



Better Health, Brighter Future



2019 SUSTAINABLE VALUE REPORT

Takeda Pharmaceutical Company Limited



Takeda traces its roots to 1781, when Chobei I began selling traditional herbal medicines in Osaka, Japan. Today, his legacy has evolved into a global, values-based, R&D-driven biopharmaceutical leader. Two different worlds, by one constant: our enduring values, which we call Takeda-ism. In this year's report, we invite you to learn how these values continue to guide us in creating sustainable value for society and our stakeholders, and improved healthcare for patients around the world.

About This Report

The 2019 Sustainable Value Report explains Takeda Pharmaceutical Company Limited's ("Takeda") Initiative for sustainable value creation in the areas of healthcare, workforce management, environmental impact, and business governance. This report has been prepared according to the GRI Standards: Core Option. The report also aligns with United Nations Global Compact, with indexes for both included at the end of this document.

The report covers the operations of Takeda Pharmaceutical Company Limited and consolidated subsidiaries of Takeda. The reporting period covers Fiscal 2018 (April 1, 2018 to March 31, 2019). Some Fiscal 2019 activities are included. On January 8, 2019, Takeda completed its acquisition of Shire plc ("Shire"). Legacy Shire data have been consolidated into Takeda's results for the period from January 8, 2019 to March 31, 2019 unless otherwise stated. Activities related to the integration are discussed throughout the report.

- ✓ Legacy Takeda FY2018 data assured by KPMG. Legacy Shire data from January 1, 2019 through March 31, 2019 assured by Apex Companies, LLC. See pages 105-109 for independent assurance reports.

We welcome your comments and questions about our sustainable value activities at sustainablevalue@takeda.com. For more information, visit www.takeda.com

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Our Commitment is Built on Our Values with Integrity as Its Core

Christophe Weber

Representative Director,
President and CEO

For more than 230 years, our values have defined who we are and what we do, serving as the compass that guides us to act with integrity at all times. These values are a constant reminder that our role in society is to serve patients and to strive constantly for new and innovative solutions that address the world's unmet health challenges.

We accelerated that effort in 2019 with the acquisition of Shire plc, a global pharmaceutical company. This acquisition enhanced our international footprint, enabling us to have a greater impact on the lives of patients around the world. This journey will advance and expand our translation of science into highly innovative medicines while maintaining our agility as a global, values-based, R&D-driven biopharmaceutical leader headquartered in Japan, with an unwavering commitment to patients. Takeda is now a leader in developing innovative medicines for rare and orphan

diseases that are often underserved but can have devastating consequences for patients. We have bolstered our positions in Oncology, Gastroenterology, Rare Disease, and Neuroscience as well as our targeted efforts in Plasma-Derived Therapies and Vaccines.

As we discover and develop life-saving or life-transforming medicines, we take our responsibility to improve human health very seriously. It is a priority to increase access to our innovative medicines to everyone who needs them, regardless of where they live in the world, while also deepening our commitment to build and strengthen healthcare systems in a sustainable way, across the whole patient journey. Our patients trust us with their health. At Takeda, we strive to live up to — and exceed — those high expectations.

Our Global CSR Program prioritizes long-term commitments to disease prevention and capacity building

continued on page 5



in developing and emerging countries. From training community health workers to bringing children with serious diseases an opportunity to enjoy a camp experience, we are committed to improving the health and the lives of patients everywhere. We closely align our business and CSR activities with the United Nations Sustainable Development Goals (SDGs) and are long-standing members of the United Nations Global Compact (UNGC).

Building sustainable value is not merely a corporate concern at Takeda, but also extends to our approximately 50,000 employees in about 80 countries around the world. Our colleagues, for example, recently helped us select programs for our CSR portfolio through a company-wide vote. For World Environment Day, our facilities around the globe took part in a variety of environmental programs that included planting 40,000 trees in partnership with the Arbor Day Foundation. And, through our Employee Participation Program, Takeda staff make field visits to see first-hand the impact of our work on the lives of people around the globe.

Our goal is to provide every colleague in every office, manufacturing plant, and lab the opportunity to learn new skills and thrive in their careers, by being inclusive. Everyone at Takeda is recognized for the unique contributions they have to offer. Our people

platform and programs help build the right capabilities and create a workplace environment that brings our culture to life.

For example, our global Accelerator Program helps colleagues who are early in their careers develop skills by providing them with cross-regional assignments, mentorships, and learning events.

In the same way we strive constantly for new and innovative solutions that address the world's unmet health challenges, we are committed to reducing our carbon footprint. As

part of our vision we have set ambitious targets for reducing our CO₂ and other emissions, and we're setting milestones to track our progress.

For generations to come, our commitment to realizing Better Health and a Brighter Future for all — and doing so

with integrity — will remain steadfast. "How can we do more for patients?" You will find some of the ways we do this in the pages that follow.

**To support employees, we
partner with them to build a
culture of innovation and agility
on a foundation of integrity.**

Christophe Weber
Representative Director, President and CEO
December 2019

Corporate Philosophy

Takeda is a global, values-based, R&D-driven biopharmaceutical leader headquartered in Japan, committed to bringing Better Health and a Brighter Future to patients by translating science into highly innovative medicines.

Our Mission

Our Mission is to strive towards Better Health and a Brighter Future for people worldwide through leading innovation in medicine.

Our Values

Integrity, Fairness, Honesty, and Perseverance — what we call “Takeda-ism” — represent the foundation underpinning every aspect of our past, present, and future activities. They serve as constant reminders that our role in society is to serve patients as we seek new ways to advance health.



We take action and make decisions by focusing on our four priorities

- 1

Putting the patient at the center
 - 2

Building trust with society
 - 3

Reinforcing our reputation
 - 4

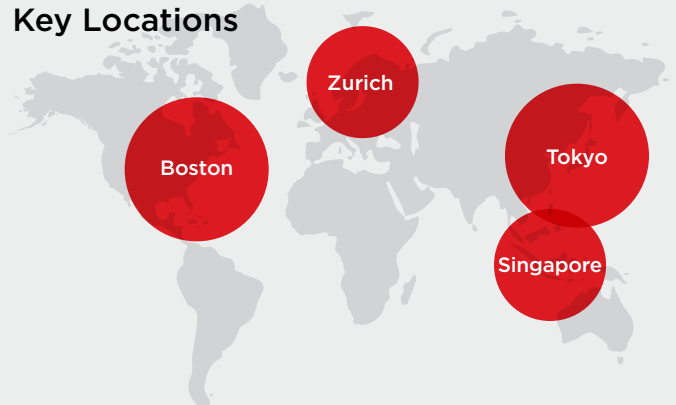
Developing the business
- in this order.

Global Scale and Scope



- 50% U.S
- 19% Europe/
Canada
- 18% Japan
- 13% Emerging
Markets

Key Locations



~ US \$30B
~ JPY 3.3T

FY2018 Pro-Forma Revenue¹

~50,000

Employees

¹PRO FORMA INFORMATION GIVING EFFECT TO THE SHIRE ACQUISITION AS IF IT HAD OCCURRED ON APRIL 1, 2018. THIS PRO FORMA INFORMATION HAS NOT BEEN PREPARED IN ACCORDANCE WITH ARTICLE 11 OF REGULATION S-X. THIS PRO FORMA INFORMATION IS PRESENTED FOR ILLUSTRATIVE PURPOSES AND IS BASED ON CERTAIN ASSUMPTIONS AND JUDGMENTS BASED ON INFORMATION AVAILABLE TO US AS OF THE DATE HEREOF, WHICH MAY NOT NECESSARILY HAVE BEEN APPLICABLE IF THE SHIRE ACQUISITION HAD ACTUALLY HAPPENED AS OF APRIL 1, 2018. THEREFORE, UNDUE RELIANCE SHOULD NOT BE PLACED ON THE PRO FORMA INFORMATION INCLUDED HEREIN.

Our Strategic Roadmap

Our vision is an articulation of our values, goals, and commitments. Simply stated, we put the needs of patients at the center of all that we do. We aspire to be a best-in-class, agile, R&D-driven company that pushes the boundaries of innovation through collaboration with cutting-edge partners. We enable the success of our diverse workforce. We strive for consistent corporate performance. We work to earn the trust of society and our customers by living our values of Takeda-ism.

Our Strategic Roadmap sets out the steps we are taking to realize our goals. The Roadmap is organized around four broad areas: Values-Based; Empower our People to Shine; Dare to Discover; and Business. To hold ourselves accountable, we measure our progress through a series of key performance indicators aligned with our long-term goals. The Takeda Executive Team monitors and manages progress on each of these metrics.

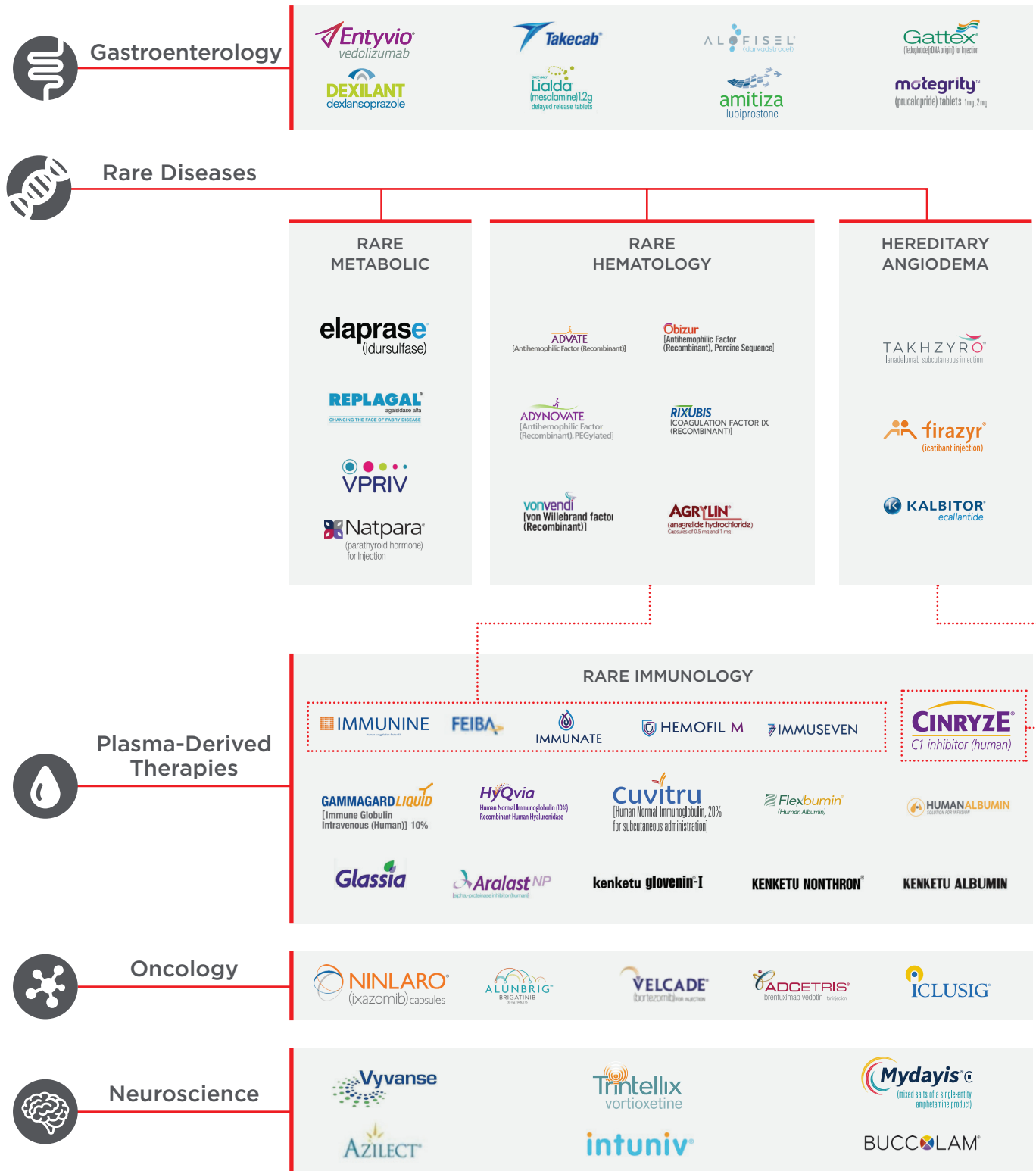
VISION

The future state of the company we aspire to become.

