Appendix

United Nations Global Compact Advanced Level CoP Reference Table

Criteria	Reference
Taking Action in Support of Broader UN Goals and Issues	
Criterion 1: The COP describes mainstreaming into corporate functions and business units	**INTRODUCTION** CEO Message, Our Worldview, Corporate Philosophy **GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance — Governing Our Sustainability Efforts
Criterion 2: The COP describes value chain implementation	**PLANET** Climate Change, Climate Change Mitigation and Adaptation — Working with Suppliers **GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Quality Management, Supply Chain, Medical Ethics
Robust Human Rights Management Policies & Procedures	
Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain
Criterion 4: The COP describes effective management systems to integrate the human rights principles	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain
Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain
Robust Labour Management Policies & Procedures	
Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour	**PEOPLE** Employee Well-Being & Organizational Health — Health, Safety & Well-Being, Diversity, Equity & Inclusion **GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain
Criterion 7: The COP describes effective management systems to integrate the labour principles	**PEOPLE** Employee Well-Being & Organizational Health — Health, Safety & Well-Being **GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain, Compliance
Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration	**PEOPLE** Employee Well-Being & Organizational Health — Health, Safety & Well-Being **GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain

United Nations Global Compact (continued)

Criteria	Reference
Robust Environmental Management Policies & Procedures	
Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship	**PLANET** Our Commitment to the Planet: Why It Matters, Climate Change **GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain
Criterion 10: The COP describes effective management systems to integrate the environmental principles	**PLANET** Climate Change **GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain
Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	**PLANET** 2019 Highlights At-A-Glance, Climate Change **GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain — Ethical Sourcing and Supplier Risk Management KPIs
Robust Anti-Corruption Management Policies & Procedures	
Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain, Medical Ethics, Compliance
Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain, Medical Ethics, Compliance
Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain, Medical Ethics, Compliance

United Nations Global Compact (continued)

Criteria	Reference
Taking Action in Support of Broader UN Goals and Issues	
Criterion 15: The COP describes core business contributions to UN goals and issues	**INTRODUCTION** Corporate Philosophy **PATIENTS** Responsible Innovation: R&D to Address Unmet Medical Needs, Broadening Access, Affordability & Pricing, Strengthening Health Systems **PEOPLE** Health, Safety & Well-Being, Diversity, Equity & Inclusion **PLANET** Our Commitment to the Planet: Why It Matters, Climate Change — Climate Change Mitigation & Adaptation, Environmental Management, Natural Resource Conservation **GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain, Compliance, Philanthropy (Global CSR)
Criterion 16: The COP describes strategic social investments and philanthropy	**PATIENTS** Broadening Access **GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Philanthropy (Global CSR)
Criterion 17: The COP describes advocacy and public policy engagement	**PATIENTS** Broadening Access **GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Philanthropy (Global CSR)
Criterion 18: The COP describes partnerships and collective action	**INTRODUCTION** Strategic Stakeholder Engagement
Corporate Sustainability Governance and Leadership	
Criterion 19: The COP describes CEO commitment and leadership	**INTRODUCTION** CEO Message
Criterion 20: The COP describes Board adoption and oversight	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance — Governing Our Sustainability Efforts
Criterion 21: The COP describes stakeholder engagement	**INTRODUCTION** Materiality, Strategic Stakeholder Engagement **GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance — Shareholder Engagement

