to 2.2% in favour of male employees). It should be noted the significant reduction in the percentage of male and female employees in receipt of BIK, between 2022 and 2023, is due to an error that occurred during last year's reporting eligibility for those in receipt of BIK. This has since been corrected for our 2023 report.

**Compared to 2022, we are comfortable with the fluctuations observed in our Gender Pay Gap and Gender Bonus Gap. Volatility on an annual basis is reasonable, despite our continued efforts to progress female talent, considering the change of employee numbers and gender distribution in the organisation. We remain committed to implementing focussed initiatives to develop and maintain diversity throughout our talent pipeline, rather than focussing upon annual variations.**

## Gender distribution across each Pay Quartile

The graphs presented below are four groups of equal size, ranging from the lowest to highest paid employees in Ireland. These groups are called Pay Quartiles and the percentages displayed represent the balance of male and female employees in each pay quartile.



Our pay quartiles show there is greater representation of male employees across each pay quartile. Employees within the upper pay quartile are often individuals who hold a senior position within the organisation and have leadership responsibilities. When considering the changes from our 2022 report, the percentage of males in the upper quartile has remained at 71%, accompanied by an increase (from 63% to 69%) in the proportion of males in the upper middle quartile. Despite the proportion of female employees in the lower pay quartile decreasing (from 42% to 39%), we believe the uneven gender distribution in senior positions remains a key driver behind our Pay and Bonus Gaps.

### Explaining our Pay and Bonus Gaps

Our analysis suggests our Pay and Bonus Gaps continue to be driven by the relative distribution of men and women across the organisation. In addition to the pay quartile data provided in this report, our analysis found there remains a higher proportion of male employees in senior positions across the organisation, with 27% of the overall male population in the upper pay quartile, while only 21% of the overall female population are in the upper pay quartile. Such roles are often associated with higher base pay and greater opportunities and incentives for high bonuses.

We recognise the work required to reduce the disproportion of male and female employees in more senior, higher-paid roles will take time. We remain committed to addressing this issue and have provided an update of the work and organisation-wide initiatives we continue to operate as we seek to reduce our Pay and Bonus Gaps in future years.

**Read on for details of our ongoing commitment to Diversity, Equity & Inclusion. We continue to implement a series of initiatives to ensure the successful progression of female employees in the workplace, both over the short and long term.**

## Looking forward: Our commitment to address the Gender Pay Gap

Our Irish senior leadership team is fully committed to making sustainable change as we seek to address our Gender Pay Gap. Whilst we recognise that our figures may fluctuate year-on-year due to our relatively low number of employees to report on, we strive to take the right steps as a values-based employer to reduce our pay and bonus gaps over time. Some of the steps we've already taken include:

### Networks and Allyship

We are committed to improving diversity, equity and inclusion (DE&I) education and awareness throughout Takeda. To do so, we have:

- Takeda Resource Groups (TRGs). TRGs are voluntary, employee-led internal networks for individuals who share aspirations, characteristics, and life experiences, alongside allies and advocates for positive change. Examples of TRGs around the world include Gender Parity Network and Take Pride.



- Supported membership of several national and international female networking organisations (such as the Professional Women's Network and the Healthcare Businesswomen's Association).
- Aligned with the United Nations' Sustainable Development Goals of Gender Equality and Decent Work and Economic Growth, with a pledge to increase gender equality across the world on International Women's Day.
- Relaunched the Gender Parity Network in Ireland with an updated charter, roadmap and Steering Committee.
- Developed a Manager's Guide to support employees who are about to go on, or have returned from, Maternity, Paternity, and Adoptive Leave.
- Allyship and Unconscious Bias Training with our Irish senior leadership teams from PRIDE at WORK.

### Flexibility

We recognise creating a more flexible and inclusive working environment is an evolving journey. Putting flexibility into practice can look different for every employee depending on their personality, what team they are in and their role. Because of this, we encourage employees to shape their own flexible work style by offering:

- A flexible working arrangement through hybrid working, in addition to providing family leave to support our working parents.
- Shift swaps in our manufacturing sites which allow greater flexibility for our manufacturing employees.
- Gradual return to work arrangements if needed on return from longer-term leaves.

### Attracting, retaining, and developing female colleagues

We know that the primary driver of our data is gender distribution across Takeda. In recognition of this, we have made a great deal of progress and introduced a series of initiatives to attract, retain and develop female colleagues.