We serve the needs of our patients, wherever they are. We earn the trust of society and customers through Takeda-ism.

We are recognized as best-in-class because of our agility and innovation, qualities that help us build a steady pipeline and deliver growth, year-on-year.

Our Products and Brands in Five Key Business Areas



Evaluation of Social Value*

Takeda creates value for society in many ways, including through strategies to help strengthen evolving healthcare systems and expand patient access to these systems.

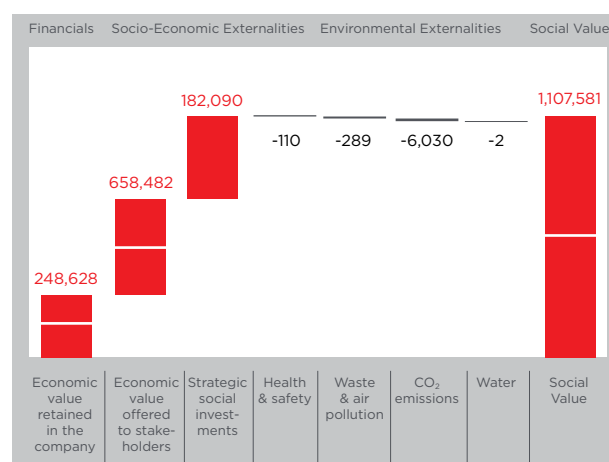
We are aware, however, that the value we create is offset to a degree by our own business impacts. To provide a more holistic view for our stakeholders, we have undertaken an evaluation that attempts to quantify the net impact, or valuation, of our environmental, social, and governance (ESG) performance. Integrated reporting principles, such as the International Integrated Reporting Council's price-book ratio (IIRC-PBR) model, have found that there is a positive correlation between the social and environmental value that a company creates and its market value.¹ Hence, this approach aims to offer more transparency between Takeda's business value and its societal benefits.

The multipliers used are based on academic literature and government studies. Compared to last year's exercise, which was conducted on a trial basis, several improvements have been made to the valuation methodology, making it difficult to directly compare year-over-year results.² This calculation is a first step in better understanding, managing, and demonstrating the value Takeda creates for stakeholders. As we have demonstrated this year, our approach is one of continuous improvement. In the future, we also intend to explore how this analysis links to wider business objectives and priorities and how it can be used to inform our strategy going forward.

Our Approach

In order to quantify the value associated with Takeda's environmental and social efforts, societal valuation multipliers were applied to our financial, community spend, emissions, water use, and safety incident data. This measurement applies only to Takeda operations; our wider value chain impact was not quantified for the purposes of this year's evaluation. The analysis was prepared with the assistance of Ernst & Young in line with leading practices such as the Impact Valuation Roundtable.

Results Overview¹ (unit: million yen)



¹ SEE SOCIAL VALUE REFERENCE LIST ON PAGE 89

¹ YANAGI, R (2018). *CORPORATE GOVERNANCE AND VALUE CREATION JAPAN*

² THE INPUT DATA INCLUDED IN THE ANALYSIS ENCOMPASSES ONLY TAKEDA'S DIRECT OPERATIONS. SUPPLY CHAIN DATA IS NOT CURRENTLY INCLUDED IN THIS YEAR'S CALCULATIONS. FINANCIAL, ENVIRONMENTAL, AND SAFETY DATA INCLUDES DATA OF FY2018 TAKEDA AND SHIRE FOR FY2018 Q4. STRATEGIC SOCIAL INVESTMENTS INCLUDE TAKEDA-ONLY DATA BUT DO NOT INCLUDE ACCESS TO MEDICINES DATA.

* SOCIAL VALUE: CALCULATED USING THE TRUE VALUE METHODOLOGY

Analysis

Based on the calculation of Social Value, Takeda's overall Social Value is approximately four times larger than the economic value retained by our company. The calculation of Social Value is smaller when compared to Takeda's total FY2018 revenue because the scope of results has yet to capture some of the key areas in which our business creates significant value — from our supply chain through our procurement spend, and for patients, through the benefits of our highly innovative medicines and Access to Medicines programs. As FY2018 Social Value calculation is a conservative view of how we create value for stakeholders, going forward we will continue to explore new ways to measure, understand, and communicate the full picture of our Social Value.

Methodology

FINANCIAL

Economic value retained in the company

- Revenues minus costs (including salaries and bonuses paid to employees) and payments to stakeholders (including corporate tax, dividends, and interest payments).
- Our financial performance for our 2018 fiscal year is discussed in more detail in our Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission.

SOCIOECONOMIC

Economic values offered to stakeholders

- The direct contribution of salaries and bonuses paid to employees, corporate taxes, dividend payments to investors, and interest payments to creditors.
- We have seen our overall contribution increase due to overall growth of the company.

Strategic social investments

- The positive social impacts of our Global CSR Program and Partnerships (e.g., reduced mortality, additional trained health workers, improved maternal health, treatment of noncommunicable diseases).
- Measured outcomes for strategic social investment programs use a Social Return on Investment (SROI) approach. The projects included in the analysis are World Vision, the United Nations Children's Fund (UNICEF), UN Foundation, Save the Children, Plan International, and Global Fund (Takeda Initiative).

Health and safety

- Occupational injuries of our employees and the resulting loss of income-generating capacity, medical costs, and administrative costs.

ENVIRONMENTAL

Waste and air pollution

- Air pollution data measures the negative health and environmental effects of air pollutants (PM₁₀, NO_x, SO₂, VOC).
- Waste data encompasses the health impacts and public budget burden associated with waste incineration and landfilling and benefits of recycling.

CO₂ emissions

- Carbon emissions data relates to the negative consequences of climate change, (e.g. impacts on agricultural productivity, human health, property damages from increased flood risk).
- A carbon price has been used to evaluate the economic impact on society and the environment.

Water

- Water data relates to the social cost of water withdrawal correlated to water scarcity in the regions of operation.

For more information on the value created through our Global CSR Program and Partnerships, please refer to pages 32 – 41 of this Report, and for more information on how we are working to minimize our environmental footprint please refer to pages 51 – 65.

Our Approach to Sustainable Value



We exist because we help patients. This statement is fundamental to our commitment to transforming the pharmaceutical industry to improve its focus on patients and make more significant contributions to society.

We do this by taking responsibility for our actions as a good corporate citizen while putting patients at the center of all that we do. We encourage positive impacts by engaging in activities related to the environment, our employees, communities, and other stakeholders, ultimately promoting the development of a sustainable society. As such, our work extends to building sustainable value that benefits everyone. The end goal is always the same: Better Health and a Brighter Future for patients worldwide. Our efforts to realize this goal help to build trust with society and reinforce our reputation with stakeholders.

We align our work to help build sustainable value with Takeda's long-term vision. We establish long-term relationships with partners locally and globally. Our Global CSR Program and Partnerships cover maternal, newborn, and child health, focusing on the prevention and treatment of communicable diseases, in combination with other company-wide programs, which may cover noncommunicable diseases. While our CSR initiatives do not necessarily relate to Takeda's commercial products, all of our work as a company seeks to help healthy people rather than waiting for them to get sick.

Takeda's Business Activities from a Sustainability Perspective



ESG Disclosure and Transparency

An important focus is transparent disclosure about our environmental, social, and governance (ESG) impacts. In particular, institutional investors are increasingly engaged with companies regarding the need to create long-term, sustainable value. As a result, the reports issued by ESG rating organizations are growing in importance. Takeda engages with both ESG-rating organizations and institutional investors to better understand their expectations and to reflect those priorities in our business activities and disclosures.



Name of Index or Rating	Company/ Organization	Country	History of Inclusion
MEMBER OF Dow Jones Sustainability Indices  In collaboration with  a RobecoSAM brand	S&P Dow Jones Indices	U.S.	Asia Pacific Index — 10 consecutive years World Index — From September 2019
	Corporate Knights	CND	4th consecutive year
 FTSE4Good	FTSE Russell	UK	15th consecutive year
 2019 Constituent MSCI ESG Leaders Indexes	MSCI ¹	U.S.	10th consecutive year
	Forum Ethibel	BEL	From July 2017
	ISS-Oekom	GER	2nd consecutive year
	RobecoSAM	CHE	From February 2019

¹ THE INCLUSION OF TAKEDA IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS, OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, OR PROMOTION OF TAKEDA BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Alignment with Sustainable Development Goals

Takeda evaluates its sustainability goals through international frameworks, such as the United Nations' Sustainable Development Goals (SDGs), international meetings such as the annual World Economic Forum in Davos, Switzerland, and discussions with foundations and nongovernmental organizations (NGOs). Understanding the needs of international civil society helps us calibrate our priorities toward the areas of highest need.



We align our CSR work primarily with two SDGs. Our engagement-based Global CSR Program focuses on Good Health and Well-Being (SDG #3) through disease prevention

to improve health and capacity building in developing and emerging countries. Individual programs are designed through collaboration with stakeholders and chosen by Takeda employees to foster a greater sense of ownership.



Our Global CSR Partnerships align with Partnerships for the Goals (SDG #17) and allow us to be strategic and agile. Through these partnerships, we can respond quickly

to health issues, such as HIV/AIDS, address the growing problem of noncommunicable diseases, and increase pharmaceutical industry support in the fight against communicable diseases.

See the [Global CSR Partnerships Section](#).

Accelerating Time to Diagnosis for Children With a Rare Disease

The Global Commission to End the Diagnostic Odyssey for Children with a Rare Disease (the "Global Commission"), co-chaired by Takeda, Microsoft, and EURORDIS-Rare Diseases Europe, is a diverse group of patient advocates, physicians, and other experts in the field who provide unique expertise to solve challenges affecting the rare disease community. The partnership is committed to harnessing the power of technology and supporting policies to dramatically accelerate the time to diagnosis for children with a rare disease, which can be the key to a longer, healthier life.



GLOBAL COMMISSION

to End the Diagnostic Odyssey for Children with a Rare Disease

In early 2019, the Global Commission released an [actionable roadmap](#) to help end the multi-year diagnostic odyssey, outlining current technology pilot projects that use tools such as blockchain and facial recognition, and policy recommendations to ensure patient privacy is protected while encouraging the sharing of data for analysis and decision-making. The Global Commission is also working with Takeda's Center for Scientific Leadership and Innovation to identify and advance innovative, concrete solutions that could empower patients and their families to work more collaboratively with physicians to think differently about rare diseases. The efforts of the Global Commission support Takeda's vision to serve the needs of patients, wherever they are, earn the trust of society and customers through Takeda-ism, and be recognized as best in class because of agility and innovation.

Governance

Just as we do with our business activities, we aim to create as many positive impacts as possible in our sustainability efforts.

This requires a disciplined approach in choosing which initiatives to take on and ensuring they are carried out with maximum effectiveness. There are four steps in our sustainability governance process:

1. **Decision-making** Important sustainability-related matters receive consideration from Takeda's top leadership. Typically, these matters are elevated to Takeda's Business Review Committee (BRC), the Takeda Executive Team (TET), or the Board of Directors.
2. **Due diligence** Sustainability is an important factor in our business decisions. For example, we identify any impacts, or potential impacts, that our business activities might have on society and the environment. Relevant divisions lead efforts to take appropriate measures to manage these impacts and to sustain corporate value.
3. **Implementation** Once we identify material issues, we categorize them into quality, human rights, labor, environment, procurement, supply-chain management, compliance, or community issues. We then assign them as projects to the appropriate teams.
4. **Disclosure** A dedicated team within Takeda's Corporate Communications and Public Affairs function helps communicate sustainability-related information, referencing the UNGC Advanced Level criteria, Global Reporting Initiative (GRI) Standards, the International Integrated Reporting Council (IIRC) International Integrated Reporting Framework, the Sustainability Accounting Standards, and other guidelines.

Materiality

In all of our activities, whether working in the lab to formulate a new compound or working to reduce our carbon footprint, we strive to ensure that our work results in real impact and real value.

We apply that same approach to sustainable value creation. Takeda conducted a comprehensive review process to select ESG areas of focus based on importance to society, investors, and our employees, with a focus on those that align with Takeda's business strengths.

