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 and in Ireland, we have received Top Employer certification for five consecutive years, demonstrating our efforts to foster collaboration and innovation among people from all backgrounds.

Our success depends on promoting an inclusive working environment where all colleagues feel welcomed, empowered and inspired to demonstrate their unique voices and talents. This is how we'll find innovative approaches to serve our patients, customers and communities.

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

The introduction of the new gender pay gap legislation in Ireland provides an opportunity for us to measure our progress against this goal, specifically our ability to attract, retain and develop women at all levels within Takeda.

Takeda has commercial operations, corporate services and manufacturing facilities across four locations in Ireland: Baggot St, Bray, Citywest and Grange Castle.

This report focuses on the results for our Takeda Ireland Limited legal entity (Bray and Grange Castle manufacturing sites only), which has more than 250 relevant employees and therefore meets the criteria set out in the Gender Pay Gap Information Act 2021.

Read on for more information about the new legislation and what a gender pay gap is, our results for the relevant legal entity, and the strategy we have in place to help address our gender pay gap over time.
What is the gender pay gap?

How does the gender pay gap relate to paying equitably for equal work?

When reviewing gender pay gap results, it is important to be clear about what these results represent.

The gender pay gap measures the difference in average pay between all men and women in the workforce, regardless of their job type or level. As a result, the metric is not adjusted to reflect differences in the distribution of men and women across different types of jobs and/or levels in the organisation. In fact, an employer can have a gender pay gap even if men and women doing the same role are paid exactly the same.

Nonetheless, as required by the Gender Pay Gap Information Act 2021 (the Act), this report and the figures provided focus on the gender pay gap rather than metrics which reflect the equal pay for equal work principle. We also provide additional information to help the reader of this report understand what drives the figures being reported.

A review of the new gender pay gap legislation

Following the introduction of the Act by the Irish government, this report marks the first time Takeda Ireland Limited has reported on its gender pay gap in Ireland.

The new legislation aims to highlight the progression of female employees in the workforce into more senior roles, holding employers responsible and accountable to make a continued effort to address this issue. The Act follows similar legislation already in place in the UK and across the globe.

Gender Pay Gap Information Act 2021 (the Act)

The Act states that all Irish employers (across the private and public sectors) with 250 or more ‘relevant employees’ (i.e., employee who ordinarily work in Ireland and whose contracts are governed by Irish legislation) are required to report on a number of statistics when measuring gender pay.

The following pay gaps must be reported on a mean and median basis:

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

In addition, we must also report on the percentage of male and female employees in each pay quartile.

The figures detailed in this report focus on the legislative reporting requirements of the Act and we confirm that the content is true to the best of our knowledge and belief.
Measuring gender pay

What is the mean pay gap?
The mean pay gap is the difference between the average hourly rates of pay for female employees, compared to the average hourly rate of pay for male employees.

\[
\text{Female average hourly pay} = \frac{\text{Add up hourly rate for all females}}{\text{No. of female colleagues}}
\]

\[
\text{Male average hourly pay} = \frac{\text{Add up hourly rate for all males}}{\text{No. of male colleagues}}
\]

The difference in female and male average hourly pay = The mean pay gap

What is the median pay gap?
If you lined up all of the female employees and all of the male employees at Takeda, the median pay gap represents the difference in hourly pay between the middle female employee, compared to the middle male employee.

The difference in female and male median hourly pay = The median pay gap

What are pay quartiles?
Under the new 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 2022 gender pay gap results for Takeda Ireland Limited
The figures displayed below are a snapshot of Takeda Ireland Limited's pay and bonus gaps as of 30 June 2022.

Measuring our Pay Gap

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<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Median</th>
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<tbody>
<tr>
<td>Hourly Pay Gap – All employees</td>
<td>7.8%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Hourly Pay Gap - Part-time employees*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Hourly Pay Gap - Temporary employees</td>
<td>-2.5%</td>
<td>6.0%</td>
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*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.

For Takeda Ireland Limited, the average hourly pay for female employees is 7.8% lower than that of male employees. This compares to the most recent EU average of a 13% gap in favour of male employees. Our median hourly pay gap is 5.5%, slightly less than the mean but still in favour of male employees.

