

## INDEPENDENT LIMITED ASSURANCE STATEMENT



**To: The Stakeholders of Takeda**

### **Introduction and objectives of work**

Apex Companies, LLC (Apex) has been engaged by Takeda Pharmaceutical Company Limited (Takeda) to provide limited assurance of select sustainability data included in Takeda's Annual Integrated Report. This Assurance Statement applies to the Subject Matter included within the scope of work described below.

This information and its presentation in the Takeda's Annual Integrated Report ('the Report') are the sole responsibility of the management of Takeda. Apex was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on the accuracy of the Subject Matter. This is the first year in which we have provided assurance over Takeda's sustainability data.

### **Scope of work**

The scope of our work was limited to assurance over the following information included within the Report for the period April 1, 2021 through March 31, 2022 (the 'Subject Matter'):

Environmental Metrics:

- Scope 1 GHG Emissions
- Biogenic Emissions
- Scope 2 GHG Emissions (location-based and market-based)
- Scope 3 GHG Emissions (Categories 1, 2, 3, 4, 5, 6, 7, 10, 12, and 15)
- Carbon neutrality (RECs and VERs)
- Energy Usage (renewable and non-renewable)
- Water withdrawal, discharge and consumption
- Solid Waste Generation and Fate (regulated and non-regulated)
- Air Emissions (Sulphur Oxides and Nitrous Oxides)
- Number of Notices of Violations or Citations Received
- Biodiversity Data (number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas)
- Significant spills (SEC Reportable)

Safety metrics:

- Total Recordable Incident Rate
- Incident with Days Lost Rate
- Number of Fatalities
- Fatality Rate

EHS Management Systems for Manufacturing Facilities (ISO 14001, ISO 50001 and ISO 45001)

A summary of the assured data is attached to this statement.

Data and information supporting these metrics were in some cases estimated rather than historical in nature.

Our assurance does not extend to any other information included in the Report.

## Reporting Boundaries

The following are the boundaries used by Takeda for reporting sustainability data:

- Operational Control
- Owned properties including manufacturing sites, research and development facilities, plasma collection centers, office spaces, and warehouses.
- Leased assets, if reported on Takeda balance sheet per IFRS16 if Takeda has control over, or right to use, the leased asset.
- Owned and controlled vehicles are also included.
- Residential properties, land (independent of space, i.e., botanical garden) and parking areas are excluded.
- *For water metrics:* Properties with less than 100 full-time employee equivalents (FTE) are excluded.
- *For solid waste metrics:* Properties with less than 400 FTEs are excluded.
- *For Safety Metrics:* All Worldwide Takeda Operations

## Reporting Criteria

- The Subject Matter needs to be read and understood together with the information regarding each metric as described in the Report.
- *Scope 1 and 2 GHG Emissions:* World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
- *Scope 3 GHG Emissions:* WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard

## Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

## Responsibilities

This preparation and presentation of the Subject Matter in the Report are the sole responsibility of the management of Takeda.

Apex was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- obtain limited assurance about whether the Subject Matter has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Stakeholders of Takeda.

## Assessment Standards

We performed our work in accordance with Apex's standard procedures and guidelines for external Assurance of Sustainability Reports and International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board. Takeda's GHG emissions data were verified in accordance with the ISO 14064-3 Second edition 2019-04 on GHGs – Part 3: specification for guidance for the verification and validation of GHG statements. A materiality threshold of  $\pm 5$ -percent was set for the assurance process.

## Summary of Work Performed

As part of our independent verification, our work included:

1. Assessing the appropriateness of the Reporting Criteria for the Subject Matter;
2. Conducting interviews with relevant personnel of Takeda;
3. Reviewing the data collection and consolidation processes used to compile Subject Matter, including assessing assumptions made, and the data scope and reporting boundaries;
4. Reviewing documentary evidence provided by Takeda;
5. Agreeing a selection of the Subject Matter to the corresponding source documentation;
6. Reviewing Takeda systems for quantitative data aggregation and analysis;
7. Assessing the disclosure and presentation of the Subject Matter to ensure consistency with assured information.
8. Reperforming a selection of aggregation calculations of the Subject Matter;
9. Reperforming greenhouse gas emissions conversions calculations; and
10. Evaluating the design of internal systems, processes and controls to collect and report the Subject Matter.

## Conclusion

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the Subject Matter is not fairly stated in all material respects; and
- It is our opinion that Takeda has established appropriate systems for the collection, aggregation and analysis of quantitative data.