This process included a review of Takeda corporate strategies, international guidelines such as the SDGs, respected disclosure standards such as GRI, Sustainability Accounting Standards Board (SASB) standards and several ESG rating organizations.

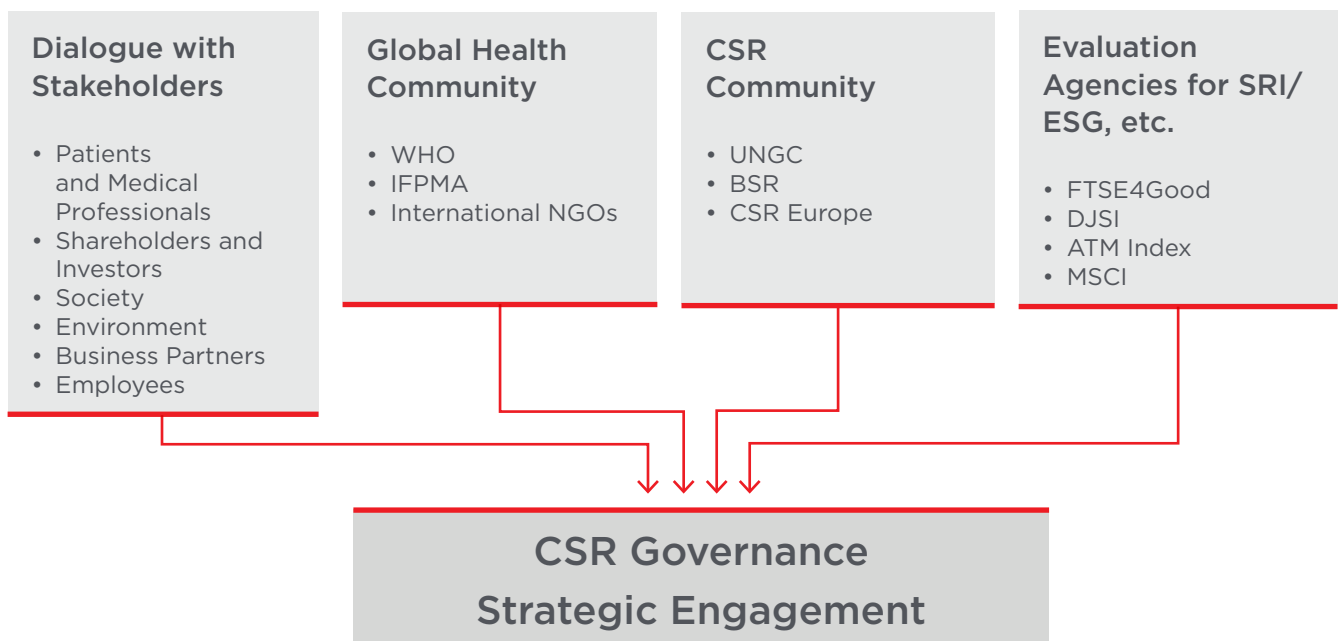
Our Current Areas of Focus:



Strategic Engagement

Takeda works to understand the issues that are of interest to diverse communities and stakeholders through strategic engagement. We monitor global sustainability trends by engaging with evaluation agencies, foundations, the global health community, and our stakeholders. We enhance the quality of that communication by using various frameworks, such as Japan's Corporate Governance Code, based on appropriate information disclosures and

dissemination. This interaction helps us to examine and organize issues that are of particular relevance to Takeda, enabling us to bring the same rigor and discipline to our sustainability work that we bring to our business. As an example, Takeda's CSR team conducted outreach to key external stakeholders in July 2019 to understand their current view and future expectations of Takeda's Sustainable Value strategy and to inform Takeda's reporting.



Partnerships

Partnerships are a cornerstone of our strategy at Takeda, both to enable the growth of our business and to enhance our corporate citizenship. On the business side, we advance a wide range of partnerships with biotechnology ventures and academia. In our sustainability activities, we engage with the following international organizations and other bodies including:



Global CSR Program partners are listed in the [Health section](#) of this report on page 32.



A Brighter Future Through Better Health

IN THIS CHAPTER

- Research & Development
- Access to Medicines
- Global CSR Program and Partnerships

Overview

As a global, values-based R&D driven biopharmaceutical leader headquartered in Japan, we have an unwavering commitment to bringing Better Health and a Brighter Future to people around the world.

We use our strengths, often in close collaboration with innovative partners, to improve healthcare for patients everywhere, from developing new medicines to helping patients afford quality care.

Our work intersects with the healthcare system in a variety of ways — and in each instance we strive to keep the patient at the center. First, our business is driven by science. In our labs today, we are focused on discovering and developing treatments and vaccines for some of the world's toughest medical challenges, including some of the most challenging diseases.

When healthcare access barriers arise, our Access to Medicines program helps patients overcome them by getting medicines into markets faster and helping to overcome financial, logistical, and other kinds of obstacles. We also collaborate with partners to help strengthen healthcare systems at every stage of the patient journey — from awareness and diagnosis to treatment and aftercare.

Finally, our Global Corporate Social Responsibility (CSR) Program is designed to help achieve Sustainable Development Goals (SDGs) #3, Good Health and Well-Being, and #17, Partnerships for the Goals. Across all of our activities, we are ever mindful of the challenges that face the global healthcare system, such as uneven access, disease prevention, ending epidemics/disease elimination, pandemic preparedness, and the inevitable impacts of climate change on human health.



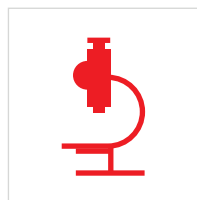
Research & Development



Research & development (R&D) is fundamental to our culture and is an element of our corporate strategic roadmap, along with values, people, and business performance.

R&D drives innovation at Takeda. In labs around the world and in collaboration with our extensive network of partners, we focus on developing highly innovative medicines that make a tangible difference in patients' lives. Takeda has more than 4,400 R&D employees worldwide working together to advance new treatment options. We invested JPY 368.3 billion in research and development in FY2018.

We seek the best possible science, whether within the walls of our own laboratories or beyond, and invest for the long term. Rather than engaging in strict licensing agreements and traditional acquisitions, Takeda enters into mutually beneficial partnerships with biotech and pharmaceutical organizations, academic institutions, and nonprofit and government organizations that are focused on advancing innovation. As a result, we work collaboratively to advance a modality-diverse pipeline with potentially transformative medicines. By joining forces with others to address unmet medical needs, we achieve more for patients than we could alone, and with the speed and efficiency that today's competitive landscape requires. Currently, we have more than 200 active partnerships that keep us at the cutting edge of innovation.





Examples of recent R&D focus areas include:

- Advancing the next wave of innovation by striving to deliver pharmaceuticals that have transformational impact, rather than those that make only an incremental advancement.
- Investing in new capabilities and next-generation technologies, including cell and gene therapy, immuno-oncology, data sciences, and translational medicine.
- Delivering an industry-leading rare diseases pipeline as the largest rare diseases pharmaceutical company in the world. With that distinction comes a commitment to develop much-needed medicines for patient populations that are typically underserved. Our focus is to advance our late-stage rare diseases pipeline, redefine our leadership in current disease areas, and partner to expand into new rare diseases with emerging platforms and programs.
- Leveraging R&D in vaccine development as a fundamental step toward improved access.

Through the vaccine development process, we take the necessary steps toward the adoption of an access culture. Initiatives like embedding an access champion in each Global Program Team, including access provisions in working documents, adding KPI's and objectives on access, building access roadmaps, and standardizing access initiatives will help incorporate access as a business driver.

- Improving patient access to medicines in countries with developing healthcare systems through an R&D-initiated Employee Fellowship Program, where employees contribute their knowledge and skills to help build local healthcare capabilities.
- Partnering with patients, advocacy organizations, and key stakeholders to better understand the burden of disease and unmet needs. Partnerships like these help Takeda to shift from developing medicines *for* patients to developing medicines *with* patients. We can apply patient insights, leverage real-world data, and employ analytics to better develop treatments.



A Conversation With Andrew Plump, M.D., Ph.D.

President, Research and Development

WHAT MOST EXCITES YOU ABOUT THE WORK YOU ARE DOING TO CREATE SUSTAINABLE VALUE AT TAKEDA?

Our work through Takeda's Access to Medicines program is helping to deliver better healthcare to patients around the world. The program goes beyond simply donating medicine to communities that lack strong healthcare systems, but also helps build local healthcare capabilities. We're investing in local R&D, including in developing countries, to spur community discoveries and implement training and education programs for healthcare workers to improve care. These capabilities can have a lasting impact on the patients we serve.

WHAT DO YOU SEE AS YOUR MOST SIGNIFICANT CHALLENGE AND OPPORTUNITY TO CREATING THAT VALUE?

Value isn't one size fits all for the patients and communities we serve. We need to ensure that our capacity-building programs are implemented efficiently and deliver the value we're seeking. To achieve that, we're engaging with governments,



local healthcare authorities, and other partners to understand the needs of communities and work to meet them.

HOW DOES YOUR WORK HELP TAKEDA BETTER SERVE PATIENTS?

R&D is a global marketplace, and innovation is happening all around us at an incredible pace. The challenge for us is not only to stay current, but also to discover, develop, and deliver tomorrow's innovative medicines and solutions for patients quickly — and with conviction. We invest in our own labs and R&D capabilities, but we also collaborate with a rich partner network to unlock innovation wherever it resides.

Strategic Priorities

We focus our R&D efforts on four therapeutic areas: Oncology, Gastroenterology (GI), Rare Diseases, and Neuroscience. We also make targeted investments in plasma-derived therapies and vaccines. Our world-class R&D engine has continued to execute on its strategic priorities, with key clinical trial results, new product approvals, and label expansions. In FY2018, we advanced our pipeline, achieving 15 new molecular entity stage-ups in 12 months, and accepted 17 new assets into our R&D portfolio.

In oncology, for example, Takeda received marketing authorization from the European Commission (EC) for ALUNBRIG (brigatinib) as a treatment for adult patients with certain kinds of non-small cell lung cancer. Takeda also received a label expansion for ADCETRIS (brentuximab vedotin) in Japan and the European Union (EU) for the treatment of adult patients with CD30+ Hodgkin lymphoma at increased risk of relapse or progression following autologous stem cell transplant. In gastroenterology, Takeda demonstrated that its drug ENTYVIO (vedolizumab) showed superior rates of clinical

remission vs. adalimumab in patients with moderately to severely active ulcerative colitis in a Phase 3b study. This was the first ever head-to-head biologic clinical study in ulcerative colitis — a chronic, relapsing, inflammatory condition of the gastrointestinal tract.

In rare diseases, the U.S. Food and Drug Administration (FDA) approved TAKHZYRO (lanadelumab), the first monoclonal antibody approved in the market to treat patients 12 years and older with types I and II hereditary angioedema (HAE), a genetic disorder that affects an estimated one in 50,000 men and women. And in neuroscience, Takeda received a U.S. label expansion for TRINTELLIX (vortioxetine), making it the first FDA-approved treatment for major depressive disorder, where the labeling includes data showing improvement in processing speed, an important aspect of cognitive function.



Our mission is to make these vaccines available in countries with the highest unmet need, fully develop and register them, and build capacity within our facilities to produce the millions of doses that are required to improve global health. Currently, our vaccine research is focused in three areas:

- **Dengue** Approximately half of the world's population is at risk for dengue, the fastest-spreading mosquito-borne viral disease in the world, and one of the World Health Organization's (WHO) top 10 threats to global health in 2019. We are conducting a Phase 3 clinical trial for a dengue vaccine candidate involving more than 20,000 children and adolescents in dengue-endemic areas. The trial met its primary efficacy endpoint demonstrating that the vaccine candidate is effective at preventing dengue illness. To support our efforts, Takeda invested more than EUR 100 million to build a new manufacturing plant in Singen, Germany.
- **Zika** The U.S. government selected Takeda to develop a vaccine to support the Zika response globally. The FDA granted Takeda fast-track designation for its vaccine candidate, and we are now analyzing data from a Phase 1 trial.
- **Norovirus** Norovirus causes more than 685 million infections and an estimated 200,000 deaths each year. Our vaccine candidate recently completed a Phase 2b field efficacy trial, the results of which are expected to be published in 2020.



