



Better Health, Brighter Future



Annual Report 2014

CSR Data Book

Sustaining Corporate Value through CSR

Takeda Pharmaceutical Company Limited

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Reporting Boundary

Consolidated subsidiaries of the Takeda Group
*In some places the data covers only Takeda Pharmaceutical Company Limited but we intend to use consolidated data in future.

Period of Reporting

Fiscal 2013 (April 1, 2013 to March 31, 2014)
*Some fiscal 2014 activities are included.

Issue Date

September 2014 (Previous issue: October 2013)

Reference Guidelines

- The International Integrated Reporting Council (IIRC) International Framework for Integrated Reporting
- United Nations Global Compact (GC) Advanced Level Criteria
- GRI's Fourth Generation of Sustainability Reporting Guidelines (G4)

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Inclusion Status in SRI (Socially Responsible Investment) Indexes

(as of May 31, 2014)

- Dow Jones Sustainability Asia Pacific Index (S&P Dow Jones Indices LLC of the U.S.)
- FTSE4Good (FTSE International Limited of the U.K.)
- Ethibel Excellence (Forum ETHIBEL of Belgium)
- Morningstar Socially Responsible Investment Index (MS-SRI) (Morningstar Inc., Japan)



1781

Takeda's Foundation Year

IIRC

The International Integrated Reporting Council (IIRC) was established in 2010 by private-sector companies, investors, accounting associations, government agencies, and others, as an organization for developing an international corporate reporting framework.



CSR Data Book Editorial Policy

The CSR Data Book is a supplementary report (secondary report) to the integrated Annual Report (primary report). It provides more detailed disclosure of non-financial information.

Integrated Thinking

Since its foundation in 1781, Takeda has conducted its business of providing pharmaceuticals with integrity, which is at the core of the unchanging values of “Takeda-ism” (Integrity: Fairness, Honesty and Perseverance). We believe that the essence of CSR for Takeda lies in developing outstanding pharmaceutical products in accordance with these values. From another perspective, we are very aware that our sustainability can exist only when a sustainable and healthy society is assured. As a corporate citizen, we aim to take the initiative to address social issues in fields where we can leverage our strengths. In this way, Takeda’s relationships with society are an integral part of its business development.

Integrated Reporting/Integrated Report

Since fiscal 2006, Takeda has conducted integrated reporting, incorporating non-financial information about our initiatives on human rights, the environment, and communities, etc., in addition to financial information. Based on this, we have been publishing integrated annual reports. Since fiscal 2009, we have published the CSR Data Book making reference to the Global Reporting Initiative (GRI) Guidelines. In 2011, we participated in a pilot program of the International Integrated Reporting Council (IIRC), which is proposing an international framework for integrated reporting. In this CSR Data Book, we have referred to the international framework for integrated reporting

of the IIRC, the United Nations GC Advanced level criteria, and GRI’s Fourth Generation of Sustainability Reporting Guidelines (G4) to create a comprehensive report targeting a broad range of stakeholders.

Creating and Sustaining Corporate Value

Takeda has formulated “Vision 2020” to articulate the aspiration of where the company wants to be in the future. Guided by this vision, the entire Group is implementing strategies aimed at transformation into a truly global pharmaceutical company capable of responding to diverse medical needs. Throughout all of its business activities, Takeda is committed to promoting corporate value creation by developing outstanding pharmaceutical products and conducting corporate citizenship activities. At the same time, we also work to sustain corporate value through business processes that are grounded in integrity.

In this CSR Data Book we have focused primarily on our efforts to sustain corporate value, and disclosed specific activities and detailed relevant data for in five categories of Human Rights, Labor, Environment, Anti-Corruption (including Fair Operating Practices and Consumer Issues that are core subjects under ISO 26000), as well as Corporate Citizenship Activities.

See → P.2 Sustaining Corporate Value through CSR
P.4 CSR Strategy
P.6 Takeda’s CSR Activities

Relationship between CSR and Sustainability at Takeda



Takeda participates in the creation of global CSR guidelines, helping to identify materiality and promoting its activities.



Takeda declared its support for the United Nations Global Compact in 2009 and became a member of the LEAD program in 2011. We are now cooperating with activities to promote the implementation and widespread adoption of the United Nations Global Compact principles.

51 / 7,000

No. of participating companies in the United Nations Global Compact LEAD program / No. of participating companies in the United Nations Global Compact
As of May 2014



Since 2012, Takeda has been participating in the BSR Healthcare Working Group, and is cooperating with activities to jointly draft the BSR "Guiding Principles on Access to Healthcare," among other initiatives.

15 / 250

No. of participating companies in BSR Healthcare Working Group / No. of participating companies in BSR
As of May 2014



Since 2006, Takeda has been publishing integrated annual reports. In 2011, we participated in the IIRC Pilot Program. Since then, we have been assisting with the development of an international integrated reporting framework.

3 / 100

No. of participating pharmaceutical companies in the IIRC Pilot Program / No. of participating companies in the IIRC Pilot Program
As of May 2014

Proactive Participation in the International Community

Takeda actively participates in international communities of global corporations and international NGOs. Our main channels of participation are the United Nations Global Compact LEAD program, as well as the BSR Healthcare Working Group, which is a global association of member companies for CSR, and the International Integrated Reporting Council (IIRC) Pilot Program. Our discussions in these forums help us to develop an awareness of issues, which we use to identify materiality within our CSR activities.



At the IIRC's Pilot Program Conference

[See →](#)

P.4 CSR Strategy
P.6 Takeda's CSR Activities

Takeda Snapshot

Sustaining Corporate Value through CSR



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Promotion and Disclosure of CSR Activities as Required by the International Community

Takeda is stepping up its CSR activities by reflecting insight gained from the international community to help it identify materiality, and then utilizing the United Nations Global Compact's 10 principles and the ISO 26000 framework of guidance standards for social responsibility. Furthermore, we disclose the details of our activities, referring to the IIRC's International Integrated Reporting Framework, the United Nations GC Advanced level criteria, and GRI's Fourth Generation of Sustainability Reporting Guidelines (G4). We strive to provide disclosure of information that is easy to understand by organizing the information into five categories: Human Rights, Labor, Environment, Anti-Corruption (including the core subjects in ISO 26000 of Fair Operating Practices and Consumer Issues), and Corporate Citizenship Activities.

See →

- P.20 Human Rights
- P.24 Labor
- P.30 Environment
- P.52 Anti-Corruption/
Fair Operating Practices/
Consumer Issues
- P.66 Corporate
Citizenship Activities

¥1.55bn

Amount Pledged to Support Healthcare Access (2009-2019)

¥3.9bn

Donation Amount for Great East Japan Earthquake Assistance

(Period of recovery support program operation by NGOs and NPOs due to donations from Takeda: 2011 – 2020)

5%

Target Percentage of Women in Managerial Positions in Japan by Fiscal 2015

18%

Fiscal 2015 CO₂ Emissions Reduction Target

(from fiscal 2005 levels)

We are working to sustain our corporate value while responding to the demands of international society.

Core Management Policies

- Implement activities to sustain corporate value, having comprehended the changes and diversity of the global markets
- Make a concerted effort across the Group to improve access to healthcare in order to promote smooth business operations in emerging markets

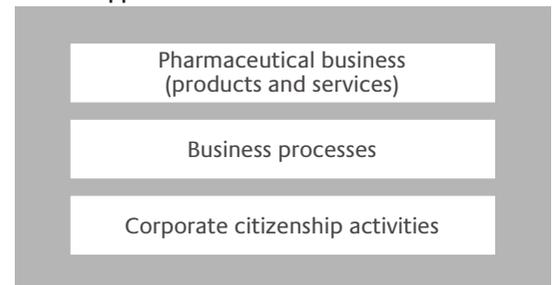


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Holistic Approach

The core rationale for corporate social responsibility (CSR) at Takeda is in the corporate mission of “striving towards better health for people worldwide through leading innovation in medicine.” We believe it is important to recognize the various effects of the pharmaceutical business value chain on society. We therefore strive to maintain and improve sound business processes throughout our operations, and to engage in activities to promote a sustainable society as a good corporate citizen. We engage in CSR activities taking this holistic approach.

Holistic Approach



Sustaining Corporate Value

Takeda recognizes that to steadily implement its medium- to long-term growth strategies it needs to seriously reconsider the meaning of sincere business processes, having first understood the social aspects of the changes and diversity of the global markets. Through this approach we aim to avoid social risks and work to sustain our corporate value. In particular, we recognize that healthcare access is a material issue when it comes to smoothly developing business in emerging economies.

- See →** P.2 Sustaining Corporate Value through CSR
P.6 Takeda's CSR Activities
P.18 CSR Activity Targets and Results

CSR Guidelines for Reference

We refer to the six internationally recognized guidelines shown below in promoting CSR activities that respond to the demands of society.



Promotion of CSR Activities

In working with stakeholders such as NGOs and NPOs to promote CSR activities, we believe that it is important to take a holistic approach including cases conducted by Takeda alone, with other companies,

and in what we call “producer-type” activities. Based on this approach, we take into consideration various opportunities to create and sustain value for society and enterprises by promoting CSR activities.

Promotion of CSR Activities



*³ Leadership activities that initiate new trends
*² Participation in rule-making processes
*¹ Making proposals for solving issues

Recognizing companies are part of society, Takeda conducts activities with a holistic approach to not only create but also sustain corporate value.

The core rationale for corporate social responsibility (CSR) at Takeda is in the pharmaceutical business. We therefore strive to maintain and improve sound business processes throughout our operations, and to engage in activities to promote a sustainable society as a good corporate citizen. We engage in CSR activities taking this holistic approach. We refer to internationally recognized guidelines such as the United Nations Global Compact's 10 principles in promoting CSR activities. At the same time, we take into consideration various opportunities to create and sustain value for society and enterprises.

See → P.2 Sustaining Corporate Value through CSR
P.4 CSR Strategy

UNGC

United Nations Global Compact
The UNGC is a worldwide framework for promoting voluntary actions by corporations as responsible corporate citizens. Participating businesses and organizations are asked to support and implement its 10 principles.

IIRC

The International Integrated Reporting Council
The IIRC was established as an organization for developing an international corporate reporting framework.

Global Fund

The Global Fund to Fight AIDS, Tuberculosis and Malaria
We cooperate with the Global Fund to implement the "Takeda Initiative," an endowment program designed to aid in developing and strengthening the capacity of healthcare workers in Africa.

IFPMA

International Federation of Pharmaceutical Manufacturers & Associations

BSR

A global association of member companies for CSR.

FTSE4Good

An SRI (Socially Responsible Investment) index developed by FTSE International Limited of the U.K.

DJS Indexes

SRI (Socially Responsible Investment) indexes developed by S&P Dow Jones Indices LLC of the U.S.

