



Takeda's Position on Climate Change

Summary

As a global biopharmaceutical company committed to bringing better health for people and a brighter future for the world, Takeda recognizes the clear link between human health and environmental health.

The predicted impacts of severe climate change scenarios present a threat to global public health and business operations. Takeda takes this threat seriously and has committed to achieving net-zero greenhouse gas (GHG) emissions in our own operations (scopes 1 and 2) before 2035 and across our entire value chain before 2040ⁱ. Our current climate change targets include:

- Engagement with suppliers representing at least 67% of our estimated scope 3 emissionsⁱⁱ (from 2018 baseline) - encouraging them to adopt science based GHG reduction targets
- A 40% reduction in GHG emissions from our direct operations (i.e., scope 1 and 2 GHG emissions) by 2025

Background

In November 2016, the international community came together and endorsed the Paris Agreement, an action plan designed to prevent the most serious impacts of climate change by limiting the increase in the global average temperature to well below 2°C, preferably to 1.5°C, above pre-industrial levels. The Sixth Assessment Reportⁱⁱⁱ, finalized by The Intergovernmental Panel on Climate Change (IPCC) in 2021, asserts that the world is heading towards a significant rise in average global temperatures, which could destabilize the social, environmental, and economic structures upon which we all rely. The report further declares that we are on course for profound change and are very likely already seeing the consequences of climate change through extreme weather events, rising sea levels, diminishing sea ice, and loss of biodiversity.

Takeda's Perspective

The predicted changes in weather patterns, diminishing sea ice, and rising sea level brought on by

climate change are expected to threaten global public health through diminishing biodiversity, declining food security, and increased exposure to heat wave events, extreme weather, and vector borne diseases. A warming planet will also increase the spread of vector-borne diseases like dengue, West Nile encephalitis, and tick-borne encephalitis because of rising temperatures that change and expand the range of their mosquito and tick vectors. These threats may also present risks to Takeda's business operations and supply chain if we do not adequately prepare and adapt. Doing our part to limit climate change aligns with our purpose of working towards better health for people, and a brighter future for the world. Our responsibility to society is guided by our values of Takeda-ism, with integrity at its core, brought to life through decisions and actions based on our commitments to our patients, building trust with society, our reputation and business, in that order. As such, we support the Paris Agreement and its laudable goal to limit human-induced climate change and associated impacts.

Takeda's Commitment

We have actively engaged in environmental stewardship initiatives for more than 50 years, beginning with the establishment of Takeda's Environmental Protection Committee in 1970. We have set ambitious goals for climate action, including achieving net-zero GHG emissions in our own operations (i.e., scope 1 and 2 GHG emissions) before 2035 and across our entire value chain before 2040. As part of our focus on achieving net-zero greenhouse gas emissions in our operations by 2035 and across our value chain by 2040, we will continue to support the Voluntary Carbon Market (VCM) by investing in nature-based carbon removal solutions and projects, prioritizing solutions that benefit human health and aligned with the Science Based Targets Initiative's Corporate Net-Zero Standard. We are also focusing our efforts on developing vaccines to prevent dengue and Zika virus infections in growing populations at risk.

To execute on our climate change strategy, Takeda is committed to:

- Reducing energy demand wherever possible by investing in energy efficiency and conservation in our facilities, manufacturing processes, product logistics and other business activities.
- Reducing fossil fuel reliance by transitioning to low-carbon and renewable energy globally through sourcing mechanisms such as large-scale power purchase agreements and on-site renewable energy generation.
- Working together with partners throughout our value chain to share best practices for measuring and communicating GHG emissions, switching to renewable energy, and ultimately driving GHG emissions reductions toward net-zero.
- Developing and adopting innovative decarbonization technologies as they become available.

- Investing in high quality, measurable and verifiable carbon offsets, and removals in line with our net-zero commitments when GHG emissions cannot otherwise be avoided or mitigated.
- Transparently disclosing and communicating our climate-related strategy, risks, opportunities, activities, and progress toward goals.

Policy Recommendations

Achieving the goals of the Paris Agreement will require bold and urgent action from all sectors of the global economy supported by strong government policies. Takeda supports market-based policies that incentivize businesses to limit GHG emissions and adopt technologies that help avoid, reduce, sequester, or remove excess carbon, including:

- **Science-based:** Climate policy should be aligned with the latest climate science to ensure efficacy in limiting human-related climate change. It should be grounded in irrefutable facts and data, thoughtful in implementation and holistically consider the potential for unintended consequences resulting from any actions prescribed.
- **Promote energy efficiency:** Climate policy should encourage energy efficiency as it continues to be a cost-effective and foundational method for reducing GHG emissions and demand on current energy infrastructure.
- **Expand the availability of renewable and low-carbon energy:** Climate policy should encourage the growth of renewable and low carbon energy sources.
- **Drive innovation:** Climate policy should promote innovation for the development and use of low-carbon technologies by removing barriers preventing the adoption of proven emissions reducing technologies and accelerating their deployment.
- **Enhance climate change resiliency:** Climate policy should address both mitigation efforts as well as climate change resiliency measures to reduce the vulnerability of at-risk communities.

Through our products and operations, Takeda is committed to doing our part to prevent and mitigate the impacts of a changing climate in alignment with climate science. We support international climate action efforts and have joined the Paris Pledge for Action, the UNFCC Race to Zero, and the Science Based Targets Initiative. Furthermore, Takeda participates in corporate-led initiatives such as Caring for Climate (the world's largest initiative for business leadership on climate change), the CDP (formally known as the Carbon Disclosure Project), and through our Task Force on Climate-Related Financial Disclosures (TCFD) report which was first released in 2022. Takeda also monitors the consistency of climate policy positions taken by trade associations of which we are members to verify they are in alignment with our own position. We report on these findings in our annual CDP submission.

Conclusion

Global climate change is one of the greatest challenges we face as a society. The connections between a changing climate and global public health are increasingly clear and anticipated to exacerbate challenges to people's health around the world. As a global biopharmaceutical company, Takeda believes ambitious, responsible action is required from all sectors of society to accelerate the transition to a low carbon economy and avoid the most dangerous impacts of climate change.

About Takeda Pharmaceutical Company Limited

Takeda is focused on creating better health for people and a brighter future for the world. We aim to discover and deliver life-transforming treatments in our core therapeutic and business areas, including gastrointestinal and inflammation, rare diseases, plasma-derived therapies, oncology, neuroscience and vaccines. Together with our partners, we aim to improve the patient experience and advance a new frontier of treatment options through our dynamic and diverse pipeline.

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ⁱ Takeda previously endeavored to be carbon neutral (beginning in 2020 based on FY2019 greenhouse gas emissions) but, effective as of FY2024, has now fully dedicated our resources to decarbonizing our operations and value chain to support our net-zero ambition, ending carbon neutrality as a corporate goal.

ⁱⁱ Takeda defines carbon neutrality and net zero emissions in accordance with The Greenhouse Gas Protocol and the Science Based Targets Initiative's (SBTi's) Corporate Net-Zero Standard, respectively.

ⁱⁱⁱ Part one of the Sixth Assessment Report, *Climate Change 2021: The Physical Science Basis*, August 2021