New Milestones in Vaccine Development

Since their introduction in the late 18th century, vaccines have transformed public health, and today help to prevent more than 2-3 million deaths each year. At Takeda, we are developing new vaccines to address some of the world's most pressing public health needs. Our Vaccine Business Unit (VBU) has developed a pipeline that focuses on diseases that impact disproportionately low- and middle-income countries. All diseases addressed by our VBU — dengue, Zika, norovirus, and Chikungunya — are part of the Access to Medicines Index report, the leading industry resource for access to medicines performance evaluation and comparison.



A Conversation with Rajeev Venkayya

President, Global Vaccine Business Unit

WHAT MOST EXCITES YOU ABOUT THE WORK YOU ARE DOING TO CREATE SUSTAINABLE VALUE AT TAKEDA?

In our vaccine business, we're tackling problems that affect the entire world. For me, this is the definition of creating sustainable value. We're working hard to develop vaccines for diseases such as dengue, which threatens approximately half the world's population, and norovirus, which can affect all people at multiple times in their lives. It's exciting to know that if we are successful in developing safe and effective vaccines for these diseases and others, our work could benefit countless people across multiple generations — leading not only to better health for individuals and their families, but also to greater productivity for society.



PHOTO: UN FOUNDATION

WHAT DO YOU SEE AS YOUR MOST SIGNIFICANT CHALLENGE AND OPPORTUNITY TO CREATING THAT VALUE?

We are targeting high-burden diseases for which vaccines have been very difficult to develop from a scientific and technical perspective. And because vaccines are used in large numbers of healthy individuals, including children, the bar for safety and quality is extremely high and requires significant time and investment to ensure we are meeting those standards. There are few companies that have the resources and perseverance to take on this challenge. I'm proud that Takeda is one of them.

HOW DOES YOUR WORK HELP TAKEDA BETTER SERVE PATIENTS?

Vaccines represent a new dimension of global impact for Takeda. We are awed by the potential to reach more people than ever in Takeda's history. This is an extraordinary privilege, responsibility, and opportunity for all of us.



PHOTO: UN FOUNDATION

Access to Medicines



Access to Medicines is a global cross-functional initiative that aims to increase access to our innovative and potentially life-saving medicines for complex and rare diseases in countries that lack strong healthcare systems.

Our first priority at Takeda is to put the patient at the center. That's why we believe access to medicines should be universal. The past decade has seen major public health gains and scientific breakthroughs, but many people around the world, especially in low-and middle-income countries, still lack access to health services, treatments, and preventions. Historically, most access efforts to address this issue have focused on providing essential medicines, but there is a significant and growing burden of complex, noncommunicable diseases (NCDs). Globally, a substantial number of people have little or no access to healthcare for some of the biggest killers, including many forms of cancer.

This is a new frontier for medicine access, but there are significant challenges in addressing access for complex and rare diseases. These diseases are generally hard to diagnose, treat, and manage. In many parts of the world, there are unmet needs in the ability to screen, diagnose, and treat patients. Not enough healthcare workers, for example, are trained in specialized skills in awareness, prevention, and diagnosis. Gaps exist in both the scale and quality of the required facilities and equipment, and the supply chain for highly innovative medicines is underdeveloped. There are also greater affordability barriers. Complex and rare diseases require highly innovative medicines that can be developed only with significant investment. These expensive treatments can be lifelong, and there may be no alternative medicines.



Strategy and Impact

Addressing these challenges requires a holistic view of the patient and the healthcare system. We look at the entire patient journey, from development of innovative medicines to treatment and beyond, as well as a view of the entire local health system and its capacity constraints. To drive the greatest possible impact for the patient, we are taking the following steps:

- **Sustainable and targeted partnerships** Addressing these challenges cannot be done alone. Takeda has lasting commitments and deep collaborations with partners across the public and private sectors, so that our collective efforts drive positive impacts in patients' lives.
- **Innovative partnership framework** We created the Blueprint for Innovative Access to guide all our Access to Medicines programs. It is a practical framework for a partnership approach to increase access to innovative medicines for complex and rare diseases, across the whole patient journey from awareness and prevention, through to ongoing patient support — including building capacity at every stage, and innovative affordability mechanisms for treatment.
- **Capacity building** We know that access to medicines is not enough. To provide adequate care, health systems must be able to screen, diagnose, and treat disease early. We are working with partners to improve entire healthcare systems across the whole patient journey.
- **Innovative patient access** We recognize the need to provide earlier access to our highly innovative medicines and, as a result, we prioritize early access planning and implementation throughout the life cycle of our medicines. We have also worked to develop innovative and collaborative financing models through Takeda's Patient Assistance Programs to provide greater access to treatments, while maximizing its medical benefits. This is done by making it possible for patients to complete their course of treatment even if they cannot afford to pay for it in full.
- **Impact measurement framework** To hold ourselves and our partners accountable, we are working with Duke University to develop an Impact Framework that provides a single, consistent way of measuring impact in improving the lives of patients.

We have made significant progress in our efforts to improve patient access by establishing programs in 52 countries and territories around the globe. But there is still much to do. We are building on this foundation to expand our programs to additional disease areas, more patients, and a greater number of countries to provide better health and a brighter future to more patients.

125,000+

patients supported with treatment to improve and extend their lives

4,000+

healthcare providers and community health workers trained to provide improved patient care

1.1+ Million

patients screened for noncommunicable diseases, including cancer, as a result of support for healthcare professionals

#5

after climbing 10 place rankings — the biggest mover in the 2018 Access to Medicine Index, which recognized the quality and ambition of our strategy and the progress we are making

52

countries and territories implemented patient-focused access programs

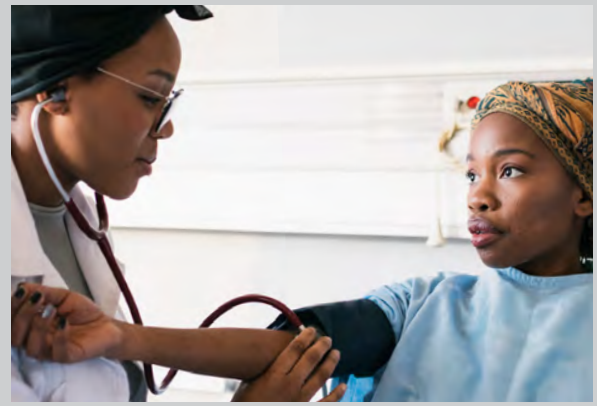
Sustainable and Targeted Partnerships

Sustainable and targeted partnerships are a cornerstone of our Access to Medicines initiatives. The task of improving complex health systems is too enormous for any single organization to take on alone. Through our work with leading global and local health experts, academics, development agencies, nongovernmental organizations (NGOs), government organizations, healthcare professionals, patient groups, and industry peers, we have learned that one of the most serious challenges access programs face is difficulty in gaining a view of the entire healthcare landscape. The result, in many cases, is overlapping and inefficient activities.



Our sustainable and targeted partnership approach enables us to work with experienced individuals and organizations in each country to either create programs that address tangible gaps or build on existing initiatives to efficiently deliver the greatest possible value to patients, healthcare systems, and communities. In doing this work, we actively look for partners who can provide us with new perspectives on local access challenges and support our long-term strategy of delivering sustainable change.

In 2018, Takeda, in partnership with Amref Health Africa, convened global leaders from governments, the UN's agencies, the donor community, NGOs, and the private sector to explore best practices for advancing universal healthcare (UHC) in Africa and Asia. A key outcome was an understanding that achieving the UN's goal globally by 2030 will require more effective partnerships to better mobilize and share knowledge, expertise, and financial responsibilities. We will continue working with Amref Health Africa and other leading organizations to strengthen healthcare systems and improve patient access through sustained engagement and long-lasting commitments.



Building Capacity: Strengthening Cancer Care Across the Whole Patient Journey

Cancer is the third-largest cause of death in Kenya. Improving the speed of diagnosis is a critical factor in the fight against cancer throughout Sub-Saharan Africa. Takeda, together with our local partners, and the National Cancer Institute (NCI) under the National Ministry of Health of Kenya, identified gaps in cancer care training in Kenya in areas including diagnosis, treatment, and patient support.

In collaboration with local healthcare teaching institutions and NGOs, we established the Integrated Cancer Care Curriculum program to address these challenges. The number of trained professionals, the distance to clinics from patients' homes, public understanding of treatment options, and the importance of regular checkups are all areas that the curriculum specifically seeks to address.

Through innovative training courses and delivery methods that combine in-person training with mobile and online learning, healthcare workers receive training, mentorship, and knowledge sharing. The Integrated Cancer Care Curriculum aims to reach 10,000 healthcare workers by the end of 2019.

The sustainability of the program depends on the continued commitment of Takeda and our partners, which is why we are working closely with the government and have made sure that ownership of the program sits with the NCI.

Achieving UHC is a priority for Takeda, and we are committed to the long-term, continuous efforts it will require, including working to align policies and regulations, supporting the implementation of crucial health programs, and promoting multisector partnerships. To achieve UHC 2030 we need collaboration — sustainable partnership platforms with lasting commitments in which everybody is held accountable. Solving this complex challenge requires a collective effort, maximizing the expertise of the private sector and the mission of NGOs, under the leadership of government. The progress we have made in healthcare has already transformed thousands of lives, but millions more are at stake.

Innovative Partnership Framework: the Blueprint for Innovative Access to Strengthen Healthcare Systems Across the Whole Patient Journey

We created the Blueprint for Innovative Access to guide our Access to Medicines programs. It provides a practical framework for a partnership approach to increasing access to innovative medicines for complex and rare diseases, across the entire patient journey.

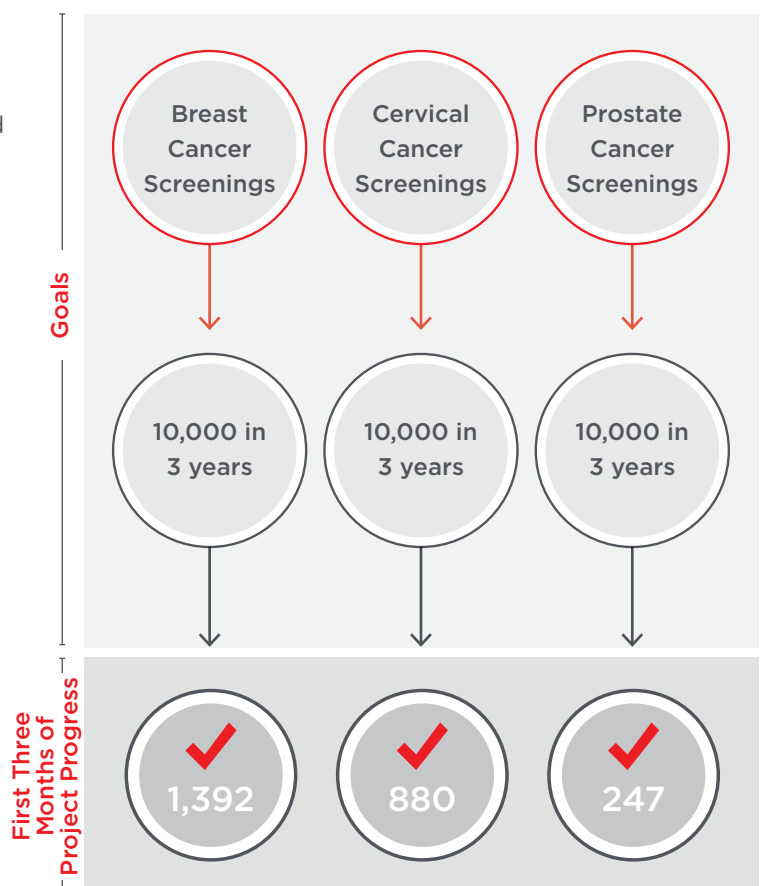
The Blueprint is designed to be sustainable by building a local consortium of partners who own and drive delivery. It starts by fully understanding the local healthcare environment, and it is applied in a tailored and targeted way, depending on the specific challenges or healthcare gaps in each therapeutic area or country.

Strong governance and a focus on ethics, compliance, and anticorruption is integral to our approach. We have strict processes to ensure due diligence and management of potential conflict of interests, and our partnerships are documented in formal agreements.