ATM Index

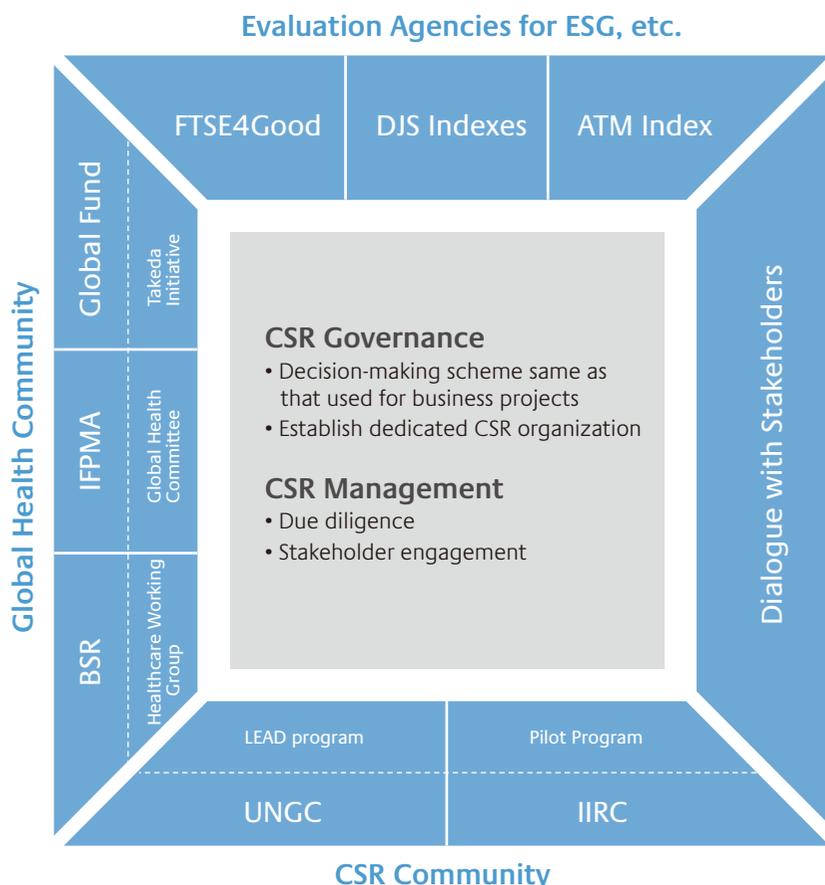
The Access to Medicine (ATM) Index was developed by the Access to Medicine Foundation to independently rank pharmaceutical companies' efforts to improve access to medicine.

CSR Activities through Dialogue with a Diverse Range of Communities

Based on a holistic approach, Takeda strives to understand expectations for the company in the present and the future through dialogue with a diverse range of communities and stakeholders. By reflecting

these dialogues in CSR management, we are working to create and sustain corporate value.

Conceptual Diagram: Implementing CSR Activities through Dialogue with a Diverse Range of Communities



Participation in the CSR Community

To enhance future corporate value and avoid risks, it is crucial to develop an in-depth understanding of global standards and trends concerning CSR and respond to them properly. Takeda has participated in the United Nations Global Compact LEAD program and the IIRC Pilot Program since the inception of each program, and actively participates in the programs' new initiatives and projects to develop new rules.

Activities within the Global Health Community

We have identified material issues specific to pharmaceutical companies and studied management techniques and response measures through activities led by the BSR Healthcare Working Group, the IFPMA Global Health Committees, and others.

Specifically, we discussed crucial issues in the value chain such as initiatives to improve access to healthcare, contract research organization (CRO) management, and the issue of counterfeit drugs. In anti-counterfeiting measures, we are also conducting collaborative activities with the International Criminal Police Organization (ICPO). Furthermore, we are increasing understanding of access to healthcare by implementing the Takeda Initiative, a joint program with the Global Fund.

CSR Governance

Material and associated issues identified through the abovementioned processes are handled by the departments responsible for global governance of quality, human rights, labor, the environment, procurement, and community, according to each project. A team specialized in promoting CSR activities set up inside the Corporate Communications Department provides tangential support for implementation and disclosure activities carried out by the department responsible for global governance, while referring to ISO 26000, United Nations GC Advanced level criteria, and GRI's Fourth Generation of Sustainability Reporting Guidelines (G4). Notably, it identifies any impacts business activities have on society and the environment, including potential impacts, and takes appropriate measures to handle them, with the aim of sustaining corporate value. As with business projects, important projects related to CSR are handled by the Global Leadership Committee and the Board of Directors.

CRO

Contract research organizations

ISO 26000

Issued by the International Organization for Standardization (ISO), ISO 26000 is an international standard that provides guidance on social responsibility.

The United Nations Global Compact Advanced Level Criteria

Disclosure criteria for Communication on Progress (COP), an annual activity report requested by the United Nations Global Compact.

GRI's Fourth Generation of Sustainability Reporting Guidelines (G4)

Guidelines issued by the Global Reporting Initiative (GRI) related to sustainability reports.

Insights and issues identified through dialogue with a diverse range of communities

United Nations Global Compact LEAD program

- Long-term goal setting
- Post-2015 development agenda



Guidelines for promoting post-2015 CSR activities announced in September 2013 at the UN Global Compact Leaders Summit

IIRC Pilot Program

- Relationship between integrated thinking and integrated reporting
- Independent assurance of non-financial information



IFPMA

- Seriousness of non-communicable diseases (NCDs) in developing countries
- Anti-counterfeit measures



Takeda Initiative in cooperation with the Global Fund

- Problems facing frontline medical staff
- Logistics problems for pharmaceuticals



Due Diligence

In the context of social responsibility, due diligence is the process of identifying and avoiding or reducing the negative impacts of an organization's decisions and activities.

Due Diligence

As a pharmaceutical company committed to improving people's lives, Takeda is engaged in identifying any impacts its business activities have on society and the environment, including potential impacts, and takes appropriate measures to handle them, with the aim of sustaining corporate value. Takeda sees this process as a series of activities ranging from "Recognition," which refers to identifying negative impacts on society, to "Preservation," which refers to avoiding situations that could decrease corporate value.

Evaluation Agencies for ESG, etc.

We monitor the expectations of investors and other stakeholders of the company, and CSR trends, in the process of replying to surveys from SRI indexes such as the Dow Jones Sustainability Indexes and surveys carried out by agencies evaluating pharmaceutical companies on their activities related to access to healthcare, such as the Access to Medicine Index. Furthermore, we confirm the areas where the company should improve its activities through feedback information obtained from the evaluation agencies.

Stakeholder Engagement

For Takeda, stakeholder engagement means understanding the position and concerns of stakeholders and then reflecting these in corporate activities and decision making.

Stakeholder Engagement

Based on ISO 26000, Takeda identifies stakeholders and focuses on stakeholder engagement as the basic practices underpinning social responsibility. We also refer to the AA1000 standards, a set of international guidelines for accountability to enhance our stakeholder engagement efforts.



FTSE4Good

[See →](#) P. 69 Stakeholder Dialogue

AA1000

Issued by British firm AccountAbility, these are guidelines relating to accountability.

Dialogue with Stakeholders

Takeda enhances the quality of dialogue with stakeholders using the AA1000 standards, based on appropriate information disclosures and dissemination. We have also established a contact point for consultations and complaints, which we respond to appropriately in our drive to improve our corporate activities.

Stakeholders	Method of Dialogue	Responsible Organizational Body
Patients and Medical Professionals	<ul style="list-style-type: none"> Pharmaceutical information providing activities Provide information through customer relations and through our website, etc. Hold seminars on healthcare, etc. Provide information through advertising 	Customer Relations Contact Center, etc.
Shareholders and Investors	<ul style="list-style-type: none"> Provide information through our Annual Report, website, and other media Shareholders' meetings and investors' briefings IR activities Respond to CSR surveys by socially responsible investors 	Corporate Communications Department, etc.
Society	<ul style="list-style-type: none"> Implement programs in cooperation with NGOs and NPOs Activities through involvement in economic and industry groups Hold CSR lectures for adults and students Exchange of views (dialogue) Volunteer activities 	Corporate Communications Department, etc.
Environment	<ul style="list-style-type: none"> Dialogue with local residents living near manufacturing and research facilities Disclosure of information through Annual Report and website, etc. 	Organizational bodies of each manufacturing and research facility
Business Partners	<ul style="list-style-type: none"> Honest purchasing activities based on the Takeda Global Code of Conduct and the Guidelines for Socially Responsible Purchasing Surveys of business partners Exchange of views, explanations, study sessions Inquiries desk 	Organizational bodies handling procurement, etc.
Employees	<ul style="list-style-type: none"> Company intranets Voice of Takeda System (VTS) Labor-management dialogue Counseling In-house magazines Hold "Worldwide Takeda-ism Months" A range of capability development training 	Human resources-related departments, etc.

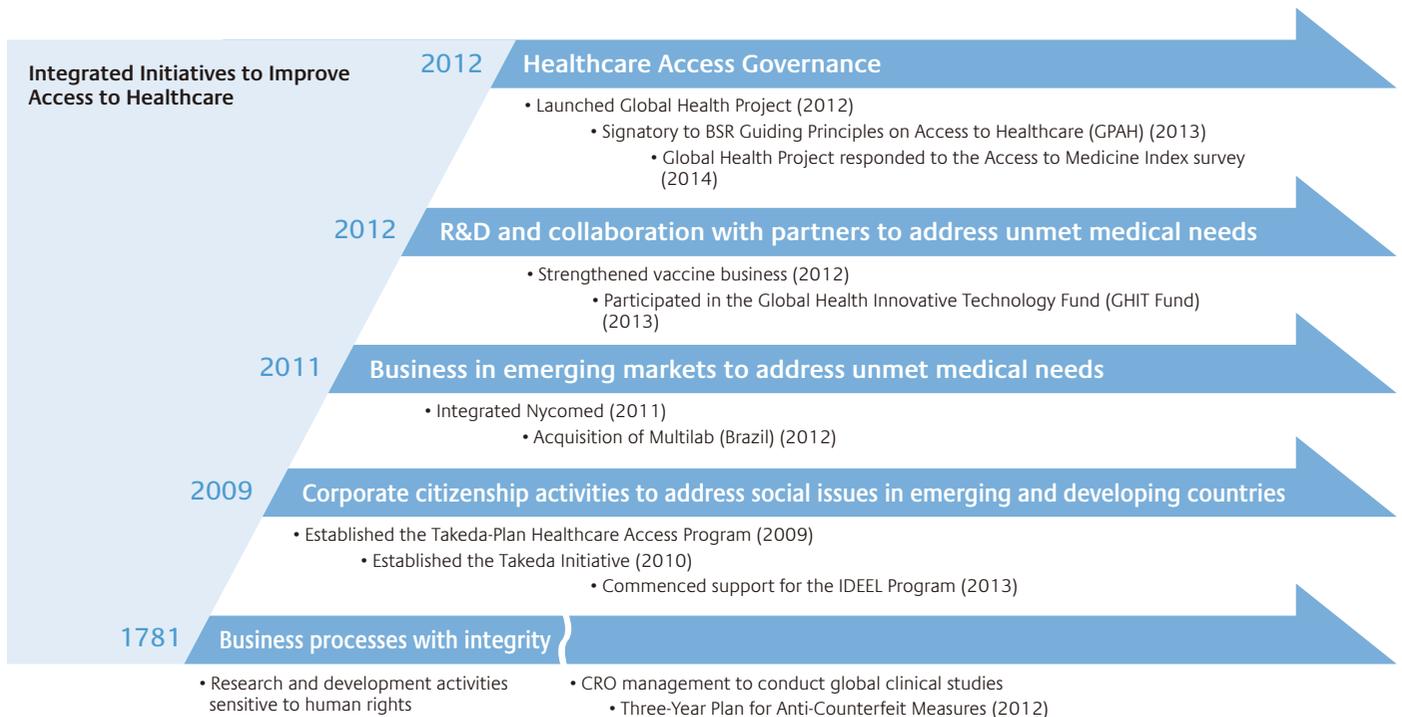
Stakeholders comprise all parties that are influenced by, and/or have an influence on, corporate activities.