GRI Standards Reference Table

Disclosure Number	Description	2019 Reference/Response
GRI 102: General Disclosures		
Organizational Profile		
102-1	Name of the organization	Takeda Pharmaceutical Company Limited
102-2	Activities, brands, products, and services	2020 Annual Securities Report, pages 6-17
102-3	Location of headquarters	Tokyo, Japan
102-4	Location of operations	2020 Annual Securities Report, pages 8-10
102-5	Ownership and legal form	2020 Annual Securities Report, page 6
102-6	Markets served	We have a presence in about 80 countries, with leading positions in Japan and the U.S.
102-7	Scale of the organization	2020 Annual Securities Report, pages 2-11
102-8	Information on employees and other workers	**PEOPLE** 2019 Highlights, Diversity, Equity & Inclusion
102-9	Supply chain	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain
102-10	Significant changes to the organization and its supply chain	2020 Annual Securities Report, pages 12-17 **INTRODUCTION** COVID-19
102-11	Precautionary Principle or approach	Takeda does not follow the precautionary approach, but has a comprehensive risk management plan in place.
102-12	External initiatives	**INTRODUCTION** ESG Disclosure & Transparency **GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Philanthropy (Global CSR)
102-13	Membership of associations	We work with biopharmaceutical industry groups in many countries in which we operate, including, but not limited to, Campaign and Alliance for Safe Online Pharmacies (ASOP), European Federation of Pharmaceutical Industries and Associations (EFPIA), Global Pharmaceutical Manufacturing Leadership Forum (GPMLF), International Federation of Pharmaceutical Manufacturers & Associates (IFPMA), International Society for Pharmaceutical Engineering (ISPE), Japan Pharmaceutical Manufacturers Associations (JPMA), Parenteral Drug Association (PDA), Pharmaceutical Research and Manufacturers of America (PhRMA), and the Pharmaceutical Supply Chain Initiative (PSCI).
Strategy		
102-14	Statement from senior decision-maker	**INTRODUCTION** CEO Message
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	**INTRODUCTION** Purpose, Values, Vision and Imperatives **GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Compliance — Ethics and Compliance Global Code of Conduct
102-17	Mechanisms for advice and concerns about ethics	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Compliance — Ethics and Compliance Global Code of Conduct

GRI Standards Reference Table (continued)

Disclosure Number	Description	2019 Reference/Response
Governance		
102-18	Governance structure	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance
102-19	Delegating authority	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance
102-21	Consulting stakeholders on economic, environmental, and social topics	**INTRODUCTION** Materiality **GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance — Shareholder Engagement
102-22	Composition of the highest governance body and its committees	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance Executive Leadership: https://www.takeda.com/who-we-are/company-information/executive-leadership/
102-23	Chair of the highest governance body	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance Board of Directors: https://www.takeda.com/who-we-are/company-information/executive-leadership/
102-24	Nominating and selecting the highest governance body	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance
102-25	Conflicts of interest	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance
102-26	Role of highest governance body in setting purpose, values, and strategy	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance
102-28	Evaluating the highest governance body's performance	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance
102-29	Identifying and managing economic, environmental, and social impacts	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance
102-30	Effectiveness of risk management processes	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance
102-31	Review of economic, environmental, and social topics	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance — Governing our Sustainability Efforts
102-35	Remuneration policies	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance — Total Rewards and Compensation, External Compensation
102-36	Process for determining remuneration	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance — Total Rewards and Compensation, External Compensation
102-37	Stakeholders' involvement in remuneration	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Corporate Governance
Stakeholder Engagement		
102-40	List of stakeholder groups	**INTRODUCTION** Materiality, Strategic Stakeholder Engagement
102-41	Collective bargaining agreements	2020 Annual Securities Report, page 11
102-42	Identifying and selecting stakeholders	**INTRODUCTION** Materiality, Strategic Stakeholder Engagement
102-43	Approach to stakeholder engagement	**INTRODUCTION** Materiality, Strategic Stakeholder Engagement
102-44	Key topics and concerns raised	**INTRODUCTION** Materiality

GRI Standards Reference Table (continued)

Disclosure Number	Description	2019 Reference/Response
Reporting Practice		
102-45	Entities included in the consolidated financial statements	2020 Annual Securities Report, pages 8-10
102-46	Defining report content and topic Boundaries	**INTRODUCTION** Materiality
102-47	List of material topics	**INTRODUCTION** Materiality
102-48	Restatements of information	None
102-49	Changes in reporting	**INTRODUCTION** Materiality
102-50	Reporting period	The reporting period covers Fiscal 2019 (April 1, 2019 to March 31, 2020). Some Fiscal 2020 activities are included.
102-51	Date of most recent report	December 2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	sustainablevalue@takeda.com
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared according to GRI Standards: Core Option.
102-55	GRI content index	Appendix, pages 92-98
102-56	External assurance	Appendix, page 100
GRI 200: Economic		
GRI 203: Indirect Economic Impacts		
103-1	Explanation of the material topic and its Boundary	**PATIENTS** Broadening Access, Affordability & Pricing, Strengthening Health Systems
103-2	The management approach and its components	**PATIENTS** Broadening Access, Affordability & Pricing, Strengthening Health Systems Takeda's Position on Access to Medicines
103-3	Evaluation of the management approach	**PATIENTS** 2019 Highlights At-A-Glance, Broadening Access, Affordability & Pricing, Strengthening Health Systems
203-1	Infrastructure investments and services supported	**PATIENTS** Broadening Access, Affordability & Pricing, Strengthening Health Systems
203-2	Significant indirect economic impacts	**PATIENTS** Broadening Access, Affordability & Pricing, Strengthening Health Systems
GRI 205: Anti-corruption		
103-1	Explanation of the material topic and its Boundary	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Medical Ethics, Bioethics, Compliance, Risk Management Global Code of Conduct
103-2	The management approach and its components	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Medical Ethics, Bioethics, Compliance, Risk Management Global Code of Conduct
103-3	Evaluation of the management approach	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Medical Ethics, Bioethics, Compliance, Risk Management Global Code of Conduct
205-2	Communication and training about anti-corruption policies and procedures	Training and education is an important part of our ethics and compliance program. Our standard ethics training covers the Global Code of Conduct and the Anti-Corruption policy.