Goals and Progress to Date

Meru County in Kenya was selected as the Blueprint pilot, launched in February 2019 by Amref Health Africa, International Cancer Institute, and Takeda, together with local and regional partners, to strengthen the healthcare systems for NCDs in the county and surrounding regions by tackling specific access barriers for patients through collaboration, coordination, and sharing resources and expertise.



Impact Measurement Framework

Measuring impact is critical to meeting our goals in improving healthcare for patients everywhere. We recognize that measurement must be done in a consistent, transparent, and independent way to hold ourselves and our partners accountable. That's why Takeda has committed to developing an assessment framework that can be used across the industry, NGOs, and governments for independently measuring definitive impact to improve the lives of patients.

Takeda has partnered with Duke University to create the Access to Health Impact Measurement Framework so we can continuously assess and respond to patients' needs with agility and focus, but also monitor the impact that our programs are having on healthcare systems more broadly.

We have developed this measurement tool with inputs from our industry peers, healthcare organizations, governments, and NGOs. Takeda's ambition is for this to be implemented across healthcare industries to create a single and consistent way of measuring impact to improve the lives of patients.

One goal of the framework is to clearly identify complementary programs and areas for deeper collaboration and to help communities, societies, and healthcare providers strengthen their health systems across the entire patient journey and improve the effective and efficient deployment of resources. Together with our partners, we are currently testing the framework, with the goal of launching within the next two years and making it publicly available.



Innovative Patient Access: Patient Assistance Program

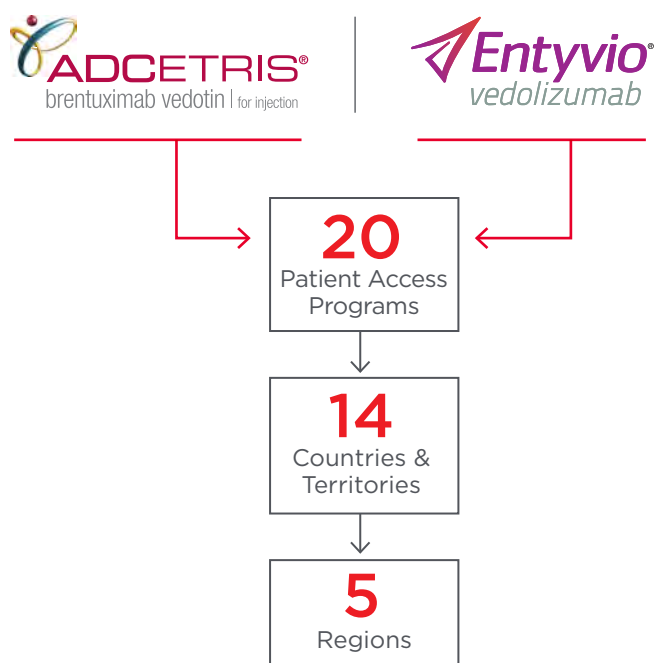
Takeda's Patient Assistance Programs (PAPs) are operating in 14 countries in Asia, Africa, Latin America, Middle East, and Europe, and use innovative and collaborative financing models to increase patients' access to treatment, while maximizing its medical benefits.

This is done by making it possible for patients to complete their course of treatment even if they cannot afford to pay for it in full.

Knowing that there are significant disparities in healthcare provisions both within and among countries, we have adopted a personalized affordability approach. Through our delivery partners, we have adopted an independent and advanced means-based assessment tool to determine the appropriate individual payment scheme for each patient to ensure they are able to complete their entire course of treatment, even if they cannot pay for it in full.



In select cases for patients with no ability to pay, we explore routes for them to access medicines included in our PAPs, through additional financial support from local medical societies, charities, and NGOs.



Improving access to our specialty care products for as many patients as possible while ensuring safety and ethical compliance requires the integrity of our programs to be robust. We have a detailed governance process for the consideration, approval, and implementation of new programs, and a dedicated governance committee responsible for reviewing and approving our collaborative financing initiatives.

Since inception, patients across 14 countries and territories have been treated with some of our most innovative medicines, including ADCETRIS for treating forms of Hodgkin lymphoma and large cell lymphoma and ENTYVIO for treating inflammatory bowel disease.

While our initial focus centered on ADCETRIS and ENTYVIO, we are also working to expand our PAP medicine portfolio to include other complex and rare diseases with a significant global burden.



The next step in our strategy is the development of a vaccine PAP in middle-income countries. These Vaccine Assistance Programs (VAPs), a variation of the standard PAPs, require a different approach due to the specific characteristics of vaccines. In this case, we're working with large volumes of lower-cost products during a short administration time. This adds a layer of complexity to the PAP, due to the challenge of offering personalized pricing to several thousand people. This innovation is a key part of Takeda's efforts to increase the impact of, and access to, our vaccines.



For more information on Takeda's innovative treatment access and programs, please see our [Access to Medicines Progress Report](#)

Building R&D Capacity in Countries That Lack Strong Healthcare Systems

The lure of a career in more established countries that can offer more advanced R&D facilities and better career development options for young doctors and researchers is often a challenging issue for developing countries. Students may travel overseas to receive the best possible education at leading global institutions, but many do not return home due to the opportunities available abroad. This places an enormous strain on health systems in developing countries.

One key factor causing talented doctors and researchers to remain overseas is the lack of access to technology and lab equipment to further their biomedical research in the developing countries where they grew up. In 2018, Takeda established a partnership with NGO Seeding Labs to provide underutilized equipment and instruments from across Takeda to research institutions in developing countries in order to help them grow their research capabilities.

One participant in the Instrumental Access Program is the Natural Products Institute at the University of the West Indies in Jamaica. It is estimated that through participation in this initiative and the instruments provided, scientific advancement capabilities and teaching resources have closed a 10-year gap in research knowledge and sophistication.

Building R&D capabilities in developing countries can transform local healthcare systems. No one is better placed to solve the local challenges that societies face than medical professionals and researchers who live there, have been brought up there, and have a vested interest in solving the unique problems impacting the population. Takeda's Instrumental Access Program, therefore, does not stop at simply providing much-needed instruments. We help to train medical professionals in how to operate the equipment, are on hand to assist when they have questions, and share the experiences from which we and our partners have learned.



PHOTO: UN FOUNDATION

Instrumental Access Program By-The-Numbers

250

pieces of equipment
supplied



20

universities



13

countries





A Conversation with Ricardo Marek

President, Growth & Emerging Markets

WHAT MOST EXCITES YOU ABOUT THE WORK YOU ARE DOING TO CREATE SUSTAINABLE VALUE AT TAKEDA?

The most satisfying aspect of my work is playing a part in helping to have a positive impact on the lives of so many people. Takeda's Growth & Emerging Markets (GEM) business unit will cover 85 percent of the world's population by 2050. We're focused on delivering highly innovative medicines that can transform patient lives in nearly 50 countries and territories where, unfortunately, a substantial number of people have little or no access to healthcare. This is especially true for some of the biggest killers, including many forms of cancer, and a number of complex and rare diseases where Takeda has developed innovative medicines. I am incredibly proud of Takeda's Access to Medicines' focus on long-term commitments. Our approach drives decision-making right across Takeda and is deeply embedded throughout our organization.

WHAT DO YOU SEE AS YOUR MOST SIGNIFICANT CHALLENGE AND OPPORTUNITY TO CREATING THAT VALUE?

The GEM region is characterized by diverse patient needs and country-specific healthcare gaps. Our goal is to increase patient access to innovative medicines for complex and rare diseases, which



are hard to diagnose, treat, and manage in the best of circumstances. In this region, there are great unmet needs in terms of the capacity to raise awareness and prevention, and the specialized clinical skills needed to screen, diagnose, and treat patients. There also are great affordability barriers; complex and rare diseases require highly innovative medicines, often without alternatives, and the treatment can be lifelong. But for me, the most complicated challenges demand the most innovative solutions, and provide Takeda with the opportunity to make the biggest positive impact to patients' lives. These are challenges that inspire me and the entire business to drive positive impact to patients' lives.

HOW DOES YOUR WORK HELP TAKEDA BETTER SERVE PATIENTS?

Every program we develop is focused on strengthening countries' healthcare systems at every stage of the patient journey. This approach has enabled over 1.1 million patients to be screened for NCDs, including cancer; supported more than 125,000 patients to receive treatment; and trained over 4,000 healthcare providers and community health workers across our chosen therapeutic areas of focus. I am confident that as a result of GEM's broad geographic footprint, our highly innovative medicines, and the partnerships we have forged, we will be able to radically increase access and improve patients' lives.



Global CSR Program and Partnerships



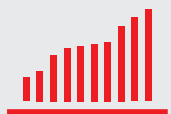
Our Global CSR Program and Partnerships further extend the impact of our commercial business activities through philanthropic initiatives that promote the development of a sustainable society.

Just as we do in our commercial business, we put the patient at the center of all our Corporate Social Responsibility (CSR) activities. Our flagship Global CSR Program focuses on disease prevention through capacity building, and healthcare access in developing and emerging countries through multiyear commitments in partnership with international NGOs and donor agencies. As such, Takeda's Global CSR Program looks at health along the Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCAH) spectrum. Improving the health of women and children around the world is a top priority for the international development community, as evidenced by the inclusion of specific health targets in the United Nations Sustainable Development Goals (SDGs). Through Takeda's flagship Global CSR Program, we want to help end preventable maternal and child deaths largely seen in low- and middle-income countries. Given the critical nature of this matter, we select new programs through a voting process that involves all Takeda employees around the world.

Since its launch in 2016, the Global CSR Program has been delivering tangible results that take into account priorities identified by international programs such as the SDGs. These results range from expanding patient access to quality diagnosis and treatment, to immunization in disease-endemic countries, to training healthcare workers and strengthening health systems around the world.

13

mid-to-long range Global CSR Programs



14

Global CSR Programs focused on disease prevention through capacity building in developing countries



~20,000

employees voted on Global CSR Programs in FY2019



Today, we manage a portfolio of 14 programs with funding support that ranges between three and 10 years. Going forward, we will continue to build up the health workforce in the fight to end preventable deaths, and push for sustainable public health supply chains so no patients are left untreated due to health commodity stock-out/or falsified/counterfeited medicines.



PHOTO: UN FOUNDATION

We will also refine our focus toward a stronger emphasis around communicable, maternal, perinatal, and nutritional conditions, which according to [WHO data](#), are still the largest burden in terms of mortality in low- and middle-income countries. Thus, we are truly putting patients with the highest burden and remaining unmet needs at the center of Takeda's Global CSR Program activities.

Beyond the Global CSR Program, the Global CSR Partnerships support public-private partnerships that aim to improve health around the world in order to achieve UHC for all. For example, we partner with The Global Fund to Fight AIDS, Tuberculosis and Malaria. Our intent is to continue to work with multilateral partners, NGOs, foundations, and intergovernmental organizations to build sustainable value that benefits everyone to achieve our ultimate goal of better health and brighter futures for patients worldwide.

Employee Participation Programs

We also provide opportunities for selected employees to see first-hand how our innovative Global CSR Program works. Through our Employee Participation Program (EPP), colleagues from our offices around the world can apply to visit sites supported by Takeda's Global CSR Program. Applicants are selected based on a combination of a detailed review of the submitted online application and eligibility criteria, including diversity, that we use to choose the final group. In 2017, 10 Takeda employees selected went to Laos to monitor activity of "Global Measles Vaccination for Children" by the United Nations Foundation. For employees, these visits provide a unique and grassroots opportunity to understand the real power of what it means to put the patient at the center of everything we do.

An Inclusive Selection Process

We bring as much rigor to our Global CSR Program decision-making as we do to our business activities, in order to ensure programs provide maximum benefit for patients. Crucially, we depend on our diverse workforce in about 80 countries to help select the right programs for Takeda. Our goal is to create a spillover effect that motivates participating employees and their colleagues. To create a pool of candidate programs, a dedicated CSR team selects various NGOs and intergovernmental organizations as potential partners. Then, we share the details for each candidate program through briefing sessions and on our company intranet. Finally, employees around the world are invited to vote on the candidate slate. In 2019, approximately 20,000 Takeda employees cast votes, resulting in the selection of the following five new Global CSR Programs.