Material Issue Areas

[1] Access to Healthcare

Takeda is working to support better access to healthcare for people around the world, including

emerging and developing countries with the aim of realizing Vision 2020 (Better Health, Brighter Future) for all, making reference to the BSR's Guiding Principles on Access to Healthcare (GPAH), which Takeda helped to draft.

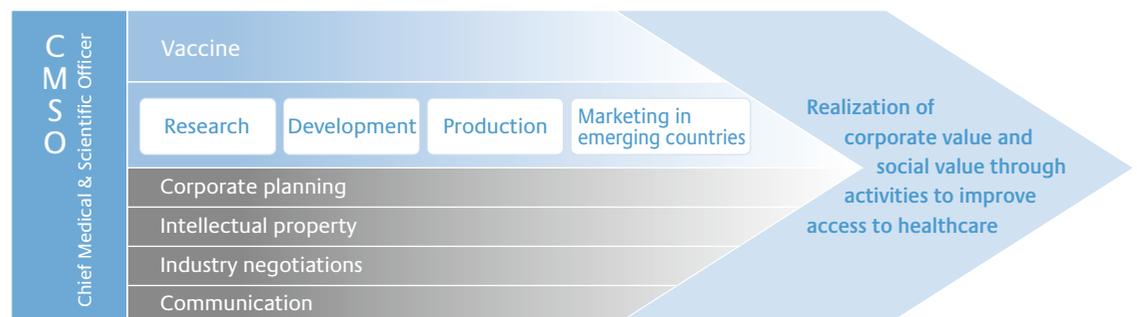


Specific initiatives are centered around the Global Health Project, which comprises members from divisions across the company, including those involved in R&D, pharmaceutical production, emerging markets, the vaccine business, corporate planning, industry negotiations, intellectual property, and CSR. The project discusses Takeda's initiatives from the

aspects of both business and corporate citizenship activities, reporting the content of these discussions to management when appropriate. The project is also discussing the formulation of a basic policy on healthcare access to integrate the entire Group's initiatives and further enhance its activities.

See → P. 67 Initiatives to Improve Access to Healthcare

Organization Chart of Functions in the Global Health Project



[2] Value Chain Management

Striving to be socially responsible at every stage in the value chain, Takeda is advancing with CSR activities by applying the framework of the seven core subjects in the ISO 26000 standard.

Value Chain

A concept in which the entirety of a company's activities, from the procurement of raw materials to the delivery of products and services to customers, is viewed as a "chain of value creation."

Takeda strives to be socially responsible at every stage of the value chain from research and development to purchasing, production, distribution, and marketing.

To identify issues and measures to be taken in each value chain, Takeda applies the framework of the core subjects in the ISO 26000 standard. A team specialized in promoting CSR activities set up inside the Corporate Communications Department coordinates with each of the sections handling the

identified issues and measures to promote concrete activities. Furthermore, Takeda is trying to step up activities for sustaining corporate value by taking into account the CSR activities of business partners including contract research organizations (CROs), suppliers and others.

[See →](#) P.8 Due Diligence

Promotion of CSR Activities across the Entire Value Chain



Integrated Information Disclosure

We strive to upgrade our integrated disclosure of information about how we create and sustain corporate value through our annual report and other tools, making reference to the seven guiding principles indicated by the IIRC, the United Nations Global Compact (UNGC) Advanced level criteria and the fourth edition of the Global Reporting Initiative (GRI) Guidelines (hereafter, "the G4").

1. Strategic Focus and Future Orientation

In addition to our Mid-Range Growth Strategy through to fiscal 2017, we provide detailed disclosure on our strategic focuses in the fields of finance, R&D, marketing, CSR, and corporate governance, and explain how we create corporate value and sustain it (based on the avoidance of value impairment). We use a region-by-region approach to explaining our marketing strategies, and for our CSR activities we have continued to include "Future Outlook" columns

to disclose information on our expectations for the future.

2. Connectivity of Information

Aspects of both business strategy and CSR activities are discussed with special attention given to covering the entire value chain. Reference tags offer readers links to relevant information as a way of increasing the connectivity of information. In addition, there is a diagram presenting the overall concept of our "dialogue with a diverse range of communities,"

Independent Assurance

We have engaged an independent third party to provide assurance on some of the information relating to the Group's labor, environment and corporate citizenship activities.

☑ Specific data assured by a third party are marked with this tick mark in this report.

which plays an important part in promoting CSR, and we disclose the insights and issues that were obtained through the dialogue. Moreover, we present messages from two outside directors to show how external perspectives are being reflected integrally in management to promote sustainable growth.

3. Stakeholder Relationships

We identify stakeholders involved in our businesses and create varied opportunities for stakeholder communications, such as direct dialogue and questionnaire surveys, to support the creation and sustaining of corporate value. In addition to featuring the voices of both internal and external stakeholders, we also provide specific disclosure about how we have dialogue with stakeholders and the departments that engage with them.

4. Materiality

We have attempted to provide integrated disclosure on "healthcare access," which is a material issue under our CSR strategy, by incorporating aspects such as corporate governance, R&D partnerships, M&A, corporate citizenship activities, and business processes. Furthermore, we have referred to the G4 to disclose the process for identifying materiality, organizing and explaining our identified material issues.

5. Conciseness

We prepare various disclosure media such as an Annual Report and a CSR Data Book. The Annual Report has been restrained to just 79 pages overall by including only disclosures that are highly material for shareholders and investors. We classify material information concisely into five categories based on 10 principles of the UNGC, namely human rights,

labor, environment, anti-corruption, and corporate citizenship activities.

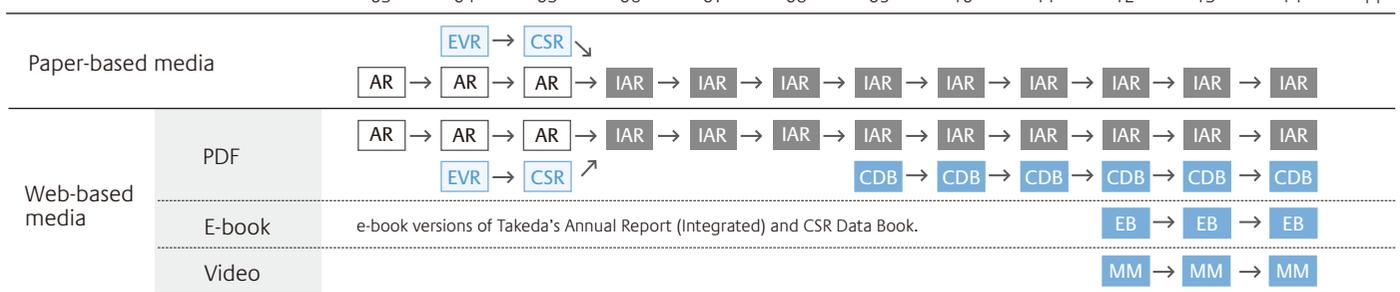
6. Reliability and Completeness

We provide messages from senior management in video format on our website to allow stakeholders to check them. From fiscal 2014, we have expanded the scope of independent assurance of certain non-financial information from human-related information such as employee information and corporate citizenship activities to newly include environment information. We also use the ISO 26000 framework of seven core subjects to ensure we cover all key issues without any omissions from the perspective of completeness. Moreover, with respect to a series of incidents relating to clinical research, we have clearly explained the company's approach in the chairman's message, and sections on fair operating practices and corporate governance.

7. Consistency and Comparability

Takeda is committed to consistency and comparability. We actively disclose quantitative data as well as environmental impact assessment index scores. Furthermore, in the "Third-Party Comment" that we continuously include in our reports, we have reviewed the role of external opinions as something to be reflected in improving our CSR activities. As a result, we determined that at present we have already started implementing alternative activities, and have therefore foregone the inclusion of the "Third-Party Comment."

Transition in Disclosure Media



AR: Annual Report EVR: Environmental Report CSR: CSR Report IAR: Integrated Annual Report CDB: CSR Data Book EB: E-book MM: Management Message

Takeda's Annual Report and CSR Data Book can be viewed on the corporate website (PDF/E-book). <http://www.takeda.com/>

Fundamental Policy and Structure

Policy toward Corporate Governance

Takeda’s management mission is to “strive towards better health for people worldwide through leading innovation in medicine.” In line with this mission, Takeda is working to establish a management framework befitting a world-class pharmaceutical company that operates on a global scale. We are strengthening internal controls, including rigorous compliance and risk management, and establishing a structure to facilitate rapid decision-making that is sound and transparent. Through these initiatives, we will further enhance our corporate governance, thereby maximizing corporate value.

Management Structure

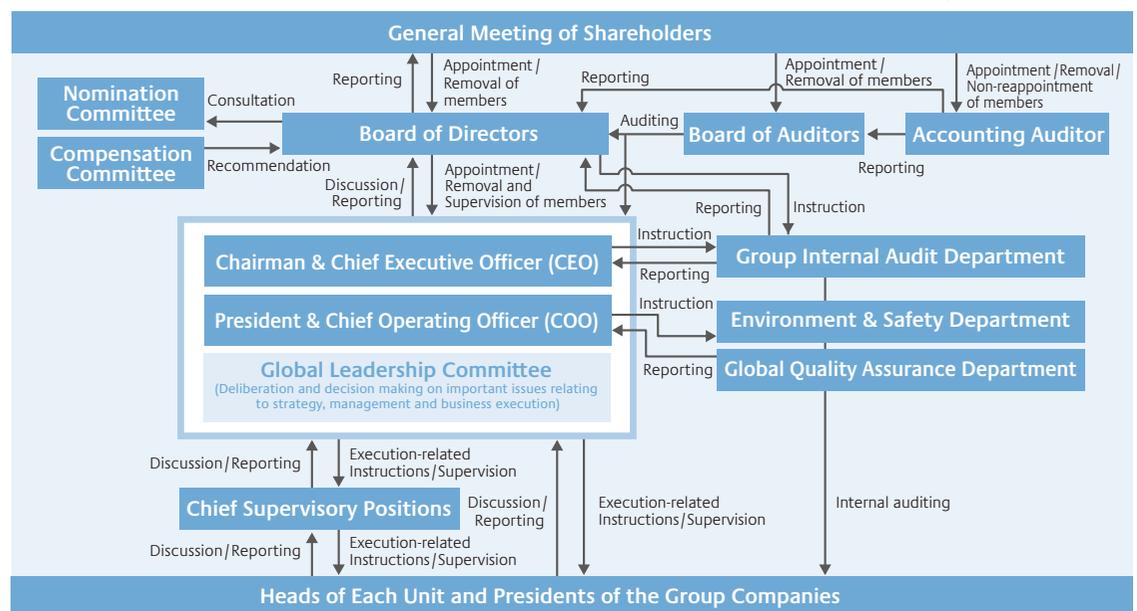
At Takeda, the Board of Directors determines the fundamental policies for the Group, and management and business operations are then conducted in accordance with their decisions. Transparency of the Board of Directors is achieved through audits conducted by corporate auditors. At the same time, the company also has outside directors who bring perspectives from other industries to help ensure the appropriate execution of business operations. Moreover, as management tasks continue to diversify, the Group has appointed special officers to ensure a

flexible and swift response: the Chief Executive Officer (CEO), Chief Operating Officer (COO) and oversight positions related to accounting and financial functions, human resources functions, R&D functions, and ethical-drug manufacturing functions. Takeda has also established a Global Leadership Committee, composed mainly of internal directors, which responds to the global business risks that have accompanied the expansion of the scope of our business. The Global Leadership Committee assembles to deliberate and make decisions on the important issues facing the Group, from an optimal company-wide perspective.