GRI Standards Reference Table (continued)

Disclosure Number	Description	2019 Reference/Response
GRI 300: Environmental		
GRI 302: Energy		
103-1	Explanation of the material topic and its Boundary	**PLANET** Climate Change, Environmental Management
103-2	The management approach and its components	**PLANET** Climate Change, Environmental Management
103-3	Evaluation of the management approach	**PLANET** 2019 Highlights-At-A-Glance, Climate Change, Environmental Management
302-1	Energy consumption within the organization	CDP Climate Change 2020, Section 8.2a **PLANET** Environmental, Health and Safety
GRI 305: Emissions		
103-1	Explanation of the material topic and its Boundary	**PLANET** Climate Change CDP Climate Change 2020
103-2	The management approach and its components	**PLANET** Climate Change — Takeda's Carbon-Reduction Goals Takeda's Position on Climate Change CDP Climate Change 2020
103-3	Evaluation of the management approach	**PLANET** Climate Change — 2019 Highlights At-A-Glance, Climate Change Mitigation & Adaptation CDP Climate Change 2020
305-1	Direct (Scope 1) GHG emissions	**PLANET** Climate Change Mitigation & Adaptation — Carbon Emissions by Scope
305-2	Energy indirect (Scope 2) GHG emissions	**PLANET** Climate Change Mitigation & Adaptation — Carbon Emissions by Scope
305-3	Other indirect (Scope 3) GHG emissions	**PLANET** Climate Change Mitigation & Adaptation — Carbon Emissions by Scope
305-5	Reduction of GHG emissions	**PLANET** Climate Change Mitigation & Adaptation — Carbon Emissions by Scope
GRI 306: Waste		
103-1	Explanation of the material topic and its Boundary	**PLANET** Natural Resource Conservation — Waste
103-2	The management approach and its components	**PLANET** Natural Resource Conservation — Waste
103-3	Evaluation of the management approach	**PLANET** Natural Resource Conservation — Waste
306-1	Waste generation and significant waste-related impacts	**PLANET** Natural Resource Conservation — Waste
306-2	Management of significant waste-related impacts	**PLANET** Natural Resource Conservation — Waste
306-3	Waste generated	**PLANET** Natural Resource Conservation — Waste
306-4	Waste diverted from disposal	**PLANET** Natural Resource Conservation — Waste
GRI 400: Social		
GRI 401: Employment		
103-1	Explanation of the material topic and its Boundary	**PEOPLE** Our Commitment to People: Why it Matters
103-2	The management approach and its components	**PEOPLE** Engagement & Lifelong Learning, Talent Management
103-3	Evaluation of the management approach	**PEOPLE** 2019 Highlights
401-1	New employee hires and employee turnover	**PEOPLE** 2019 Highlights

GRI Standards Reference Table (continued)