PHOTO: UN FOUNDATION

2019 Global CSR Programs



Partner: City Cancer Challenge (C/Can) Foundation

Area: Global

Budget: JPY 1 billion

Period: 5 Years

About City Cancer Challenge: City Cancer Challenge is a city-based partnership initiative that aims to improve access to quality cancer care in cities around the world by transforming the way stakeholders, from the public and private sectors, collectively design, plan, and implement cancer solutions. The approach is built on the core principle that cities can drive impact at the national level by crafting data-driven solutions with the support of a network of global, regional, and local partners that reflect an understanding of the unique local context.

Program Focus: City Cancer Challenge's inclusive partnership approach brings together the public and private sectors to advance quality cancer care and treatment, and strengthen health systems. By supporting 10 cities with the design, planning, and implementation of sustainable cancer solutions, City Cancer Challenge is expected to positively impact 80 million people by 2023.



PHOTO: C/Can

DNDi

Drugs for Neglected Diseases *initiative*

Partner: DNDi

Area: Africa, Asia, and South America

Budget: JPY 1 billion

Period: 5 Years

About DNDi: A not-for-profit research and development organization, DNDi works to deliver new treatments for neglected diseases, including leishmaniasis, filarial infections, sleeping sickness, Chagas disease, and mycetoma, and for neglected patients, including children with HIV and people living with hepatitis C virus. DNDi has delivered eight new treatments to date, including new drug combinations for visceral leishmaniasis, two fixed-dose antimalarials, and DNDi's first successfully developed new chemical entity, fexinidazole, approved in 2018 for the treatment of both stages of sleeping sickness.

Program Focus: Transforming the lives of children and their families. Expand neglected patients' access to quality diagnosis and treatment in disease-endemic countries, including in peripheral settings, and consequently helping to prevent disease progression while saving lives. DNDi targets five Neglected Tropical Diseases: sleeping sickness, Chagas disease, leishmaniasis, onchocerciasis and mycetoma that are characterized by significant morbidity and/or mortality and have been prioritized due to the current limited availability and accessibility of effective diagnostics and treatment.



PHOTO: DNDi



Partner: SeriousFun Children's Network

Area: Africa, Asia, the Caribbean, Europe, and the United States

Budget: JPY 1 billion

Period: 5 Years

About SeriousFun Children's Network: This global community of 30 camps and programs serves children with serious illnesses and their families, always free of charge. The Network is the leader in the field of medical specialty camps, delivering more than 1 million life-changing experiences to children and their families from more than 50 countries. Each member camp is an independent, not-for-profit organization, dependent on private funding to serve all children at no cost to families.

Program Focus: Develop and expand new and innovative programming for the global network; carry out research and evaluation efforts to track the impact that each member camp has on the lives of the children and families that the camps serve and further improve programs to meet their needs; and build medical capacity throughout the Network.



PHOTO: SeriousFun Children's Network



Partner: UNICEF

Area: Global

Budget: JPY 1 billion

Period: 5 Years

About UNICEF: The United Nations Children's Fund (UNICEF) works in some of the world's toughest places to reach the world's most disadvantaged children. Across more than 190 countries and territories, UNICEF works for every child, everywhere, to build a better world for everyone.

Program Focus: Investment in innovation and frontier technology. Invest in 25 health-focused and drone startups to develop, realize, and scale cutting-edge solutions for children, as well as scaling artificial intelligence-based epidemiological modeling to predict and help prevent infectious disease outbreaks.



PHOTO: UNICEF



Partner: United Nations Foundation

Area: Sub-Saharan Africa

Budget: JPY 550 million

Period: 5 Years

About United Nations Foundation: The UN Foundation supports the efforts to tackle global challenges and harness opportunities for the benefit of all humanity. The organization carries out its mission by building communities and incubating initiatives to support the UN and its priority issues, including achieving the Sustainable Development Goals (SDGs).

Program Focus: Immunization and universal health coverage. Strengthen health systems in Sub-Saharan Africa through improved disease surveillance and data utilization, enabling effective immunization planning and outbreak response. Stronger immunization programs will reach more children, strengthening primary healthcare and bringing these countries closer to achieving Universal Health Coverage.



PHOTO: UN FOUNDATION

Leaders in Global Health Interview Series

Our Leaders in Global Health Interview Series captures the personal perspectives and forward-looking ideas of global health pioneers and thought leaders on key issues in the field and the significance of partnering with Takeda on a range of critical issues. The series raises awareness among Takeda's internal and external audiences of critical global health challenges and evolving solutions — now and in the future, the impact of the projects Takeda is supporting on the ground, and the value of Takeda's collaboration.



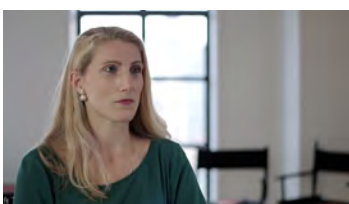
DR. RAJ PANJABI,
CO-FOUNDER & CEO,
LAST MILE HEALTH

[LEARN MORE >](#)



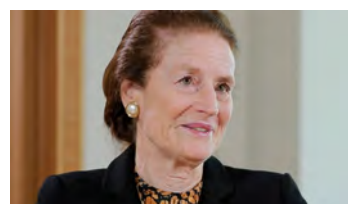
PROFESSOR PETER PIOT,
DIRECTOR, LONDON SCHOOL OF
HYGIENE & TROPICAL MEDICINE

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DR. VANESSA KERRY,
CO-FOUNDER & CEO,
SEED GLOBAL HEALTH

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MS. HENRIETTA FORE,
EXECUTIVE DIRECTOR,
UNICEF

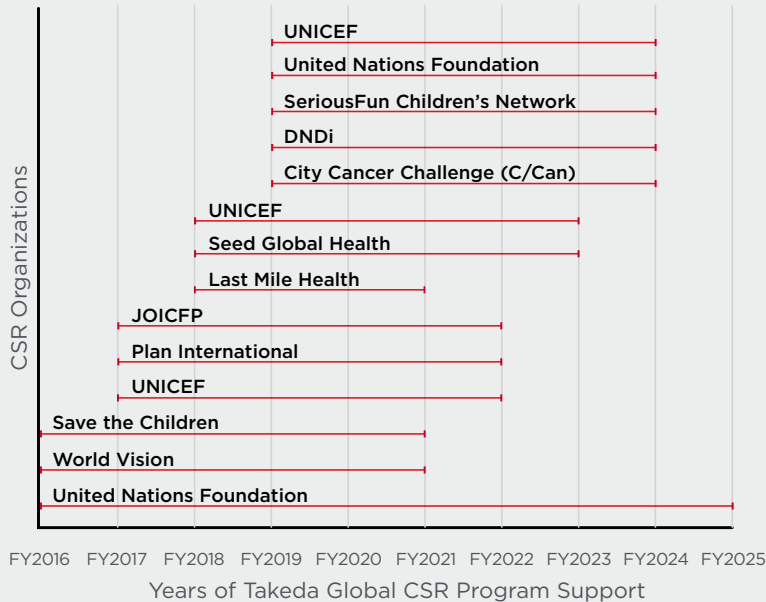
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Global CSR Program

Focused on Making a Difference

The five Global CSR Programs selected by employees for FY2019 join nine other previously selected Global CSR Programs that enjoy ongoing support as part of Takeda's Global CSR Program.



Focus

**Disease Prevention
Through Capacity
Building in
Developing and
Emerging Countries**

We expect that
at least **17 Million**
people will be
positively impacted
2016-2025

Global CSR Programs



Global measles vaccination
for children

Immunization and Universal Health
Coverage Strengthen healthy
system in Sub-Saharan Africa



Protecting the lives of pregnant
women in Africa



Free camps and programs for
children with serious illnesses



Holistic health program for refugees
of South Sudan and Syria



The "First 1,000 Days" Health
and Nutrition Program

Health Systems Strengthening
in Sub-Saharan Africa

Investment in Innovation and
Frontier Technology



Training 5,000 health professionals
in Sub-Saharan Africa



Drugs for Neglected Diseases *initiative*

Expanding access to treatment
and diagnostics for five neglected
tropical diseases



Community health workers training
for maternal and child health



Providing 387,500 populations with
maternal and child health education,
training, and service over five years



Supporting 10 cities with the design,
planning, and implementation of
sustainable cancer solutions



Training for 8,000 community health
workers across the world

Going Forward

Achieving Universal Health Coverage (UHC) for all requires a paradigm shift in the way we think about philanthropic approach. With our strategic CSR partners, we are exploring new innovative mechanisms in order to address issues at the local government level. By partnering with global health leaders through CSR, Takeda hopes to offer a sustainable flexible funding solution that would allow local governments to gain access to global networks of problem solvers, mentors, and platforms to innovation; provide a pathway to scalability; and rapidly grow the innovative solutions designed by and managed by the local governments, thus allowing more countries to move toward self-sufficiency.

Other Global CSR Partnerships

Beyond our employee-selected philanthropic programs, we also provide ongoing support for the following:

Takeda Initiative 2 Our pledge, starting in 2020, of JPY 1 billion over five years is intended to support the improvement of maternal and child health by integrating HIV, tuberculosis, and malaria service in antenatal and postnatal care in several priority countries in Africa. This commitment represents a renewal of Takeda Initiative 1, a 10-year program with The Global Fund to Fight AIDS, Tuberculosis and Malaria that provided JPY 1 billion to strengthen the capacity of healthcare workers in Africa.

The timing of Takeda's support could not be more critical. After years of remarkable progress in the fight against HIV, tuberculosis, and malaria, new threats such as shortfalls in funding and increasing drug resistance have slowed the progress allowing these diseases to gain ground, and undermining efforts to reach the SDG target of ending the epidemics by 2030. Nearly 1,000 adolescent girls and young women globally are infected with HIV every day. A child still dies of malaria every two minutes. And TB is now the world's deadliest infectious disease. By providing more pregnant women with better quality care, and reducing the cost of interventions, countries can move closer to achieving universal health coverage.

Relay for Life (RFL) is a global charity activity for fighting cancer. Takeda is collaborating with the American Cancer Society to increase RFL's footprint to more than 46 countries by 2020 and strengthen its support for cancer patients across the globe.

Digital Birth Registration is a partnership with Plan International Japan that aims to introduce digital birth registration through awareness-raising and proceeding periodical medical checkups with the use of digital card readers in rural areas of Kenya, where registration rates are low. The program will help to protect children's basic human rights and will contribute to improving healthcare access by providing a system that enables them to receive healthcare services, such as immunizations.



Takeda Endows Chair in Global Child Health

We are committed to bringing our life-improving therapies and vaccines to patients worldwide through cutting-edge research. As part of that effort, we have endowed the "Takeda Chair in Global Child Health" at the London School of Hygiene & Tropical Medicine (LSHTM) with a £3 million donation. The Chair will support research into reducing some 5.3 million child deaths in low- and middle-income countries and will play a critical role in consolidating LSHTM's child-health research across more than 100 countries.





A Conversation with Haruhiko Hirate

Corporate Communications & Public Affairs Officer

WHAT MOST EXCITES YOU ABOUT THE WORK YOU ARE DOING TO CREATE SUSTAINABLE VALUE AT TAKEDA?

For everyone associated with Takeda, the opportunity to contribute to the prevention of diseases is our driving force. It is very important to keep healthy people healthy, and health policy plays an important role. Takeda isn't afraid to take policy positions and propose healthcare system improvements that we know will help patients. Even when patients and healthcare systems implement the best prevention efforts, it is an unfortunate fact of life that people get sick. Japan achieved Universal Health Coverage (UHC) decades ago. There are still ongoing policies to shape, but every patient has access to healthcare in Japan. UHC is achieved when every person can access healthcare without suffering financial hardship. Access is essential. Through public-private partnerships as well as our NGO partnerships, Takeda does its utmost to help countries where access to healthcare remains an unsolved agenda. Our enduring values continue to provide clear guidance as to how we should behave. In honoring "Integrity" as the core of those values, we contribute to solutions worldwide.

WHAT DO YOU SEE AS YOUR MOST SIGNIFICANT CHALLENGE AND OPPORTUNITY TO CREATING THAT VALUE?