Takeda has given its Board of Directors the primary functions of observing and overseeing business execution as well as decision-making for company management. The Board of Directors consists of 10 directors (all male), seven Japanese and three non-Japanese, including three outside directors, and meets in principle once per month to make resolutions and receive reports on important matters regarding management.

Furthermore, a Nomination Committee and a Compensation Committee have been established as advisory bodies to the Board of Directors. Each Committee consists of one Outside Director as a Chairman, one Outside Auditor and one Internal Director. Together, the committees serve to ensure transparency and objectivity in decision-making processes and results relating to personnel matters for

Schematic Diagram of Takeda’s Corporate Governance System, Including the Internal Control System



internal directors (appropriate standards and procedures for appointment and reappointment, and having and administering appropriate succession plans) and to the compensation system (appropriate levels of compensation for the directors, appropriate performance targets within the director bonus system, and appropriate bonuses based on business results).

Any risks we may face in the course of global business operations are managed by the personnel responsible for risk management in each organization within the relevant domain. We therefore have set a system in place to prevent or mitigate risks, according to their degree and nature.

Furthermore, based on the “Takeda Group’s Management Policy” and the “Management Policy for Affiliated Companies,” we work to clarify the roles and responsibilities of all Group companies. We ensure compliance and appropriate business operations through implementation of periodic internal audits and the Control Self Assessment (CSA) program.*

* Under the CSA program, personnel responsible for internal control assess the status of internal control in their particular company or division and pledge to implement a program of improvement. They then take an oath to confirm that the proposed program of improvement is appropriate. The CSA program forms the basis for evaluation and confirmation of financial reporting by management.

Auditing System

Takeda is a “Company with Auditors” as defined in Japan’s Companies Act. Takeda has established a system to ensure the effective implementation of audits, under the “Audit Rules by Corporate Auditors” which prescribe the activities of auditors, including attendance at important meetings and authority to review important documents. The company also ensures the soundness and transparency of business

management by means of an audit by the Board of Corporate Auditors and by the internal and outside Corporate Auditors. In addition, KPMG AZSA LLC serves as the accounting auditor.

Compliance

The Takeda Global Code of Conduct and Promotion of the Global Compliance Program

In order to fulfill social expectations, gain trust and achieve recognition for its value to society, Takeda believes that, in addition to complying with laws and regulations, it is essential for Group employees and executives to conduct business from a high ethical and moral standard through the practical implementation of the corporate philosophy, “Takeda-ism.” In line with this perspective, Takeda has instituted the Takeda Global Code of Conduct as a baseline standard of compliance commonly applicable to Group companies to help promote an integrated approach to compliance issues across Takeda operations worldwide. In fiscal 2011, Takeda formulated the Takeda Anti-Corruption Global Policy to deal with tightening regulations of anti-bribery globally.

To promote compliance throughout the entire Group, Takeda has appointed a Global Compliance Officer and established the Global Compliance Committee. The Global Compliance Office, which is in the Legal Department of Takeda Pharmaceutical Company Limited, supports these efforts to promote compliance.

The Takeda Global Code of Conduct and the Takeda Global Code of Conduct (Japan edition) can be viewed on Takeda’s corporate website. <http://www.takeda.com/company/compliance/>

Compensation of Directors and Corporate Auditors Amount and Type of Compensation for Each Class of Director and Corporate Auditor, and Number of Recipients

Class of director/auditor	Total amount of compensation (millions of yen)	Total amount of compensation by type (millions of yen)			No. of recipients
		Basic compensation	Bonuses	Stock options	
Directors (excl. outside directors)	621	212	260	149	8
Corporate auditors (excl. outside corporate auditors)	104	104	—	—	2
Outside directors and outside corporate auditors	66	66	—	—	5

Note: The figures above include two Directors and one Corporate Auditor who retired as of the conclusion of the 137th Ordinary General Meeting of Shareholders held on June 26, 2013, and one Director who retired as of the conclusion of the 138th Ordinary General Meeting of Shareholders held on June 27, 2014.

Takeda’s Corporate Governance Report can be viewed on the corporate website. (Available in Japanese only) <http://www.takeda.co.jp/investor-information/governance/>

Up-to-date information on major subsidiaries and affiliates can be viewed on the corporate website. <http://www.takeda.com/worldwide>

Promotion of Compliance at Group Companies

Under the global compliance organizational structure, each Group company continues to reinforce their compliance programs in line with the Takeda Global Code of Conduct.

The Global Compliance Office works with Regional Compliance Officers when a coordinated global approach is required to manage certain compliance issues.

Promoting Compliance at Takeda Pharmaceutical Company Limited

Takeda Pharmaceutical Company Limited instituted the Takeda Compliance Program in April 1999, appointing its Compliance Officer and establishing the Compliance Promotion Committee. To implement the Takeda Global Code of Conduct in Japan, Takeda Pharmaceutical Company Limited has created the Takeda Global Code of Conduct (Japan edition) that all of its employees and executives are expected to follow. Takeda Pharmaceutical Company Limited raises compliance awareness among its employees and executives through various training courses, including e-learning programs, discussion seminars at each business unit, and other programs.

In addition, an in-house hotline system called the Voice of Takeda System (VTS) and an external hotline system called the External VTS (for which outside counsel acts as a VTS contact) have been established to provide employees with a means of reporting compliance-related issues, while ensuring that employees who report the issues are protected.

Promotion of Compliance in Research

In pursuing its research activities, Takeda complies with relevant laws, such as the Pharmaceutical Affairs Law, as well as in-house regulations in order to develop outstanding pharmaceutical products.

When conducting experiments with animals, which are essential to the research and development of new drugs, we establish committees within our research facilities (such as the Laboratory Animal Ethics Committee, etc.), and we observe laws and regulations, including the Act on Welfare and Management of Animals. We make every effort to practice the 3Rs,*1 the fundamental ethical and scientific principles for respecting life and caring for animals. Shonan Research Center, Millennium Pharmaceuticals, Inc. and Takeda California, Inc. received Full Accreditation by the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC International).*2

In addition, when dealing with biohazards and chemical hazards we take all possible measures to protect people and the environment.

*1 The 3Rs are Reduction (of the number of animals in experiments), Replacement (of animal-based experiments with non-animal-based ones) and Refinement (of methods to reduce animal suffering).

*2 AAALAC International is a private, non-profit organization that promotes the humane treatment of animals in science through voluntary accreditation and assessment programs.

Issues Surrounding the Candesartan Antihypertensive Survival Evaluation in Japan (CASE-J Study)

In March 2014, Takeda held a press conference to address the concerns surrounding the results of the CASE-J study, a clinical study related to the hypertension medicine *BLOPRESS* (candesartan). While the results of the internal investigation did not confirm “data falsification” or “possible conflicts of interest,” it was

Message



The ability of a company to thrive and survive lies in maintaining its ability to continue to create new value. Takeda has been resolutely striving to achieve this in recent years. In the economic environment of sudden change and a highly competitive world, while the company must hold steadfastly to the tradition of Takeda-ism, it must also embrace customers from every part of a diverse and heterogeneous world. This is the way to ensure the company's growth and sustainability. Moreover, in any industry, if management is to be successful, all employees from top management to workers on the front lines, must retain their shared sense of crisis as well as a positive outlook. Takeda has been also working on these aspects.

The responsibility of an outside director is primarily to supervise the execution of business (under the CEO), and as such it is the essence of corporate governance and compliance. Secondly, the outside director should give opinions and advice through their own experience and knowledge from a different perspective for management when they participate in the Board of Directors' meetings at Takeda.

At this time of transformation, my value as an outside director will be tested. I will make a sincere effort to perform my role.

Fumio Sudo Outside Director

found that “a portion of promotional activities were inappropriate” in their use of the CASE-J study results. Takeda explained this and apologized to patients and healthcare professionals. Furthermore, as a continuation of the internal investigation, Takeda announced the appointment of a third-party organization to conduct an investigation to address points that were insufficiently clear.

Over the course of the three-month third-party’s investigation, Takeda has not issued objections to any part of the methods or scope as specified, and has been fully cooperating with the investigation.

The third-party’s investigation uncovered new facts that were not identified through our internal investigations conducted in November 2013 and February 2014. These facts confirmed multiple incidences of involvement and encouragement by Takeda employees in the investigator-led clinical research CASE-J study. Facts confirmed regarding the inappropriate use of research results for portions of the promotional activities were the same as those previously announced by Takeda.

However, the third-party’s investigation did not find any indications that Takeda was involved in “accessing the research data,” “data falsification or fabrication,” nor had “direct involvement in the statistical analysis work.”

We take these results very seriously and sincerely regret the multiple incidences of inappropriate involvement and encouragement that may not only raise doubts as to the impartiality of this study, but also may potentially lower the credibility of Takeda as well as the entire pharmaceutical industry.

Based on the investigation results, Takeda will implement measures to prevent recurrences of this kind of event in the future. These measures include ensuring

transparency through clarifying the role of each department and strengthening each department’s checking systems, as well as thoroughly ensuring that Takeda employees are completely uninvolved in investigator-led clinical research related to Takeda products.

The investigation report (public version) by a third-party organization can be viewed on the corporate website. (Available in Japanese only)
<http://www.takeda.co.jp/update/files/20140620.pdf>

Crisis Management

Takeda’s Approach to Crisis Management

The prevention of emergency situations that could result in a considerable impact on our management, or responding immediately when such a situation occurs, is an important aspect of the Group’s corporate governance. Takeda has therefore been working to strengthen its crisis management function even further, in addition to ensuring adequate audits and other internal controls and promoting compliance on a Group-wide basis.

