



## Diversity, Equity & Inclusion at Takeda

### Our 2021 UK Gender Pay Gap Report

March 2022

At Takeda, we strive to have a workforce as diverse as the patients we serve. We are committed to embracing differences, exploring possibilities and developing our colleagues. In January 2022, Takeda in the UK achieved Top Employer certification for the second consecutive year, whilst globally, Takeda achieved Top Employer certification for the fifth consecutive year, demonstrating our efforts to foster collaboration and innovation among people from all backgrounds.

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

Our goal is for every colleague at Takeda to enjoy the opportunity

to thrive, develop and grow based on merit, potential and ambition, regardless of background (such as gender, age, nationality, race, religion, belief, disability, sexual orientation, gender identity or lifestyle).

To support that goal, we have an inclusive talent strategy which:

- Guides hiring managers to recruit talented people from all walks of life
- Offers our people customised, creative opportunities to develop skills
- Creates a sense of belonging, and safe-guards diversity, equity and inclusion through meaningful policies and procedures
- Develops flexible career development options
- Delivers equal career opportunities for all employees.

**One of the measures that we use to assess how we deliver an inclusive talent system in the UK is our gender pay gap.**

### What is the 'gender pay gap'?

The UK gender pay gap is a measure that shows the difference in average earnings between women and men, taking into account applicable pay and bonuses. This is different from equal pay, which is the principle that men and women in the UK are legally entitled to receive equal pay if they are performing equal work.

Legislation states that all UK employers (legal entities) with 250 or more 'relevant employees' (typically who ordinarily work in the UK and whose contracts are governed by UK legislation) must report on six statistics:

1. The difference in mean 'hourly rate of pay' between male and female 'full pay relevant employees'
2. The difference in median 'hourly rate of pay' between male and female 'full pay relevant employees'
3. The proportion of men and women in each hourly pay quartile
4. The difference in mean 12 month 'bonus' pay between all male and female 'relevant employees'
5. The difference in median 12 month 'bonus' pay between all male and female 'relevant employees'
6. The proportion of men and women receiving bonuses (% of total relevant employees)

## Our 2021 UK gender pay gap results

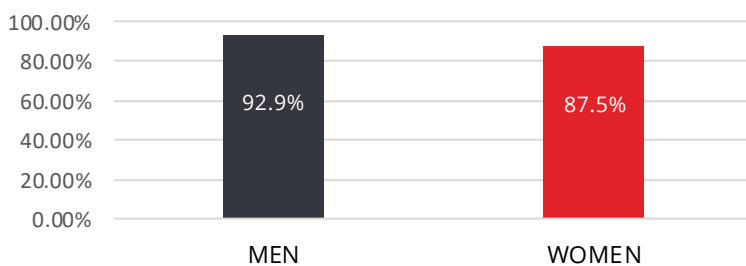
### Pay and bonus gaps

	TAKEDA UK LTD		MARKET	
	MEDIAN	MEAN	UK 2020-21 MEAN	INDUSTRY 2020-21 MEAN
2021 Pay Gap	15.8%	16.1%	13.9%	10.8%
2021 Bonus Gap	40.9%	43.9%	32.7%	28.4%

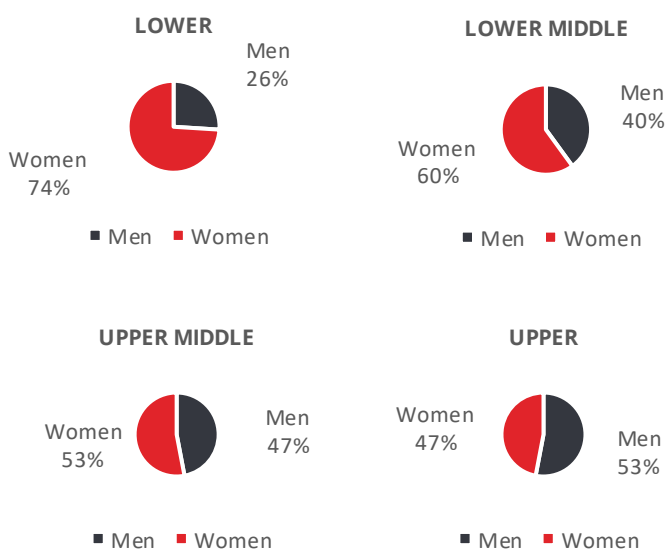
We are pleased to have this data for the first time as an organisation (we hit the legislative threshold for reporting following the acquisition of Shire). We will use it to both design initiatives and track progress to reduce our pay and bonus gaps over time.

Both our pay and bonus gap figures are slightly above both the UK and industry average. We have run additional analysis to determine some of the reasons for our results. Primarily, our pay gap is driven by the distribution of men and women at different levels in our organisation, rather than by pay equity issues. This distribution also influences the size of our bonus gap.