## Statement of Independence, Integrity and Competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

No member of the assurance team has a business relationship with Takeda, its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, and has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the assurance of sustainability data and verification of greenhouse gas emissions.



Lisa Barnes, Lead Verifier  
Apex Companies, LLC  
Lakewood, Colorado



Cody Lorentson, Technical Reviewer  
Apex Companies, LLC  
Lakewood, Colorado

June 8, 2022

Summary of FY 2021 Data Subject to Assurance



Category/Metric	FY2021 Data <sup>(1)</sup>
<b>Energy (Terajoules)</b>	
Purchased Electricity (Non-Renewable)	1,780
Purchased Electricity (Renewable)	1,300
Onsite Generated Renewable Electricity	5
Percent Electricity Sourced as Renewable	42%
Supplied Heating and Cooling	102
Fuel Consumption <sup>(2)</sup>	5,100
Total Energy Consumption <sup>(2)</sup>	8,280
<b>Greenhouse Gas Emissions (Thousand Metric Tons CO<sub>2</sub>e)</b>	
Scope 1 Emissions	316
Scope 2 Emissions (Location Based)	283
Scope 2 Emissions (Market Based)	178
Scope 3 Emissions	
<ul style="list-style-type: none"> <li>Category 1: Purchased goods and services</li> </ul>	4,070
<ul style="list-style-type: none"> <li>Biogenic Emissions</li> </ul>	1.3
<ul style="list-style-type: none"> <li>Category 2: Capital goods</li> </ul>	35
<ul style="list-style-type: none"> <li>Category 3: Fuel-and energy-related activities</li> </ul>	127
<ul style="list-style-type: none"> <li>Category 4: Upstream transportation and distribution</li> </ul>	341
<ul style="list-style-type: none"> <li>Category 5: Waste generated in operations</li> </ul>	16
<ul style="list-style-type: none"> <li>Category 6: Business travel</li> </ul>	21
<ul style="list-style-type: none"> <li>Category 7: Employee commuting</li> </ul>	77
<ul style="list-style-type: none"> <li>Category 10: Processing of sold products</li> </ul>	14
<ul style="list-style-type: none"> <li>Category 12: End of life treatment of sold products</li> </ul>	14
<ul style="list-style-type: none"> <li>Category 15: Investments</li> </ul>	0.9
<b>Carbon Neutrality<sup>(3)</sup></b>	
Purchased Verified Emissions Reductions (VERs) - Thousand MTCO <sub>2</sub> e	4,657
Purchased Renewable Energy Certificates (RECs) – Terajoules	2,185
Percentage Reported GHG Emissions Mitigated by Purchased VERs and RECs	100%
<b>Water (Thousand Cubic Meters)</b>	
Water Withdrawal	11,300
Water Withdrawal in Areas with High - Extremely High Water Risk	1,090
Water Withdrawal in Areas with Low – Medium Risk	10,200
Water Consumed	2,710
Water Consumed in Areas with High - Extremely High Water Risk	165
Water Consumed in Areas with Low – Medium Risk	2,540
% of manufacturing sites located in areas considered to have “high” or “extremely high” water risk	20%
Water Discharged	8,580
<b>Waste (Metric Tons)</b>	
Total Regulated Waste Generated	41,300
Total Non-Regulated Waste Generated	46,000
Total Waste Generated	87,300
Percent Waste Recycled	37
Percent Waste Sent to Landfill	21
Percent Diverted from Landfill ((Recycled, Incinerated, Other)	79
<b>Air Emissions (Metric Tons)</b>	
Sulphur Oxides (SO <sub>x</sub> ) and Nitrous Oxides (NO <sub>x</sub> ) Emissions	115

Category/Metric	FY2021 Data <sup>(1)</sup>
<b>Environment</b>	
Number of Written Notices of Violation or Citations Received	2
Total Number of Significant Spills	0
<b>Biodiversity</b>	
Number of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas	29
Area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas	329
<b>Health &amp; Safety Incident Rates (per 200,000 hours worked)</b>	
Total Recordable Incident Rate	1.26
Incidents with Days Lost Rate	0.24
Number of Fatalities	0
Fatality Rate	0
<b>Manufacturing EHS Certifications (% of Manufacturing Sites)</b>	
ISO 14001	73%
ISO 50001	3%
ISO 45001	50%

<sup>(1)</sup>April 1, 2021 to March 31, 2022, see full statement for boundaries

<sup>(2)</sup>Fuel consumption and energy consumption exclude fleet

<sup>(3)</sup>Carbon Neutrality applies to FY2020 reported GHG emissions.