When implementing crisis management initiatives, it is important to act with fairness and integrity to ensure the Group’s employees and finances are safeguarded. This is also a responsibility that Takeda must fulfill toward its stakeholders, who include shareholders, customers, suppliers, employees, communities, and society at large. Takeda has therefore formulated the “Takeda Group Global Business Continuity Plan (BCP) Policy,” as part of its response, to prevent the interruption of business activities in the event of any accident or disaster, or, where interruption is unavoidable, to resume business at the earliest opportunity, in addition to the existing “Takeda Group Global Crisis Management Policy.”

Through these initiatives, Takeda will continue to fulfill its mission of maintaining a reliable supply of products.

Message



Improving corporate governance goes beyond simply introducing and retaining outside directors. The important thing is whether these outside directors actually function in their roles. Takeda has taken steps to ensure that its outside directors can perform their functions adequately by enhancing the provision of information and by appointing outside director(s) as the chair for the Nomination Committee and Compensation Committee. I strive to actively offer opinions and ideas from an external perspective, as is expected.

As Takeda works to promote “Globalization,” “Diversity,” and “Innovation” under its Mid-Range Growth Strategy, it will need to rebuild its management structure with strong leadership and consistent policies. My own experience as the head of a major *sogo shosha* (global integrated business enterprise) has familiarized me with the challenges of globalization and evolving business models. I intend to leverage that experience to check on the development of this management structure and give practical advice and ideas. In this way, I hope to contribute to Takeda’s continued growth going forward.

Yorihiro Kojima Outside Director

Takeda Group Global Crisis Management Policy

Takeda strives to ensure that all possible preventive measures are taken to avoid potential crises in accordance with the “Takeda Group Global Crisis Management Policy,” which comprises basic policies, rules and standards for crisis management. The policy also underpins systems and operations we have put in place to respond to each type of crisis swiftly and appropriately. In this way, we aim to minimize any potential harm to employees, any impact on the Group’s finances, and any effect on society at large in the event of a crisis.

Takeda’s Crisis Management Structure

Takeda Pharmaceutical Company Limited and its Group companies are responsible for establishing their own crisis management systems, implementing preventive measures, and taking appropriate action if a crisis occurs. In the case of a crisis that has a major impact on the Group and requires Group-wide action, a “Global Crisis Management Committee” chaired by the President of Takeda coordinates a common understanding of the situation and any relevant information. The Committee directs each Group company to take countermeasures, later following up on the implementation of the countermeasures.

Risk Factors in Business

Takeda’s business performance is subject to various present and future risks, and may experience unexpected fluctuations due to the occurrence of risk events. Below is a discussion of the main assumed risks that Takeda faces in its business activities. Takeda works to fully identify potential risks and takes all possible steps to prevent them from materializing. Moreover, Takeda will ensure a precise response if risk events occur.

The future events contained in these items are envisioned as of the end of fiscal 2013.

1) Risk in R&D

While Takeda strives for efficient R&D activities aimed at launching new products in each market of Japan, the United States, Europe and Asia as early as possible, marketing of ethical drugs, whether in-house developed or licensed compounds, is allowed only when they have been approved through rigorous investigations of efficacy and safety as stipulated by the competent authorities.

If the efficacy and safety of compounds Takeda is preparing to bring to market do not meet the required level for

approval, or if the reviewing authorities express concern regarding the conformity of such compounds, Takeda will have to give up R&D activities for such compounds at that point, or conduct additional clinical or non-clinical testing. As a result, Takeda risks the inability to recoup the costs incurred, a delay in launching new products, or being obliged to revise its R&D strategy.

2) Risk in intellectual property rights

Each of Takeda’s products is protected for a certain period by various patents covering substance, processes, formulations and uses.

While Takeda strictly manages intellectual property rights, including patents, and always keeps careful watch for potential infringement by a third party, expected earnings may be lost if the intellectual property rights held by Takeda are infringed by a third party. Moreover, if Takeda’s in-house product is proven to have infringed a third party’s intellectual property rights, Takeda may be required to pay compensations.

3) Risk of sales decrease following patent expirations

While Takeda takes active measures to extend product life cycles, including the addition of new indications and formulations, generic drugs inevitably penetrate the market following patent expirations of most branded products. In addition, the increasing use of generic drugs and prescription-to-OTC switches also intensifies competition, both in domestic and overseas markets, especially in the U.S. market. Takeda’s sales of ethical drugs may drop sharply as a result of these trends.

4) Risk of side effects

Although ethical drugs are only allowed to be marketed after approval for production and marketing following rigorous investigation by the competent authorities around the world, accumulated data during the post-marketing period may reveal side effects that were not known at the time of launch. If new side effects are identified for a product, Takeda will be required to describe the side effects in a “precaution” section of the package insert, or restrict usage of the product. Takeda may also be obliged to either discontinue sale of the product or recall it. The company can potentially be liable for damages and liabilities if such events occur.

5) Risk of price-reduction due to movements to curtail drug costs

In the U.S. market, which is the world’s largest, authorities are promoting the use of low-price generic drugs, and pressure to reduce brand drug prices is increasing as a result of strong demand from the federal and state governments and Managed Care programs. In Japan, authorities have been reducing National Health Insurance (NHI) prices for drugs every other year and are also promoting the use of generic drugs. In the European market, drug prices have been reduced in a similar fashion, due to measures implemented in

each country to control drug costs and the expansion of parallel imports. Price reduction as a result of efforts to curtail drug costs in each country can significantly influence the business performance and financial standing of the Takeda Group.

6) Influence of exchange fluctuations

The Takeda Group's overseas revenue in fiscal 2013 amounted to ¥957.8 billion, which accounted for 56.6% of total consolidated revenue. Revenue in North America was ¥374.5 billion, which accounted for 22.1% of total consolidated revenue. For this reason, the Takeda Group's business performance and financial standing are considerably affected by fluctuations in foreign exchange rates. Most of such risks are pure translation risks and as such cannot be mitigated.

7) Risk related to corporate acquisitions

As part of its global business development in order to realize sustainable growth, Takeda engages in corporate acquisitions. However, there is a possibility that the intended result or profit expected from such acquisitions may not be realized, as business activities in countries around the world are confronted by many risks including, but not limited to, changes in law and regulations, political unrest, economic uncertainty and differences in business practices. In addition, there may be an impact on the financial results and financial condition of Takeda if write-downs, etc., occur due to a decrease in the value of acquired assets resulting from investment activities such as corporate acquisitions.

8) Country risk in the countries and regions in operation

With developing its business globally, Takeda establishes its risk management structure to reduce the damage from and cope with the risks, including governmental, social and economic risks in the countries and regions in operation. However, Takeda may face unexpected situations. As a result, there may be an impact on the financial results and financial condition of Takeda.

9) Risk related to stable supply

In parallel with rapid international expansion of its sales network, Takeda is strengthening its global supply chain. However, in the event of technical or legal / regulatory problems in Takeda's production or distribution facilities, or other disruption due to natural disasters or accidental reasons, Takeda may have a suspension of or substantial delay in the supply of products. As a result, there may be an impact on the financial results and financial condition of Takeda.

10) Risk related to litigation and other legal matters

Regarding Takeda's operational activities, in addition to the existing litigations, there is a possibility that a suit may be brought to court relating to an adverse effect of a pharmaceutical product, product liability, labor issues, fair trade, etc.

As a result, there may be an impact on the financial results and financial condition of Takeda.

Litigation and Other Legal Matters

1) U.S. AWP litigation

In the U.S., civil lawsuits have been filed by patients, insurance companies and state governments against numerous pharmaceutical companies, including major enterprises, over the sale of certain pharmaceutical products. The complaints seek, among other things, damages resulting from price discrepancies between the average wholesale price (AWP) as published and the actual selling prices. Thus, these types of lawsuits are sometimes called "AWP Litigation." Actions are pending against TAP Pharmaceutical Products Inc.* in three state courts over lansoprazole (U.S. product name: *Prevacid*). In one case, the Company is also named as a defendant.

Takeda is diligently defending itself in each of the remaining aforementioned lawsuits.

* TAP was merged into Takeda Pharmaceuticals North America, Inc. (hereinafter "TPNA") in June 2008 and TPNA changed its name to Takeda Pharmaceuticals U.S.A., Inc. ("TPUSA") in January 2012. TAP marketed *Prevacid* before its merger with TPNA.

2) Product liability litigation regarding pioglitazone-containing products

The Company, TPUSA, and certain Company affiliates located in the U.S. have been named as defendants in lawsuits pending in U.S. federal and state courts in which plaintiffs allege to have developed bladder cancer as a result of taking pioglitazone-containing products (and in some cases alleged other injuries). Eli Lilly & Co. ("Eli Lilly") is a defendant in many of these lawsuits. Also, proposed personal injury class action lawsuits have been filed in Canada, and a lawsuit seeking compensation for bladder cancer has been filed in France.

The Company is vigorously defending these lawsuits.

In 2013, jury trials were conducted in three cases in state courts in Los Angeles, California, Baltimore, Maryland, and Las Vegas, Nevada. All three trials resulted in judgments at the trial court level in favor of Takeda. The plaintiffs in these cases have challenged the judgments in post-trial proceedings and appeals. In 2014, the first trial was conducted in the federal multi district litigation ("MDL"),* in the case of Terrence Allen, et al. v. TPNA, et al. On April 7, 2014, the jury reached a verdict in favor of plaintiffs and awarded \$1,475 thousand in compensatory damages against Takeda defendants and Eli Lilly, allocating liability 75% to Takeda defendants and 25% to Eli Lilly. The jury also assessed \$6 billion in punitive damages against Takeda defendants and \$3 billion in punitive damages against Eli Lilly. Takeda defendants intend to challenge this outcome through all available means, including post-trial motions and an appeal. Many additional state court trials are scheduled to take place during the remainder of 2014 and 2015.

* An MDL consolidates similar cases filed in federal courts under one federal jurisdiction primarily for pre-trial and discovery purposes.

CSR Activity Targets and Results

Takeda uses the framework of the core subjects in the ISO 26000 standard to promote its activities. This section explains Takeda's activities in accordance with the disclosure standards of the United Nations Global Compact.