Measuring our Bonus Gap

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Median</th>
</tr>
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<tbody>
<tr>
<td>Bonus Gap</td>
<td>13.3%</td>
<td>4.0%</td>
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</table>

Our mean bonus gap is 13.3% in favour of male employees. In contrast, our median bonus gap is 4.0%. Similar numbers of men and women receive bonuses within the entity, and the average performance bonus payouts are broadly similar when looking at each grade. However, there are some instances (such as long-term incentives for more senior grades), where there are more men in receipt of payments than females. The reasons for this are explained on the following page.

% of employees receiving bonus

<table>
<thead>
<tr>
<th></th>
<th>% of employees receiving bonus</th>
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<tbody>
<tr>
<td></td>
<td>Female: 92.8%</td>
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% of employees receiving benefit in kind

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<tr>
<th></th>
<th>% of employees receiving benefit in kind</th>
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<tbody>
<tr>
<td></td>
<td>Female: 87.8%</td>
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</tbody>
</table>
**Our Pay Quartiles**

The graphs presented on the right are four groups of equal size, ranging from the lowest to highest paid employees at Takeda Ireland Limited. These groups are called pay quartiles and the percentages displayed represent the balance of male and female employees in each pay quartile.

While we have greater representation of male employees, compared to female employees, across each pay quartile, the lowest proportion of female employees (29%) is found within the upper pay quartile. Employees within the upper pay quartile are often individuals who hold a senior position within the organisation and have leadership responsibilities. Notably, the lowest proportion of male employees (58%) is found within the lower pay quartile. We believe that the uneven distribution of male and female employees in senior positions is a significant driver behind our pay and bonus gaps.

**Explaining our pay and bonus gaps**

In Takeda Ireland Limited, hourly pay and bonus pay gaps are influenced by a higher proportion of male employees in senior positions, often associated with higher base pay and greater opportunities for high bonus pay. As you can see in the graphs below, although we have more men than women in the company, this is most pronounced in the upper and upper middle pay quartiles within the entity.

As a result, our strategy will continue to focus on increasing the representation of female employees across at all grades, coupled with implementing specific initiatives to promote the development of female employees.

Read on for details of our ongoing commitment to Diversity, Equity & Inclusion. We have implemented a series of initiatives to ensure the successful progression of female employees in the workplace.
Looking forward: Our commitment to address the gender pay gap

We have a number of initiatives in place which already aim to support equitable talent development at Takeda. Some of the steps we’ve already taken as a business include:

Attracting, retaining and developing female colleagues

A great deal of progress has been made to attract, retain and develop female colleagues, such as:

- Our “Quality Conversations” programme which actively encourages two-way communications between every employee and their managers to identify areas for growth and development at Takeda, as well as promoting the opportunity to deliver concise feedback.
- A Diversity, Equity and Inclusion (DE&I) Recruitment Toolkit, which encourages our hiring team to deliver a recruitment process and experience that supports diverse talent.
- Mentorship programmes, directed at female managers and/or directors are being piloted in parts of Takeda.
- Fair performance processes, including ongoing reviews of compensation and performance management to assess our pay and bonus decisions and to see remedy bias.

Networks and Allyship

We also want to improve diversity, equity and inclusion 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 Takeda Resource Group and Take Pride.
- Supported membership of a number of 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.
Flexibility

Finally, we want to offer a flexible working environment in which all colleagues can thrive. So, we offer:

- A flexible working arrangement through hybrid working, in addition to providing family leave to support our working parents. Earlier this year, Takeda Ireland Limited won the CIPD Ireland HR Awards - Flexible and Remote Working category for our efforts in this space.

Future Initiatives

- We recognise that there is more to do in order to maintain and in some cases reduce our pay and bonus gaps over time. In Ireland, we are planning the following activities which aim to support diverse talent within and outside of Takeda:

  - **Reaching out to local schools.** We will be speaking to students and providing placement opportunities to provide an insight into a practical career in STEM at Takeda.

  - **STEM.** We will be participating in initiatives that aim to get young women interested in STEM subjects and build the talent of tomorrow.

  - **Employee Networks.** We will be introducing an Ireland-wide DE&I Council, enhancing our internal networks such as Gender Parity and Pride, and developing new networks for Young Professionals and those with disabilities.

  - **Recruitment.** We are introducing recruitment and selection software tools that will help to ensure our job descriptions and job postings are free from bias and help to attract diverse talent.

  - **Return to Work.** We will be providing more engagement with employees on family leave through post-leave meetings. These will ensure that any appropriate support that may be required can be introduced.