- We've developed a DE&I Recruitment Toolkit, which encourages our hiring team to deliver a recruitment process and experience that supports diverse talent.
- To progress our approach to hiring, we have been actively utilising hiring platforms such as [500 Women Scientists](#), as well as providing specialised DE&I training for our hiring managers in Ireland, delivered by our internal subject matter experts. This is coupled with attendance at STEM WOMEN recruitment fairs in 2023 to attract female technical talent and further enhance our talent pipeline.
- Efforts in our recruitment strategy have also been strengthened through the use of DataPeople software to ensure our job postings use gender-neutral language and present no bias.
- Recruitment and promotion of qualified female colleagues in senior positions, alongside leadership coaching and development opportunities.
- Fair performance management processes, including ongoing reviews of compensation and performance management to assess our pay and bonus decisions and to seek and remedy bias.
- Our "Quality Conversations" programme which actively encourages two-way meaningful communications between every employee and their manager to identify areas of growth and progression, as well as promoting the opportunity to deliver concise feedback to build trust and drive positive impact.
- Access to unlimited learning and development resources to support employees in their development journey.

### Future Initiatives

We recognise we must continue to develop talent and ensure our people have equitable access to career and progression opportunities. We are planning the following activities to support diverse talent within and outside of Takeda:

- Create a comprehensive Diversity and Inclusion strategy roadmap, with a holistic view of Takeda.
- Continue our work with local schools, providing placements and insights into STEM careers at Takeda.
- Develop new networks for Young Professionals and those with disabilities, following our positive work from last year where we introduced an Ireland-wide DE&I Council to enhance our internal networks, such as Gender Parity and Pride.

## Understanding the figures

### What is meant by the Gender Pay Gap?

Gender Pay Gap is a measure of the difference, expressed as a percentage, in average earnings between all men and women in an organisation, accounting for applicable pay and bonuses received. It is a collective comparison regardless of specific roles.

### What is meant by the Gender Bonus Gap?

Gender Bonus Gap is a measure of the difference, expressed as a percentage, between the bonus pay of all men and women during the year, divided by the bonus pay of all men.

### What is meant by the Mean Hourly Pay Gap?

The Mean Hourly Gap is a comparison of the female and male hourly pay mean.

### What is meant by the Median Hourly Pay Gap?

The Median Hourly Gap is the difference in hourly pay between the middle female employee, compared to the middle male employee if you lined them up from the lowest to the highest hourly pay.

### What is the meant by the Mean Bonus Gap?

The Mean Bonus Gap is the difference between the average bonus pay of eligible female employees and the average bonus pay of eligible male employees, expressed as a percentage.

### What is the meant by the Median Bonus Gap?

The Median Bonus Gap is the difference in bonus pay between the middle eligible female employee, compared to the middle eligible male employee if you lined them up from the lowest to the highest.

### What are Pay Quartiles and why are they used?

Under the Gender Pay Gap Information Act 2021, all companies are required to publish the results of their gender distribution across their range of hourly pay rates. This is achieved by ranking employee pay rates from highest to lowest and dividing the range of pay into four equally sized groups that cover all employees. These groups are referred to as Pay Quartiles.

### What do Gender Pay Gap calculations include?

The Gender Pay Gap calculations are based upon the hourly equivalent of any pay received by employees during the reporting year from 1 July 2022 to 30 June 2023, inclusive of base pay, performance-related bonuses and other cash allowances. These payments are added up and then divided by the total number of hours worked during the reporting year for each employee to determine their hourly rate of pay.

### What do Gender Bonus Gap calculations include?

The Gender Bonus Gap calculations are based on what the employees were paid in bonus in the 12 months from 1 July 2022 to 30 June 2023. This total is inclusive of any monetary award, such as cash bonuses, vouchers or shares with the company, commission, profit sharing or referral bonus.

“Takeda strives to have a workplace as diverse as the patients we serve. We are committed to embracing differences, exploring possibilities and developing our employees. Our success depends on fostering an inclusive environment where all employees are welcomed, empowered and inspired to use their unique voices and talents. This is how we will find innovative approaches to serve our patients, customers and communities. This is how we will reach our highest potential together.” Christophe Weber, CEO Takeda