CSR Activity Targets and Results

The United Nations Global Compact Advanced Level Criteria	ISO 26000 Core Subjects	Targets for Fiscal 2013	Results for Fiscal 2013
Criteria 1-2 and 19-21	Organizational Governance	Continue to increase knowledge and awareness of CSR among employees	Published pages to explain about CSR in the In-house magazine, four times in the year
		Continue to hold stakeholder dialogues (stakeholder engagement)	Held "expanded stakeholder dialogue" involving all groups that have received support through the Takeda Well-Being Program over the past five years
 Human Rights Criteria 3-5	Human Rights	Ensure strict adherence to company rules on human rights in all operational processes, including research, development, procurement, and marketing	Promoted awareness in and outside the company of the Guiding Principles on Access to Healthcare (GPAH) created by BSR, including items relating to human rights, to which Takeda is a signatory
 Labor Criteria 6-8	Labor Practices	Continue to strengthen the promotion of diversity	Distributed exclusive newsletters to all employees on diversity-related issues featuring interviews with division managers relating to initiatives to strengthen diversity in each division (Japan)
		Promote accelerated development of global leaders	Organized Leadership Development Trustees at Takeda Pharmaceutical to take responsibility for developing leaders (management) capable of driving global business development through the management team in the workplace (Japan)
		Continue to promote work-life balance	Conducted company-wide initiatives to reduce overtime work hours including sending continuous messages from management and provided a checklist for promoting work effectiveness including items that were collected from successful internal activities (Japan)
 Environment Criteria 9-11	The Environment	Continue to promote the Takeda Group Environmental Action Plan	Each Group company and division set targets based on the plan and worked to achieve them
		Formulate the Global EHS Guideline	Formulated the guideline and a checklist to promote awareness in every division worldwide
		Continue to strengthen and improve environmental protection and accident prevention management systems	Each Group company and division set targets based on the plan and worked to achieve them
		Continue to promote full employee participation in energy conservation	Continued power-saving activities including appropriate temperature setting and frequent turning off of lights. Continued the in-house eco-point system
		Continue to improve awareness raising, education, and training for environmental protection and accident prevention	Held environmental protection and accident prevention training according to plan and engaged in educational activities via the intranet
 Anti-Corruption Criteria 12-14	Fair Operating Practices	Continue to instill the Takeda Global Code of Conduct and the Takeda Anti-Corruption Global Policy in employees	Conducted global-level policy dissemination activities in cooperation with overseas subsidiaries
		Continue to follow up with suppliers on improvement items identified through fiscal 2012 survey; initiate use of survey with more suppliers	Conducted the CSR survey and provided evaluation and feedback for 27 firms that completed it
		Continue to promote green procurement	Continued steady promotion of green procurement
 Consumer Issues	Consumer Issues	Conduct interim review of Three-Year Plan for Anti-Counterfeit Measures in light of environmental changes; continue steady implementation of plan	Measured the effect of anti-counterfeit measures focused mainly on investigating and closing down illegal online pharmacies by conversion into monetary terms
		Raise disease awareness through Takeda website and advertising	Created a website for Communication with Patients on the company's website for healthcare professionals, and prepared information for them to provide to patients (Japan)
		Continue to provide information spanning treatments and preventative measures	Provided information on treatments and preventative therapies through website, seminars, and various other media
 Corporate Citizenship Activities Criteria 15-18	Community Involvement and Development	Continue to provide ongoing support for areas affected by the Great East Japan Earthquake	Created a recovery support scheme aimed at providing long-term, continuous support until 2020
		Continue to promote corporate citizenship activities in the healthcare field	Extended the countries to be supported under the IDEEL Program from India to include Mexico among other steps to ensure continuous, effective management of healthcare-related programs
		Continue to provide research grants in a wide range of fields that contribute to healthcare progress	Joined the Global Health Innovative Technology Fund (GHIT Fund), which aims to promote the discovery of new drugs to fight communicable diseases in developing countries
		Continue partnerships with NGOs and NPOs	Conducted monitoring visits of programs in Tanzania and China. Recognized frontline challenges and strengthened framework for collaboration with NGOs
		Continue to raise awareness throughout the company about the Basic Policies on Corporate Citizenship Activities	Completed renewal of information on the company intranet, but recognized the need to improve the content further
		Continue to implement activities to publicize the Global Donation Guidelines throughout the company	Continued activities to raise awareness including renewal of information on the company intranet
Continue to provide opportunities for volunteer activities to employees in Japan	Provided volunteer opportunities for a large number of employee participants, including through the Great East Japan Earthquake Area Support Program operated by Global Compact Japan Network		

Evaluations: ○:Target achieved △:Progress made, but target not yet achieved ×:Target not achieved

Evaluation	Targets for Fiscal 2014	Page in CSR Data Book	
○	Continue to increase knowledge and awareness of CSR among employees	→ P.6 Takeda's CSR Activities	→ P.2 Takeda Snapshot → P.4 CSR Strategy
○	Continue to engage with stakeholders		→ P.12 Corporate Governance
○	Continue to ensure strict adherence to company rules on human rights in all operational processes, including research, development, procurement, and marketing	→ P.20 Human Rights Management	→ P.13 Compliance → P.24 Labor
○	Continue to strengthen the promotion of diversity	→ P.24 Establishment of Global HR Functions Global Talent Management Promotion of Diversity Cultivating Employees Work-Life Balance	Employment of People with Disabilities Health and Safety of Employees Union Relationship
○	Continue to promote accelerated development of global leaders		
○	Continue to promote work-life balance		
○	Continue to promote the Takeda Group Environmental Action Plan	→ P.30 Environmental Management Reducing Environmental Risks Initiatives to Deal with Climate Change Water Resources Conservation Initiatives Biodiversity Conservation Initiatives Waste Reduction Reduction in Releases of Chemical Substances Air, Water, and Soil Quality Conservation	Environmental Communication Environmental Monitors Raising Environmental Awareness Exchanges with Other Industries Environmental Impacts Associated with Takeda Group Business Activities Site Data Progress on the Takeda Group Environmental Action Plan
○	Conduct internal audit based on the Global EHS Guideline and the checklist		
○	Continue to strengthen and improve environmental protection and accident prevention management systems		
○	Continue to promote full employee participation in energy conservation		
○	Continue to improve awareness raising, education, and training for environmental protection and accident prevention		
○	Continue to promote initiatives for biodiversity conservation		
○	Continue to instill the Takeda Global Code of Conduct and the Takeda Anti-Corruption Global Policy in employees	→ P.52 Basic Policy for Anti-Corruption Initiatives in the Industry Anti-Corruption Transparency Guideline Fair Promotion Activities	→ P.13 Compliance Global Purchasing Incorporating CSR Global Purchasing Policy Employee Compliance Program Green Procurement Intellectual Property
○	Plan to conduct the CSR survey for new suppliers		
○	Continue to promote green procurement		
○	Assess the effectiveness of the Three Year Plan by employing numerical indicators	→ P.52 Global Anti-Counterfeit Measures	
○	Continue to raise disease awareness through Takeda website and advertising	→ P.60 Quality Management System Production and Supply Chain	
○	Continue to provide information spanning treatments and preventative measures		
○	Continue to provide ongoing support for areas affected by the Great East Japan Earthquake	→ P.66 Corporate Citizenship Activities Management Partnership with NGOs and NPOs Initiatives to Improve Access to Healthcare Support for Areas Affected by the Great East Japan Earthquake Corporate Foundations	→ P.4 CSR Strategy → P.9 Access to Healthcare
○	Continue to promote corporate citizenship activities in the healthcare field		
○	Continue to provide research grants in a wide range of fields that contribute to healthcare progress		
○	Continue partnerships with NGOs and NPOs		
△	Continue to raise awareness throughout the company about the Basic Policies on Corporate Citizenship Activities		
○	Continue to implement activities to publicize the Global Donation Guidelines throughout the company		
○	Continue to provide opportunities for volunteer activities to employees in Japan		



Measures to Sustain Corporate Value

Clinical Trial Process Management Emphasizing the Human Rights of Trial Participants

Takeda conducts clinical trials globally while giving the utmost consideration to the human rights of trial participants. Accordingly, when selecting contract research organizations (CROs) to perform various operations in our global clinical trials, we take particular care to conduct rigorous pre-contractual quality assurance audits. After contracting with CROs, we take responsibility for oversight of all CRO activities and evaluate CROs on an ongoing basis in line with our policies and standards.

Number of global CROs contracted after conducting pre-contractual quality assurance audits

2

Human Rights Management

Takeda has prepared internal standards in the form of policies and guidelines based on international human rights standards, and strives to be socially responsible at every stage of the value chain from research and development to procurement, production, distribution, and sales and marketing as it conducts its activities. We also recognize that one of our key priorities is to support the needs of people who do not have adequate access to pharmaceuticals. Takeda has announced its basic stance on tackling the issue of improving access to healthcare by signing the “Guiding Principles on Access to Healthcare” drafted by BSR.*

* A global association of member companies for CSR

Future Outlook

Issues and Initiatives Going Forward

Global pharmaceutical companies that conduct business in emerging markets and developing countries must give consideration and care to human rights issues in various processes in the course of providing medicines. Takeda will continue to fulfill its responsibilities as a company involved in improving people’s lives by bolstering its initiatives, drawing on a variety of insights gained through proactive participation in international community forums, such as BSR’s Healthcare Working Group.

Major Human Rights Issues and Initiatives throughout the Value Chain

Research	Development (Clinical Trials)	Procurement
<p>Issues</p> <ul style="list-style-type: none"> Obtaining the voluntary agreement (informed consent) of all individuals who provide human-derived specimens beforehand 	<p>Issues</p> <ul style="list-style-type: none"> Obtaining the voluntary agreement (informed consent) of all individuals who participate in clinical trials beforehand 	<p>Issues</p> <ul style="list-style-type: none"> Human rights problems for workers at suppliers in emerging and developing countries
<p>Initiatives</p> <ul style="list-style-type: none"> Conduct research activities based on a framework of policies and rules that respect the dignity of life and human rights 	<p>Initiatives</p> <ul style="list-style-type: none"> Follow the International Conference on Harmonisation – Good Clinical Practice (ICH-GCP) guidelines, which are international standards consistent with the spirit of the Declaration of Helsinki 	<p>Initiatives</p> <ul style="list-style-type: none"> Strengthen response across the entire value chain based on “Global Purchasing Policy” and “Guidelines for Socially Responsible Purchasing”

See → P.14 Promotion of Compliance in Research

P.53 Transparency Guideline

P.54 Global Purchasing Incorporating CSR

Guidelines for Reference and Issues and Initiatives across the Entire Value Chain

11

Number of companies that jointly drafted the BSR “Guiding Principles on Access to Healthcare”

Takeda participated in drafting the principles along with 10 other global pharmaceutical companies, and played a leading role in their formulation.

International Human Rights Standards

Universal Declaration of Human Rights

A declaration adopted by the United Nations General Assembly in 1948, as a common standard of achievement for all peoples and all nations

The Declaration of Helsinki

A statement of ethical principles for research and clinical trials involving human-derived specimens, adopted by the World Medical Association (WMA) in 1964

10 Principles of the United Nations Global Compact

A voluntary set of principles for corporations to realize sustainable development of society, advocated by the Secretary-General of the United Nations in 1999

The BSR “Guiding Principles on Access to Healthcare”

A set of principles for improving access to healthcare globally, set out in 2013 by the BSR, a global association of member companies for CSR

7

Number of committee meetings concerning human rights-related rules (fiscal 2013)

Takeda’s Internal Standards

Basic Rules of Compliance | The Takeda Global Code of Conduct

Crisis Management | Takeda Group Global Crisis Management Policy

Quality Assurance | Takeda Corporate Quality Policy

R&D | Human Rights-Related Rules for Research and Development Activities

Environment, Health, and Safety | Global EHS Policy

Procurement | Global Purchasing Policy

Patients

Communities

Employees

Suppliers

Stakeholders

Production

Issues

- Concerns for the safety and health of people who live near our facilities

Initiatives

- Strengthen response based on the “Global EHS Policy” and “Global EHS Guideline”

See → P.30 Environmental Management

Distribution

Issues

- Prevention of health problems to patients due to counterfeit drugs

Initiatives

- Strengthen countermeasures at a global level based on the Three-Year Plan for Anti-Counterfeit Measures

P.52 Global Anti-Counterfeit Measures

Sales and Marketing

Issues

- Appropriate provision, collection and communication of information related to pharmaceutical products

Initiatives

- Compliance with the JPMA Code of Practice and the Fair Competition Code for Ethical Drug Production and Sales

P.54 Fair Promotion Activities

Taking a global perspective, Takeda is doing its utmost to protect human rights through every link of the value chain.