I strongly believe that Takeda exists to help strengthen a sustainable society for patients—through our values, our people and culture, our innovative products, and our many partnerships across the world. As a professional healthcare products and solution provider, we are highly motivated to do all we can to support access to healthcare, health worker development, and water management; manage the impact of natural disasters (please see the Appendix



for further details); and prevent and mitigate pollution and global warming, which amplify the spread of infectious diseases, food and water shortages, antimicrobial resistance, and more. One of the most significant challenges we face is necessary scientific advancements for vaccines for prevention and innovative medicines for cures, while global healthcare systems in many countries are under heavy financial pressure.

HOW DOES YOUR WORK HELP TAKEDA BETTER SERVE PATIENTS?

Our R&D is a key success factor for future solutions for patients. We also prioritize corporate social responsibility (CSR) to reinforce our patient-focused activities. For us, CSR is a critical component of our work, embedded into the very fabric of the company and supported at the highest levels of management. Our Global CSR Programs are selected by employees, and through the resulting partnerships with passionate, innovative organizations across the globe, we see tangible impacts on healthcare, disease prevention, health workforce development, and capacity building. Those activities complement Takeda's Access to Medicines initiative, where we provide solutions with our own products.



PHOTO: C/Can

Global CSR Forum

Takeda's commitment to corporate social responsibility (CSR) was on full display at its first ever Global CSR Program and Partnership Forum in 2019. Representatives from 35 international NGO and donor agencies joined Takeda employees in an effort to learn and concretely discuss key areas in creating shared value and partnership opportunities. This Forum aimed to foster constructive dialogue between Takeda and key development partners to explore areas of collaboration. The two-way dialogue included Takeda introducing the vision and strategy behind its Global CSR Program to stakeholders. In turn, stakeholders provided input about global health priorities to inform Takeda's CSR Strategy 2020-2030. Program highlights included a knowledge-sharing panel with Plan International, Save the Children, Seed Global Health, and World Vision. Another panel discussed global health priorities with participants from the Bill and Melinda Gates Foundation, Gavi, UNICEF, and the World Food Programme.



Our Commitment



TOTAL

¥10.5 billion

3 Years

10 Years



CSR Town Hall Meetings

Takeda employees play an integral role in its Global CSR Program by selecting beneficiary partners each year. In order to further their knowledge about the good work undertaken by Takeda partners, the CSR team held a series of town hall meetings in Tokyo, Zurich, and Boston. The Tokyo event featured representatives of World Vision who presented information on their maternal and child health program in Afghanistan, while the meeting in Zurich was an opportunity to explain more about the 2019 Global CSR Program. Meanwhile, employees in Lexington and Cambridge, Massachusetts, heard from Seed Global Health and Last Mile Health about their work. Employee attendees expressed pride and appreciation for the work that Takeda is making possible around the world and look forward to additional meetings in FY2020.



PHOTO: TAKEDA/L HARA

UN General Assembly Event

The UN General Assembly (UNGA) unites high-ranking leaders from around the world to deliberate on solutions to the most pressing global issues. In 2019, Takeda organized a side event that took place between the UNGA's high-level meetings on universal health coverage and financing, with the goal of capitalizing on the momentum and outcomes of these events. We co-convened a panel, "Universal Health Coverage (UHC) and the Power of People: The case for investing in a qualified health workforce," with Devex and Seed Global Health, a Global CSR Program partner. Approximately 180 people from governments, funding and philanthropic organizations, multilateral organizations, and media attended the event. Haruhiko Hirate, Takeda Corporate Communications and Public Affairs Officer, delivered opening remarks. Event panelists included global health leaders, including Rwanda Minister of Health Dr. Diane Gashumba; WHO Executive Director, Universal Health Coverage, Dr. Peter Salama; H.E. Ambassador Deborah L. Birx, U.S. Global AIDS Coordinator; and Seed Global Health CEO Dr. Vanessa Kerry.

Through our Global CSR Partnership mechanism, Takeda remains committed to further enhancing partnerships with global health leaders to achieve faster results of Better Health and a Brighter Future for all.

Global Action Plan Launch

Our Global CSR Partnership aims to help accelerate the work on achieving the UN SDG #3: Good Health and Well-Being. As such, Takeda was invited to participate in the historic launch of the Global Action Plan (GAP) at the 74th Session of the United Nations General Assembly. During this event, 12 multilateral agencies officially announced a joint commitment to better support countries in meeting the SDG #3. The event featured remarks by leaders of Germany, Ghana, and Norway, as well as Gavi, the Global Financing Facility, The Global Fund, UNAIDS, UNDP, UNFPA, UNICEF, Unitaid, UN Women, World Bank, WFP, and WHO. Takeda was honored to be invited to this historic event.



UHC AND THE POWER OF THE PEOPLE PANELISTS AT UNGA.



A Brighter Future Through a Better Workplace

IN THIS CHAPTER

- Global Talent Management
- Diversity and Inclusion
- Occupational Health and Safety

Overview



Takeda today has grown to be a global biopharmaceutical leader with an unwavering commitment to patients.

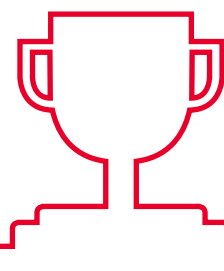
The growth is made possible by our dedicated employees around the world. In order to continue our mission and thrive far into the future, we must attract, develop, and retain diverse purposeful leaders who are the best at what they do. This requires an inclusive, safe, and empowering work environment where each employee and their contributions are recognized. In doing so, we will continue to nurture our unique culture, firmly built on our values of Takeda-ism and Patient, Trust, Reputation, and Business.

We take an intentional approach to supporting our employees to maintain a vibrant workplace that provides opportunities for everyone to develop to their fullest potential while having a thriving career at Takeda. Our workforce spans about 80 countries. Together, we bring a rich mix of experiences, backgrounds, and perspectives, which we leverage to further the business of health innovation. This diversity is our core strength and, ultimately, an important benefit to the patients we serve.

Our efforts to nurture an outstanding workplace were recognized for the second consecutive year in 2019 when Takeda joined a select group of 14 companies awarded global Top Employer. This certification is awarded annually by the Top Employers Institute to companies with outstanding employee offerings. The program recognizes organizations that create an optimal environment for their employees to develop professionally and personally. Certification is based on an assessment over 10 areas.

Criteria for Global Top Employers

- 1 Talent Strategy
- 2 Workforce Planning
- 3 Talent Acquisition
- 4 Onboarding
- 5 Learning and Development
- 6 Performance Management
- 7 Leadership Development
- 8 Career and Succession Management
- 9 Compensation and Benefits
- 10 Culture



Global Talent Management



As a research-driven enterprise, our people are our differentiator.

We manage our talent proactively. Everyone at Takeda is recognized for the unique contributions they have to offer. Nurturing our employees is a priority, from identifying high-potentials to engaging them in “Quality Conversations,” to preparing successors for new opportunities. Talent management is an ongoing partnership between human resources, managers, and employees.

Our success depends on an engaged workforce that thoroughly understands our goals and values — and their responsibilities. We have developed specific tools to empower managers and employees to set clear expectations and then communicate them clearly and frequently to build trust and move our business forward.

As an example, we have defined four distinct behaviors that Takeda leaders exhibit. Our leadership behaviors are:

- Demonstrate strategic enterprise thinking to find innovative ways to serve patients and build trust, reputation, and business.
- Create an environment that inspires and enables people to move the organization forward.
- Focus on the priorities that matter most and deliver superior results.
- Elevate the capabilities of the organization for both the present and the future.

Discussions about every employee’s performance is one of the important aspects of our talent

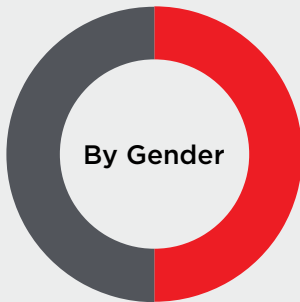


management process. We have a training program called “Quality Conversations” that helps our employees better provide and receive feedback. Through this Quality Conversations approach, we encourage ongoing two-way conversations between every employee and their manager, which touch on setting goals, leveraging strengths, identifying development areas, and building capabilities. We encourage frequent (or real-time) conversations where employees also provide feedback to their managers. This process helps our managers and employees excel and grow.

Workforce AT A GLANCE

~50,000

Employees



50% Women
50% Men

Another important tool is measurement of individual sentiment throughout an employee's tenure at Takeda. We survey to know how our new joiners and leavers feel. We also administer frequent company-wide pulse surveys to collect and monitor feedback, as well as to identify areas for improvement.

Talent Development

The success of our business depends on continuously pushing new boundaries. We are passionate about providing opportunities that enable our employees to learn and push their careers to new heights. This allows us to both excel in current initiatives and to prepare the company for the future.

We have developed the Takeda way to understand talent potential within the organization through a "Talking Talent" process in which each employee is evaluated not only on their current performance, but also their future potential. Along with the individually focused Quality Conversations approach, our robust talent review methodology helps us gauge the breadth and depth of our talent pool. This allows us to respond to immediate talent needs and plan for long-term needs to meet Takeda's vision. We also leverage these reviews to assess internal talent mobility globally. All of this allows us to build bench strength and plan for succession, while helping our employees reach their aspirations.



We have a number of established development programs:

- **President's Forum**, our centerpiece development program, brings together senior leaders from around the world to work on business challenges and present recommendations to the CEO and Takeda Executive Team (TET). The program is a key element in how we prepare the next generation of Takeda leaders.
- **Accelerator Program** is a cross-functional program directed at high-potential employees early in their careers. It provides opportunity for cross-regional assignments, mentoring, and learning events. Currently, we have a cohort of 30 participants, who are guided by TET sponsors.
- **Global Induction Forum** targets senior leaders who have joined Takeda from other organizations. This program is facilitated by our CEO and TET. It provides a deep dive into the company's history, culture, values, and legacy and prepares these leaders for their responsibilities in protecting that legacy and building trust with society. As we integrate Shire and Takeda into one company culture, the Global Induction Forum is a way for leaders to align with each other on our shared values and business model.

As a global enterprise, it is critical that we remain attuned to unique talent needs in each of the regions in which we operate. To that end, we provide diverse learning opportunities across our about 80 countries. We partner with renowned institutions like the Massachusetts Institute of Technology and INSEAD, the graduate business school with campuses in Europe, Asia, and the Middle East.



A Conversation with Padma Thiruvengadam

Chief Human Resources Officer

WHAT MOST EXCITES YOU ABOUT THE WORK YOU ARE DOING TO CREATE SUSTAINABLE VALUE AT TAKEDA?

Our people are key to our success. Our people platform helps build the right people capabilities and create a workplace environment that brings our culture to life. We strive to attract people with a deep sense of purpose and offer them unique experiences to help build their careers. This results in highly empowered employees who can focus on making a difference in the lives of our patients and having a positive impact on the communities where we live and work.

WHAT DO YOU SEE AS YOUR MOST SIGNIFICANT CHALLENGE AND OPPORTUNITY TO CREATING THAT VALUE?

With approximately 50,000 employees in about 80 countries, our talent is diverse in the skills and experience they bring to Takeda. This is a huge advantage because the viewpoints, ideas, and approaches our talent puts forward match the

diversity of our markets and the patients we serve. This diversity, however, challenges us to ensure we are not subscribing to a one-size-fits-all approach or limiting our people's potential. As leaders, we need to be cognizant that managing diverse teams is not easy and requires a higher level of skills.

HOW DOES YOUR WORK HELP TAKEDA BETTER SERVE PATIENTS?

Our decision-making framework of Patient, Trust, Reputation, and Business is ingrained in a way that is unique and differentiates us in the way we conduct ourselves. We use this decision-making framework for everything we do, and that process always starts with us asking: Is this the right decision for the patient? This question is central to how we think about attracting, developing, and retaining talent at every level. It will continue to guide us as we shape our people platform to ensure employees can focus on the priorities that best serve our patients while reaching their fullest potential at Takeda.

Integrating Shire

As we integrate Shire into Takeda, we are taking thoughtful measures to ensure that all our colleagues understand our values and decision-making framework; and how to apply them in the combined organization. This helps in our ambition to become One Takeda swiftly. One example of this is a half-day workshop for employees that is aimed at creating a shared understanding of our mission, vision, values, and operating principles. This program, along with select learning opportunities that are critical to succeed in a post-acquisition environment, is being implemented throughout the enterprise. Our Global Induction Forum is also providing an important opportunity to bring all our leaders together. To further accelerate our transition,

our CEO, together with local leadership teams, is continuing to hold regular on-site town halls to gain alignment on goals, our Strategic Roadmap, and the expectations of leaders.