Disclosure Number	Description	2019 Reference/Response
GRI 403: Occupational Health and Safety		
103-1	Explanation of the material topic and its Boundary	**PEOPLE** Our Commitment to People: Why it Matters, Health, Safety & Well-Being
103-2	The management approach and its components	**PEOPLE** Our Commitment to People: Why it Matters, Health, Safety & Well-Being
103-3	Evaluation of the management approach	**PEOPLE** Our Commitment to People: Why it Matters, Health, Safety & Well-Being
403-1	Occupational health and safety management system	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Risk Management — Centralized EHS Auditing
403-2	Hazard identification, risk assessment, and incident investigation	**PEOPLE** Health, Safety & Well-Being
403-3	Occupational health services	We ensure the participation and consultation of our employees, employee representatives, and partners, where appropriate, when developing and improving our processes.
403-4	Worker participation, consultation, and communication on occupational health and safety	**PEOPLE** Health, Safety & Well-Being
403-5	Worker training on occupational health and safety	**PEOPLE** Health, Safety & Well-Being
403-6	Promotion of worker health	**PEOPLE** Health, Safety & Well-Being
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Risk Management — Centralized EHS Auditing
403-9	Work-related injuries	**PEOPLE** Health, Safety & Well-Being — 2019 Progress
GRI 404: Training and Education		
103-1	Explanation of the material topic and its Boundary	**PEOPLE** Talent Management
103-2	The management approach and its components	**PEOPLE** Talent Management
103-3	Evaluation of the management approach	**PEOPLE** Talent Management
404-2	Programs for upgrading employee skills and transition assistance programs	**PEOPLE** Talent Management — 2019 Progress
GRI 405: Diversity and Equal Opportunity		
103-1	Explanation of the material topic and its Boundary	**PEOPLE** Diversity, Equity & Inclusion
103-2	The management approach and its components	**PEOPLE** Diversity, Equity & Inclusion
103-3	Evaluation of the management approach	**PEOPLE** Diversity, Equity & Inclusion
405-1	Diversity of governance bodies and employees	Colleagues: People — Diversity, Equity & Inclusion Takeda Executive Team (TET): Governance and Fundamentals of Responsible Business — Corporate Governance — Composition of the Board of Directors and TET Board of Directors diversity: Takeda Annual Securities Report 2020, page 89
GRI 408: Child Labor		
103-1	Explanation of the material topic and its Boundary	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain
103-2	The management approach and its components	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain — Human Rights Supplier Code of Conduct
103-3	Evaluation of the management approach	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain
408-1	Operations and suppliers at significant risk for incidents of child labor	In markets where we have identified the potential for supply chain risks related to human rights, we use a number of enhanced assessment approaches. In FY2019, these assessments did not identify modern slavery risk in the form of forced or child labor, human trafficking, slavery or servitude.

GRI Standards Reference Table (continued)

Disclosure Number	Description	2019 Reference/Response
GRI 409: Forced or Compulsory Labor		
103-1	Explanation of the material topic and its Boundary	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain
103-2	The management approach and its components	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain — Human Rights Supplier Code of Conduct
103-3	Evaluation of the management approach	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	In markets where we have identified the potential for supply chain risks related to human rights, we use a number of enhanced assessment approaches. In FY2019, these assessments did not identify modern slavery risk in the form of forced or child labor, human trafficking, slavery or servitude.
GRI 412: Human Rights Assessment		
103-1	Explanation of the material topic and its Boundary	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain
103-2	The management approach and its components	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain — Human Rights Supplier Code of Conduct
103-3	Evaluation of the management approach	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain
412-1	Operations that have been subject to human rights reviews or impact assessments	In markets where we have identified the potential for supply chain risks related to human rights, we use a number of enhanced assessment approaches. In FY2019, these assessments did not identify modern slavery risk in the form of forced or child labor, human trafficking, slavery or servitude.
412-2	Employee training on human rights policies or procedures	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain — Human Rights
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain — Ethical Sourcing and Supplier Risk Management KPIs
GRI 413: Local Communities		
103-1	Explanation of the material topic and its Boundary	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Philanthropy (Global CSR)
103-2	The management approach and its components	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Philanthropy (Global CSR)
103-3	Evaluation of the management approach	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Philanthropy (Global CSR) — CSR Highlights — 2019, Key CSR Programs, Global COVID-19 Response Efforts
413-1	Operations with local community engagement, impact assessments, and development programs	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Philanthropy (Global CSR)
GRI 414: Supplier Social Assessment		
103-1	Explanation of the material topic and its Boundary	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain
103-2	The management approach and its components	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain
103-3	Evaluation of the management approach	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain — Ethical Sourcing and Supplier Risk Management KPIs
414-1	New suppliers that were screened using social criteria	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain — Ethical Sourcing and Supplier Risk Management KPIs
GRI 416: Customer Health and Safety		
103-1	Explanation of the material topic and its Boundary	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Quality Management
103-2	The management approach and its components	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Quality Management
103-3	Evaluation of the management approach	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Quality Management
416-1	Assessment of the health and safety impacts of product and service categories	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Quality Management

GRI Standards Reference Table (continued)