Human Rights Issues and Initiatives

Research

[Issues] When conducting research to create new drugs, we need to use human-derived specimens (such as blood, tissue, cells and other substances) in order to predict safety and efficacy prior to the start of clinical trials. Advances in research and analysis of the human genome and genes are enabling us to make greater use of knowledge gained from tests using human tissues and samples. Takeda obtains the voluntary agreement (informed consent) of all individuals prior to collecting specimens from them. We also rigorously protect personal information, including genetic data. Actions like these demonstrate our awareness of the importance of human rights.

Other important issues to be considered include disclosing information about potential effects, if any, of research activities on the safety and health of people living near our research facilities, allowing access to genetic resources, and sharing of associated future benefits when we collect genetic resources from the soil or other sources as part of our discovery research activities.

[Initiatives] Takeda conducts research activities based on a framework of policies and rules that respect the dignity of life and human rights.

Takeda has a Research Ethics Investigation Committee chaired by the General Manager of Pharmaceutical Research Division to handle issues associated with human-derived specimens (such as blood, tissue, cells and other substances). Committee members confirm whether or not specimens are used for research in line with the Declaration of Helsinki. Another ethics committee is responsible for research that uses human genome and gene analysis. Six staff consisting of both genders make up this committee and more than half of

Major Human Rights-Related Rules for Research and Development Activities

Rules for the Research Ethics Investigation Committee
Rules for the Bioethics Committee concerning human genome and gene analysis research
Rules for the Committee for Safety of Gene Recombination Experiments
Rules for the Clinical Specimen Experiment Committee
Rules for performing human genome and gene analysis research
Rules for performing gene recombination experiments

the permanent members must come from outside the company.

To reduce our environmental risk profile, we conduct our research activities in adherence with the Takeda Group's Standard for Environmental, Health and Safety Work. We also take steps to manage human rights-related issues, such as taking particular care when using the genetic sample library.

Development (Clinical Trials)

[Issues] Drug development is conducted to confirm efficacy and safety through clinical trials with human beings for the compounds that have demonstrated medical potential in the research stage. The purpose of development activities is to accumulate enough data to submit an application for marketing approval. Takeda recognizes important human rights issues must be addressed when performing clinical trials. For example, we need to provide thorough explanations of expected benefits, potential side effects, issues that must be observed and other aspects to the participants. We also ensure that participants in these trials provide their informed consent based on a thorough understanding of these explanations.

Moreover, we respect the fact that participants in clinical trials are volunteers and we exercise care to ensure their safety. We are also committed to protecting personal information, including genetic information.

[Initiatives] When performing clinical trials, Takeda follows International Conference on Harmonisation – Good Clinical Practice (ICH-GCP) guidelines, which are international standards consistent with the spirit of the Declaration of Helsinki. We always receive the patient's informed consent, follow government regulations and our internal standards and adhere to protocols. In addition, we take care to protect the human rights of individuals participating in clinical studies in developing and emerging countries, trial participants who are socially underprivileged, and other cases requiring special attention.

Procurement, Production and Distribution

[Issues] As a global pharmaceutical company, Takeda procures materials from around the world, including in emerging markets, needed to manufacture and distribute its products. We realize that respecting human rights, including the rights of workers, is one of our greatest responsibilities with regard to procurement activities. To meet this obligation, we require our suppliers to pay sufficient attention to human rights.

In our production activities, we are also committed to fulfilling our responsibility regarding the safety and health of people who live near our facilities. In distribution, meanwhile, we view counterfeit drugs as one of our most pressing issues throughout the entire flow from procurement to production and distribution.

[Initiatives] Takeda is strengthening its initiatives to respond to issues across the entire value chain through the establishment of the “Global Purchasing Policy” and “Guidelines for Socially Responsible Purchasing” and the formulation of its own standards for conduct. In addition, we are communicating with our suppliers, clearly sharing with them what we expect of them and providing them with a code of conduct.

To reduce exposure to environmental risks, we established the “Global EHS Policy” and “Global EHS Guideline” and are making steady progress with associated activities. Based on the Three-Year Plan for Anti-Counterfeit Measures, we are also conducting programs on a global scale to prevent the spread of counterfeit drugs.

Sales and Marketing

[Issues] Since pharmaceutical products are vital to maintaining health, improper administration methods can cause problems for patients as well as society as a whole. Takeda considers that the fundamental mission of a pharmaceutical company is to provide, collect, and convey medical information in an accurate and speedy manner through appropriate measures while supplying high-quality products. At Takeda, all medical representatives (MRs) are duly aware of their role in conducting activities for providing drug information as representatives of the entire company. Above all, our MRs are dedicated to performing sincere promotional activities that show respect for the human rights of patients.

[Initiatives] Takeda ensures that its activities in the global market comply rigorously with the pharmaceutical laws of each country and the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) Code, and that it provides consistent pharmaceutical information around the world.

In Japan, we have created the Policy on Promotion of the JPMA Code of Practice and detailed SOP to implement the Policy. At the same time, we have also established our own Transparency Guideline for the Relation between Corporate Activities and Medical Institutions in an effort to ensure fair promotion activities, and we conduct high-quality activities providing information on medicines based on high ethical standards along with respect for the human rights of patients.



Yaroslavl Plant in Russia

Value Chain

[Issues] We also recognize that one of our key priorities as a pharmaceutical company is to support the needs of people who do not have adequate access to pharmaceuticals for various reasons, including poverty.

[Initiatives] Takeda has announced its basic stance on tackling the issue of ensuring access to pharmaceuticals by signing the BSR’s Guiding Principles on Access to Healthcare (GPAH).

Treatment of Employees

Takeda Respects the Human Rights and Diversity of its Employees in Line with the Takeda Global Code of Conduct

Takeda takes a global perspective on respecting human rights and observes the employment laws and regulations in each country. Furthermore, every Group company is committed to operating in line with the Takeda Global Code of Conduct, which provides compliance standards including the treatment of employees.

The Code mandates respect for the diversity and dignity of the employees. It also prohibits discrimination and harassment based on nationality, race, skin color, beliefs, religion, gender, age, disabilities and any other legally protected status. The Code clearly provides that Takeda takes appropriate measures to prevent such discrimination and harassment.

Structure and Functions of the Specialist COE Teams

Structure



Function

- Develop Global HR Program
- Provide HR solutions matched to local business needs



Measures to Sustain Corporate Value

Establishment of Global HR Functions

Takeda is making further enhancements to its HR functions in each country and region under the supervision of the Global HR Officer. In January 2014, we established a new global HR System, under which HR Business Partners (HRBPs) and Centers of Expertise (COEs) will take leadership roles. The HRBPs will support head office functions for each business division. The COEs are specialist teams responsible for developing an efficient, effective global HR program.

Number of Centers of Expertise teams

3

Global Talent Management

Attraction and Development of Diverse Talent

Takeda has made the attraction and development of global talent an important part of its Mid-Range Growth Strategy. Not only will we continue active recruitment of diverse employees, we are also focused on developing professionals capable of leading Takeda's global business.

In Japan, Takeda Pharmaceutical Company is primarily responsible for developing leaders under the concept of having the current management raise the next generation. Takeda Pharmaceutical has organized the TPC Leadership Development Trustees, who take responsibility for this important task. The trustees discuss the human resource development plan and have already begun to move some of it into the execution phase. In one of these initiatives, from fiscal 2014 we started a new leader development program targeting human resources who have the potential to be management class leaders in the future. The program features top-level business school professors from outside the company as well as lecturers from among our own current directors and division heads.

We have also created the Schola Cogito program for all employees who have a desire to learn, regardless of the geographical area in which they work. In this program, the business site where the course is conducted serves as a hub connecting key business sites and mobile PCs via a network to conduct live lessons in order to help employees to enhance their business skills.



Schola Cogito



Takeda-ism e-Learning

Takeda shares its corporate philosophy comprising "Takeda-ism" (Integrity: Fairness, Honesty and Perseverance), as well as its Mission, the Vision 2020, and its values, throughout the entire Group in order to foster a dynamic and active corporate culture.

In January 2014, Takeda launched a Takeda-ism e-learning program to enable employees all over the world to receive training through the company intranet that would deepen their understanding of the corporate philosophy. The program comprises three sections entitled, "Takeda's Tradition," "Takeda

Schola Cogito

The two words are Latin. Schola means school. Cogito comes from Rene Descartes' famous quote "Cogito ergo sum" (I think, therefore I am), where cogito means to think.



Takeda-ism e-learning slide

Today,” and “The Practice of Takeda-ism.” Together they explain in detail the elements that all Takeda employees should hold in common in order to make Takeda a true global pharmaceutical company. The program has an innovative visual design and includes entries into the Vision 2020 Photography Contest from employees around the world.

Center for Learning and Innovation “CLI”

At the Center for Learning and Innovation (CLI), Takeda’s global talent development center in Suita, Osaka Prefecture, we offer a range of training programs. The multi-purpose facility is fully equipped to promote diversity, with a hall that can seat 408 people, conference rooms with video conferencing equipment and simultaneous interpreting facilities, optimally-stepped lecture theaters designed to facilitate two-way communication, and on-site accommodation for up to 294 guests, including two barrier-free rooms.

The facility is also designed to be in harmony with its surroundings and to preserve the environment. Situated unobtrusively amid a green forest, the building has an amorphous integrated rooftop solar panel system and uses special technologies to reduce its air-conditioning load.



Training center (CLI)

CLI

The name Center for Learning and Innovation reflects Takeda’s hope for the facility to become a source of innovation for Takeda’s sustained growth.

Promotion of Diversity

Leveraging Employee Diversity for Our Growth

Diversity is one of the values in Takeda’s corporate philosophy. By mutually understanding and respecting people of diverse age, gender, nationality, race, disability, and other backgrounds, we will foster a corporate culture that generates innovative ideas, and reflect new values in our management.