### Proportion of male and female employees receiving bonus payment



### Gender distribution across each pay quartile



The reported pay gaps above are not adjusted to account for differences in roles and responsibilities. About 60% of Takeda's UK employees are women and, even though men and women in higher paying roles are relatively equally represented, we have a higher percentage of women in lower-paid roles.

On the next page, you'll find details of what we're already doing to recruit, retain and develop diverse talent at all levels, as well as what we're planning to do in response to our 2021 results.

## Looking forward: 2022 and beyond

The UK leadership team takes our gender pay gap extremely seriously and is committed to change. In light of the number of employees we have in the UK, we recognise that our figures may fluctuate year on year, but we are taking steps as an employer to reduce our pay and bonus gaps over time. Looking at the results, we know that this will come through the way we develop talent and removing some of the historical barriers to progression for female colleagues within our organisation.

Some of the steps we've already taken as a business include:

### Attracting, retaining and developing female colleagues

We know that the primary driver of our data is gender distribution across Takeda. So, we have introduced a series of initiatives which aim to improve this over time, such as:

- Recruitment and promotion of qualified female colleagues in senior positions, alongside leadership coaching and development opportunities.
- A Diversity, Equity and Inclusion (DE&I) Recruitment Toolkit, which encourages our hiring team to deliver a recruitment process and experience that supports diverse talent.
- Fair performance management processes, with checks and balances that assess our pay and bonus decisions by gender, to combat bias.
- "Quality Conversations", a programme that actively encourages two-way communications between every employee and their manager to identify areas of growth and progression, as well as promoting the opportunity to deliver concise feedback.



### Networks and Allyship

We also want to improve diversity, equity and inclusion education and awareness throughout Takeda. To do so, we have:

- A number of internal networks, such as the Gender Parity Network, Black Leadership Council, Take Pride, Building Asian Leaders, Ignite, and EnAbles. We also established a local DE&I council to provide leadership on local programmes.
- Delivered independent analysis from a third party on the current state of DE&I in the UK business.
- Aligned with the United Nations' Sustainable Development Goals of *Gender Equality* and *Decent Work and Economic Growth*, with a pledge to make the world more gender equal on International Women's Day.

### Flexibility

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

- Flexible working arrangements through hybrid working, as well as providing family leave to support working parents.
- Competitive pay and benefits for maternity leave, which were revised in 2021 and provide employees with up to six months of full pay, in addition to 13 weeks of statutory pay.



**We will also be reviewing the initiatives we have in place over the coming months to ensure our talent strategy will help us to reduce our gaps in future.**

## Understanding the figures

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### Defining gender pay gap

Gender pay gap is a measure of the difference in average earnings between all men and women in an organisation, accounting for applicable pay and bonuses received. It is a collective comparison regardless of specific roles.

### Defining gender bonus gap

Gender bonus gap is a measure of the difference between the bonus pay of all men and women during the year, divided by the bonus pay of all men.

A negative gender bonus gap would reflect that the bonus pay for men is less than the bonus pay for women.

### What is meant by the mean gap?

The mean gap is all pay and bonuses added together and divided by the number of employees in the organisation.

### What is meant by the median gap?

The median gap is the mid-point between the highest and lowest hourly pay rate/annual bonus payment.

### What are quartiles and why are they used?

UK legislation requires all companies to publish the results of their gender distribution across their range of hourly pay rates. This is achieved by ranking employee pay rates from highest to lowest and dividing the range of pay into four equally sized groups that cover all employees. These groups are referred to as quartiles.

### What do gender pay gap calculations include?

The gender pay gap calculations are based upon the hourly equivalent of any pay received by employees during the April 2021 pay period, inclusive of:

- Salary
- Other cash allowances
- Bonus (pro-rated)

These payments are added up and then divided by the total number of hours worked during the month for each employee to determine their hourly rate of pay.

It is important to note that any employees who were being paid at a reduced rate during April 2021, as a result of being on leave (e.g. maternity leave, parental leave or sickness leave) are not included as part of the gender pay gap calculations. They are however included in the gender bonus gap calculations.

### What do gender bonus gap calculations include?

The gender bonus gap calculations are based on what the employees were paid in bonus in the 12 months from 6 April 2020 to 5<sup>th</sup> April 2021. This total is inclusive of any monetary award, such as cash bonuses, vouchers or shares with the company, commission, profit sharing or referral bonus.

“Takeda strives to have a workplace as diverse as the patients we serve. We are committed to embracing differences, exploring possibilities and developing our employees. Our success depends on fostering an inclusive environment where all employees are welcomed, empowered and inspired to use their unique voices and talents. This is how we will find innovative approaches to serve our patients, customers and communities. This is how we will reach our highest potential together.”

Christophe Weber, CEO Takeda