Disclosure Number	Description	2019 Reference/Response
GRI 418: Customer Privacy		
103-1	Explanation of the material topic and its Boundary	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain, Bioethics — Clinical Research
103-2	The management approach and its components	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain, Bioethics — Clinical Research Global Code of Conduct Supplier Code of Conduct
103-3	Evaluation of the management approach	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Supply Chain, Bioethics — Clinical Research
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There are no breaches of customer privacy and losses of customer data to report.
GRI 419: Socioeconomic Compliance		
103-1	Explanation of the material topic and its Boundary	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Compliance, Risk Management
103-2	The management approach and its components	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Compliance, Risk Management Global Code of Conduct Supplier Code of Conduct
103-3	Evaluation of the management approach	**GOVERNANCE AND FUNDAMENTALS OF RESPONSIBLE BUSINESS** Compliance, Risk Management
419-1	Non-compliance with laws and regulations in the social and economic area	There are no fines or nonmonetary sanctions for noncompliance to report.

Takeda Pharmaceutical Scope 3 Emissions Calculation Methodology per Category

Source of Scope 3 Emissions	Evaluation Status	Emissions Calculation Methodology
1) Purchased goods and services	Relevant, calculated	Takeda's business sectors and spend are multiplied by an emission factor for each sector/supplier derived from the Trucost economic input output (EEI-O) model to calculate the supply chain GHG emissions of suppliers through all tiers up to and including raw material extraction.
2) Capital goods	Relevant, calculated	
3) Fuel- and energy-related activities	Relevant, calculated	Emissions are calculated by multiplying fuel and electricity usage by emission factors from Defra (2019) — UK Government GHG Conversion Factors for Company Reporting. Only emissions related to fuel extraction and distribution/transmission loss are included.
4) Upstream transportation and distribution	Relevant, calculated	Takeda's business sectors and spend are multiplied by an emission factor for each sector/supplier derived from the Trucost economic input output (EEI-O) model to calculate the supply chain GHG emissions of suppliers through all tiers up to and including raw material extraction.
5) Waste generated in operations	Relevant, calculated	Emissions are calculated by using Takeda's waste data and emission factors from Defra (2019).
6) Business travel	Relevant, calculated	Takeda's spend data by mode of transport, which are captured by a business travel reservation system, are multiplied by an emission factor for each mode of transport derived from Trucost EEI-O model.
7) Employee commuting	Relevant, calculated	Takeda's global employee head count by country is used, combined with OECD's published country averages for commuting time and other publicly available data on transportation mode and distance, to calculate GHG emissions from employee commuting.
8) Upstream leased assets	Relevant, calculated	Emissions associated with upstream leased assets are included in Takeda's Scope 1 and 2 emissions.
9) Downstream transportation and distribution	Relevant, calculated	Takeda's weight of products sold data by countries are used, and calculated emissions based on assumed average distance traveled using emission factors from Defra (2019)
10) Processing of sold products	Relevant, calculated	Emissions are calculated by multiplying electricity and steam used for processing products sold, which are estimated based on energy required to process a unit of each product sold, by IEA grid electricity factors (country-specific) and a steam emissions factor from Defra (2019).
11) Use of sold products	Not relevant, not calculated	N/A
12) End-of-life treatment of sold products	Relevant calculated	Using packaging materials spend data, weight of those materials are estimated based on average price of material (e.g. plastic, metal, paper) gathered from metals exchange and B2B platforms. World waste treatment and disposal percentages published by World Bank and emission factors from Defra (2019).
13) Downstream leased assets	Not relevant, not calculated	N/A
14) Franchises	Not relevant, not calculated	N/A
15) Investment	Relevant calculated	Sum of Scope 1 and Scope 2 emissions[1] of the equity investment multiplied by the share of equity (%) held by Takeda when Takeda holds >5% equity stake.

[1]The adjusted emissions in Fiscal 2016 disclosed under the act on promotion of global warming countermeasures are used.

Independent Assurance

Independent Assurance Report

To the President and CEO of Takeda Pharmaceutical Company Limited

We were engaged by Takeda Pharmaceutical Company Limited (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with ☑ (the "Indicators") for the period from April 1, 2019 to March 31, 2020 included in its 2020 Sustainability Report (the "Report") for the fiscal year ended March 31, 2020.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information', 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing of the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Making inquiries and reviewing materials including documented evidence of the Narita Plant of Nihon Pharmaceutical Co., Ltd. selected on the basis of a risk analysis, as alternative procedures to a site visit.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
November 27, 2020

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