We are well on our way to developing global frameworks in areas such as performance management, job levels, talent reviews, and compensation formulas. We are sensitive to nuances that meet local needs in each market. We are focused on harmonizing our talent development and learning programs, leveraging the best of both organizations while enhancing in other areas. In a new environment, employees want to know how their performance is being measured. We have laser focused on Quality Conversations as a pillar during these early months.

Diversity and Inclusion

Takeda strives for a workforce that is as diverse as the patients we serve to deliver greater creativity and innovation.

Diversity in its fullest sense helps us respond more effectively to various global challenges. For this reason we foster an inclusive environment in which all employees are welcomed, empowered, and inspired to use their unique voices and capabilities. This enables us to find innovative approaches to serving our patients, customers, and communities while we reach our greatest potential, together.

Our aspiration is that every employee at Takeda enjoys the opportunity to thrive, develop, and grow based on merit, potential, and ambition, regardless of gender, age, nationality, race, religion, belief, disability, sexual orientation, gender identity, or lifestyle.

We have made strides, but we still have work to do. For example, our ambition is to continue to increase our female managerial ratio in Japan. We are accelerating diversity and inclusion activities in every part of the company. Some of our recent new initiatives are:

- Employee resource groups centered around common traits such as gender, race/ethnicity, sexual orientation and gender identity, and U.S. military status
- Diversity and inclusion training initiatives, including seminars, workshops, and employee projects



38%

global female manager ratio¹



¹EXCLUDES DATA FROM SHIRE ACQUISITION



- Flexible work arrangements
- Development programs for female colleagues
- Sponsoring and joining lesbian, gay, bisexual, transexual, queer (LGBTQ) events and hosting LGBTQ awareness sessions globally.

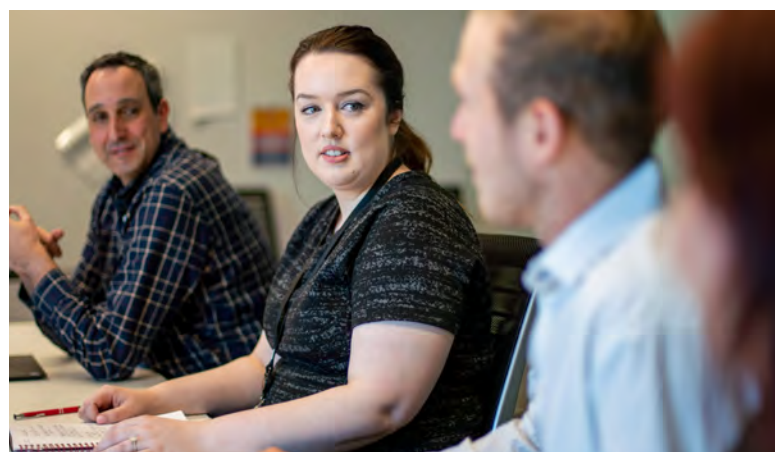
Occupational Health and Safety

We are committed to operating our business in a manner that protects the health, safety, and well-being of our employees and the communities in which we work, live, and serve.

This supports our business priorities and mission of creating better health and a brighter future for patients worldwide.

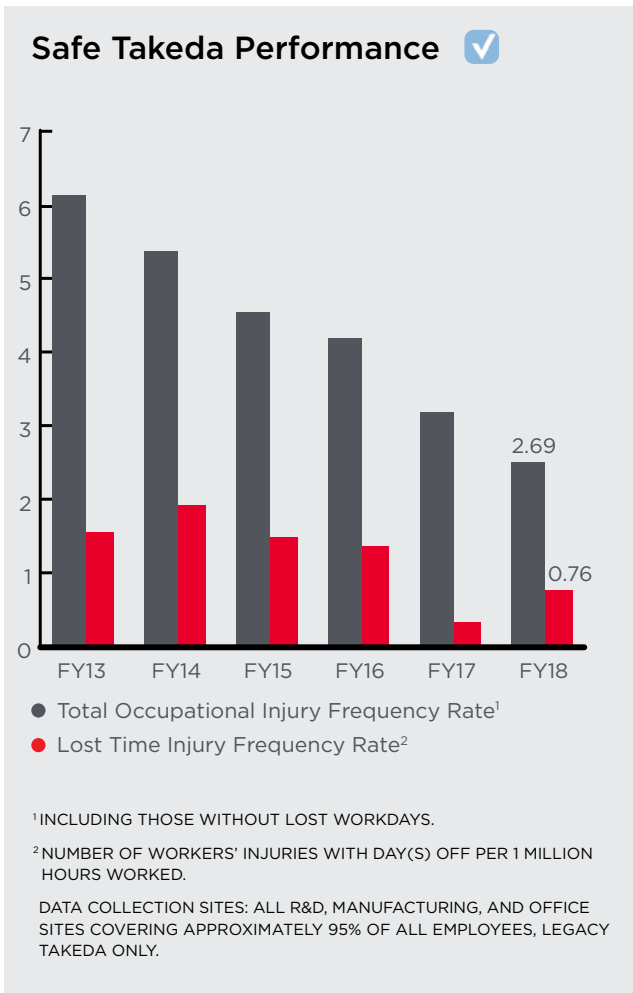
Building trust with society begins with providing a healthy and safe workplace for our employees and partners. In carrying out that mission, we are guided by the following principles:

- We strive to be a global leader in health and safety by implementing innovative management practices, working to prevent motor vehicle incidents, and recognizing potential hazards and associated risks while working to eliminate them.
- We provide the tools, resources, and programs to support our employees in making healthy lifestyle choices.
- We embed Environment, Health, and Safety (EHS) values into Takeda's culture through leadership involvement and accountability, as well as by empowering our employees to consider EHS in all aspects of their work and to actively contribute to the reduction of EHS risks.
- We ensure the participation and consultation of our employees, employee representatives, and partners, where appropriate, when developing and improving our processes.



Safe Takeda

Safe Takeda is an initiative launched in 2015 to promote a safer workplace, with the goal of reducing our Lost Time Injury Frequency Rate (LTIFR) by 30 percent by 2020 against a FY2013 baseline. We achieved this goal in FY2017 but continue to push for further improvements.



We know from our data that most events occur at manufacturing plants, where the most common work-related lost-time events involve workers being struck by moving objects, manual handling of materials, cutting tools, and slip/trip/fall incidents. Accordingly, our top priority under Safe Takeda is to address these hazards. Initiatives include awareness-raising activities during safety week, worksite inspections, safety resolution from managers and operators, and sharing of best practices among sites. Slip/trip/fall incidents and motor-vehicle incidents in offices and sales divisions remain major concerns in terms of lost-time injuries, and some local offices have launched initiatives to help reduce the frequency of these events.

Some of our most effective steps in improving safety include Flash and Follow-up Reports, which help



us to understand the root cause of incidents and quickly take steps to mitigate them, in addition to EHS audits. We also set incident-reduction goals for sites. We are now expanding our scope to include ways to address work-related illnesses. Safe Takeda is designed to raise employees' safety awareness and to further strengthen our safety culture.

In FY2018 we launched EHS Alert, an initiative to reduce the number of serious EHS events occurring at our sites. The initiative takes a two-step approach. First, EHS Alert informs managers of the most significant and relevant EHS events reported at our sites worldwide. The focus is on incidents and incidents with potentially serious consequences. In Step 2, managers communicate the risk to their teams, since most of these incidents could happen again at other sites. If applicable, they then perform a risk assessment and define an action plan to mitigate that risk. Thus, EHS Alert is both a communication and a preventive-management tool. Some examples shared during FY2018 involved machinery safety, falls from heights, lifting equipment, management of on-site contractors, and portable ladders.

EHS Alert: Communicating the Risk to Prevent Incidents

SAFE TAKEDA

1 EHS Alert 004

2 ASIA – GMS SITE; 22ND OCTOBER 2018

3 SAFETY – Non Lost time injury: Unsafe chemical handling-Projections

4 Description

The quality control operator was conducting a routine solution preparation, inside the laboratory fume hood (1), using a 250ml volumetric flask in order to mix Methylene Chloride with Dimethyl-2-butene and Methanol. During the manual stirring step (2), the stopper unexpectedly blew up and the solvents released reaching the operator and causing him/her some minor eyes injuries. The consequences could have been even worse because of hazardous properties of these substances (3) and the unsuitable protection.

5 Immediate Causes

- While mixing the solvents, the internal pressure increased causing the content being projected from the flask.
- The fume hood's front sash glass window was not moved down by operator before starting operations (2).
- The operator was wearing conventional corrective glasses, without protection against droplets/projections.

6 Contributory and Root Causes

- Inadequate SOP: the use of corrective glasses was allowed for this task.
- Inadequate safety culture: general safety rules were not followed (fume hood glass window safe position)
- MOC (management of change) non applied: a minor modification of solvents concentration was introduced without considering it as a significant change, then the task risk assessment was not reviewed.

7 Actions

- Update SOP: use of safety glasses even while wearing eye correction glasses (4), and sealed goggles (5) when there is a risk of projection.
- Re-training workers on general safety rules and specific procedures
- Improve safety culture: safety gembas walks, unsafe situations report, ...

8 Key learning

- Safety leadership, follow rules & SOPs.
- Proper risk assessment
- MOC also for minor changes.

9 EHS ALERT 004 – SAFETY (UNSAFE CHEMICAL HANDLING) –PROJECTIONS

- | | |
|--------------------------------|-------------------------------------------|
| 1 EHS Alert Title | 5 Immediate Causes |
| 2 Region, Classification | 6 Contributory & Root Causes |
| 3 Event Description | 7 Corrective and Preventive Action (CAPA) |
| 4 Event Pictures (40% minimum) | 8 Site Head Key Learning |

EHS ALERT MANAGEMENT

1 EHS Alert : 004 SAFETY Safety (unsafe chemical handling) -Projections 22nd OCTOBER 2018

2 Site: Date Analysis:

3 Communication Plan

Action	Y/N	When	Who	Status	Comment
Translation into local language					
E-mail managers					
E-mail middle management					
E-mail employees					
Posted on EHS communication board					
Posted on workplaces boards					
Toolbox talk, Gemba Walk, Safety dialog, etc...					
EHS meetings					
Screens					
Other 1:					
Other 2:					

4 Could it happen to us?

Date Analysis: Could it happen to us? Yes / No (if "No" skip the following analysis)

Where: Site Department/s Workstation/s

Action	Y/N	When	Who	Status	Comment
Risk Assessment Review					
Gap Analysis					
Engineering Actions					
Procedural Actions (SOP, etc.)					
Behavioural Actions (training, etc.)					
PPEs					
Other					
Other					
Other					
Other					
Other					

5 Follow-up

When has been the CAPA completed? Has been verified the effectiveness of action plan implementation? (Who, When, Conclusions) Key Learning

1 EHS Alert Record	4 CAPA
2 Communication Plan	5 Follow Up
3 Could It Happen To Us?	

Manufacturing Safety Initiatives

Initiatives to reduce employee and environmental harm from fires, explosions, and leaks in the manufacturing process are an important part of safety programs. All sites undergo risk assessments to identify latent hazards and then establish EHS targets and measures to mitigate risk. Some of the measures include:

- Rigorous plans for maintaining aging equipment.
- Safety measures to address static electricity, which can ignite flammable gases and dust in facilities.
- Safety education and training, including creation of safety manuals.
- Response procedures in the event of a disaster or emergency, including evacuation and emergency response drills.
- Thorough incident and disaster-prevention measures for large-scale construction work, including detailed safety management and sharing of safety information with support companies.

Preventing fires and explosions during manufacturing processes is of the highest priority. To improve safety, we identify the physicochemical characteristics of the chemical substances used and the pharmaceuticals manufactured to develop appropriate manufacturing processes and corresponding safety assessments for each of our products.

Additionally, many manufacturing sites have implemented a Serious Injury and Fatality (SIF) program, focusing on incidents or events that have the potential to be catastrophic in terms of injury or threat to life. The objective is to highlight and give visibility to potential SIF events and use the learnings to understand why they are happening and how to prevent them. This approach is currently being incorporated into all Takeda manufacturing sites.

Takeda 2019 Sustainable Value Report

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