Employee Statistics (Number of people)

		FY2011	FY2012	FY2013
Takeda Group Consolidated		30,305	30,481	31,225
Takeda Pharmaceutical Company Limited	Full-time employees	6,565	6,544	6,578
	Contract employees	292	659	625
	Of which, part-time employees	211	39	35
	Temporary employees	513	516	395
Consolidated subsidiaries		23,740	23,937	24,647
Japan		2,965	2,981	2,976
Overseas		20,775	20,956	21,671

Note: Employees working in Takeda Pharmaceutical Company Limited and its consolidated subsidiaries on a full time equivalent basis

Performance Indicators for Labor Practices

			FY2011	FY2012	FY2013
Takeda Pharmaceutical Company Limited	Average age of employees	Male	39.4	38.9	39.3
		Female	36.9	37.0	37.4
		Total	38.7	38.4	38.8
	Average years of service	Male	14.8	13.8	14.1
		Female	14.1	13.5	13.9
		Total	14.6	13.7	14.1
	New graduates employed	Male	125	142	109
		Female	78	61	70
		Total	203	203	179
Average yearly salary (thousand yen)			9,435	9,555	9,435

Data assured by a third party

Takeda is committed to fostering a corporate culture based on Takeda-ism, where all employees strive to respect and understand each other as diverse individuals.

Support for Women's Empowerment Principles (WEPs)

The Women's Empowerment Principles (WEPs) are a set of principles for businesses offering guidance on how to empower women in the workplace. These principles are the result of a collaboration between the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the United Nations Global Compact. Takeda signed the CEO Statement of Support for the WEPs in 2012 and follows the seven principles to enhance its initiatives for promoting the active participation of women in corporate activities.

Seven Women's Empowerment Principles (WEPs)

1. Leadership Promotes Gender Equality
2. Equal Opportunity, Inclusion and Nondiscrimination
3. Health, Safety and Freedom from Violence
4. Education and Training
5. Enterprise Development, Supply Chain and Marketing Practices
6. Community Leadership and Engagement
7. Transparency, Measuring and Reporting

In Japan, the government has set a target ratio for women in positions of leadership of 30% to be achieved by 2020 under its JAPAN is BACK strategy. In line with this, Takeda is taking steps to develop and produce female managers and has set specific numerical targets to help achieve this aim. In fiscal 2013, the percentage of women in managerial positions was 2.9%.^{*1}

In March 2014, Takeda was selected by the Ministry of Economy, Trade and Industry (METI) and the Tokyo

Status of Women's Empowerment Initiatives

		FY2012	FY2013
Employee composition	Female	1,806	1,809
	Male	4,738	4,769
Number of participants in leadership development programs*2	Female	36	32
	Male	38	3
Ratio of women in managerial positions		2.5%	2.9%
Child care leave users	Female	74	165
	Male	61	69
Ratio of women receiving health examination for gender-related health issues		56%	49%
Number of users of on-site child care facilities		55	58

Data collection sites: Takeda Pharmaceutical Company Limited

*2 Includes overseas employees in the program in fiscal 2012

Data assured by a third party

Stock Exchange (TSE) as a Nadeshiko Brand, a listed enterprise that is "exceptional in encouraging women's success in the workplace." The Nadeshiko Brand Program is a joint effort by METI and TSE to publicly acknowledge and promote enterprises that proactively encourage women to play more active roles in the workplace by providing an environment that enables women to further their careers.

*1 Employee basis

"WILL" Female Leadership Acceleration Program

WILL is a program for promoting greater involvement of women in the workplace in Japan. The program systematically develops female leaders by offering them various opportunities including mentoring, group and individual training, and networking with female managers.

Women's Empowerment

Empowerment refers to the ability of women to participate in decision-making processes and to exert power autonomously, both as individuals and within the context of social groups.

5%

Target percentage of women in managerial positions in Japan by fiscal 2015



Nadeshiko Brand logo

Takeda's Voice



I am involved in research where we induce differentiation of various cells from human iPS cells and use them to recapitulate human diseases in petri dishes to help with evaluating compounds. Every day we work through trial-and-error to provide high-quality human cell models needed for drug discovery research, based on the latest external information and technologies. It is hard work building relationships in and outside of the company while conducting team research management, but I feel very fulfilled working in this role, sharing our research progress with team members and celebrating it together.

Asami Asami-Odaka

Associate Director, Integrated Technology Research Laboratories, Pharmaceutical Research Division



"WILL" Female Leadership Acceleration Program

Initiatives in Japan

Diversity Vision

In Japan, we are working to “attract and develop global talent,” “support career development for female employees,” “expand the work horizons of people with disabilities,” “promote understanding and acceptance of diversity at each workplace and among individuals,” and “support work-life balance.” We continue to address these issues throughout the company.

In 2011, we set out the Diversity Vision in Japan, and we continue to strengthen our initiatives going forward.

Participation in Diversity Study Group

In its approach to diversity, Takeda has established links outside of the corporate group, such as participating with around 30 other companies in the Diversity Western-Japan Study Group, which works to promote networking and information sharing related to diversity promotion.

Cultivating Employees

Training Programs

At Takeda, we put a lot of effort into cultivating a self-reliant professional workforce. We conduct business core training, which is designed to equip employees with the necessary knowledge, skills, and mindset for conducting business in a global environment. On top of this, we provide a full range of departmental programs aimed at developing specialist knowledge or building specific technical skills needed for each division. There is a six-month training program for new employees who will become Takeda medical

representatives (MRs) in Japan. After completing this program, prospective MRs are assigned to sales offices nationwide, where they refine their MR skills through a combination of e-learning courses, on-the-job training and stratified training.

We offer many other opportunities to learn. For example, employees can participate in external training or study on their own. By providing a diverse array of training programs, Takeda powerfully supports each employee’s skills development while working to improve organizational teamwork.

The Training Program System in Fiscal 2014

Training Program on Corporate Philosophy and Strategy	<ul style="list-style-type: none"> ◎Takeda-ism session (also part of new employee training and leadership development programs)
Leadership Development Program	<ul style="list-style-type: none"> ◎Selective-intake management training program ◎HR development programs provided at educational institutions in Japan and overseas
Business Core Program	<ul style="list-style-type: none"> ◎Training for new employees ◎Training for new managers ◎Schola Cogito
Departmental Programs	<ul style="list-style-type: none"> ◎Department-funded professional education
Support for Self-Development	<ul style="list-style-type: none"> ◎In-house TOEIC and e-learning, etc.
Others	<ul style="list-style-type: none"> ◎Training programs relating to workplace harassment (sexual/managerial), mental health, etc. ◎Career development and life-planning support

Number of Participants in Training Programs

		FY2011	FY2012	FY2013
Stratified Training Program	Male	—	389	236
	Female	—	105	83
	Total	595	494	319
(Of which, training for new employees)	Male	—	(142)	(112)
	Female	—	(61)	(71)
	Total	(193)	(203)	(183)
Task-Specific Programs (Business skills, English)	Male	—	1,013	653
	Female	—	455	243
	Total	1,440	1,468	896
Leadership Development Program	Male	—	38	3
	Female	—	36	32
	Total	72	74	35
Career Development and Life-Planning Support	Male	—	56	55
	Female	—	36	26
	Total	60	92	81

Data collection sites: Takeda Pharmaceutical Company Limited (task-specific programs only, including Takeda Bio Development Center Limited)



Diversity Promotion Symbol

The symbol represents Takeda continuing to grow in the future by promoting diversity.

Takeda is further improving its human resources practices and employee benefits to create an environment where all employees can commit totally to their work.



Next generation accreditation mark

A mark awarded to companies that are recognized for supporting child-rearing by employees under Japan's Law for Measures to Support the Development of the Next Generation.

Onsite child care facility "Takeda Kids"

In fiscal 2011, we established the "Takeda Kids" onsite child care facility at the Shonan Research Center to support employees who are balancing work and childrearing.

69

Number of male employees who took child care leave (fiscal 2013)

Work-Life Balance

Promoting Measures to Support Diverse Working Styles

One of Takeda's key strategies for promoting diversity is to support work-life balance. As part of a vigorous and sustained effort to reduce overtime work and improve operational efficiency and productivity, we have created a checklist of successful examples for each division, which we are disseminating throughout the company, and we also publish continuous messages on this subject from division managers. We are also proactively providing information on work-life balance to employees, including setting up a "Life Balance Up Navi" section on the company intranet, and we have created ways to make in-house systems easier to use. In addition, we have designated "power-up days" when employees are encouraged to leave work on time, and we systematically encourage people to use their paid leave. The company has also been offering support to employees' volunteer activities by providing special paid leave and covering their volunteer insurance premium and part of their expenses.

Takeda is dedicated to giving employees the opportunity to fulfill their responsibilities at work with confidence while also caring for their children. In recognition of this stance, in 2012, Takeda received its third "Kurumin" certification under Japan's Law for Measures to Support the Development of the Next Generation. Initiatives include making it easier for male employees to take child care leave by allowing part of such time to be paid time off, and by publicizing opinions and feedback from people who have used the child care leave system. In fiscal 2013, 69 male employees took time off for child care leave.

Utilization of Takeda's Employee Benefit Programs

		FY2011	FY2012	FY2013
Paid vacation	Utilization rate	57.2%	53.9%	53.7%
	Avg. days used	10.3	10.3	9.9
Users of reduced working hours for child care*1		72	39	136
Child care leave	Users (female)	109	74	165
	Users (male)	49	61	69
Maternity leave users		75	58	112
No overtime work system*2 users		2	1	1
No late-night work system*2 users		2	0	1
Child nursing care leave*2 users		10	7	4
Users of reduced working hours for nursing care		0	0	0
Nursing care leave users		4	3	6
Re-employment of former employees system re-hires		4	1	1
Post-retirement re-employment system re-hires		90	161	34
Volunteer leave users		64	83	66
Philanthropy leave users	Aggregate until FY2013: 7			

*1 Until child completes the third year of elementary school *2 Until child starts elementary school
Scope of data collection: Takeda Pharmaceutical Company Limited

Working Hours Program and Employee Benefit Program

- **Discretionary working hours**
At departments engaged in research and development activities, employees can decide themselves how to perform their jobs and allocate their working time.
- **Outside de facto working hours**
This system allows people in sales and marketing positions (MRs, etc.) who are often in the field, to receive credit for having fulfilled the required number of working hours.
- **Flextime and work-at-home**
These systems are intended to enable employees to balance their work and home life, while encouraging creativity and improving productivity and efficiency. Employees can choose their own working hours and locations.
- **Consecutive holidays**
Employees can combine company vacation time with national holidays to take off five or more consecutive days.
- **Hourly use of annual paid vacation and reserved paid vacation**
To make it easier for employees to take their leave, this system allows part of the annual and reserved paid vacation to be taken in hourly units
- **Special paid leave for spouse's childbirth**
An employee can receive five days of special paid leave from one week before the spouse's expected date of delivery to the end of the child care leave period.
- **Child care leave**
Employees can take time off until a child reaches the age of 18 months or until the end of April following the first birthday, whichever is longer. Only the first five consecutive days taken off are paid.
- **Nursing care leave**
Employees can take off up to one year to care for an aging parent or other senior (up to 93 days if the number of days off is less than 93 days over a 12-month period).
- **Re-employment of former employees**
Employees who resigned due to marriage, childbirth, child care, parent care or other personal reasons can register for an opportunity to rejoin the Takeda workforce.

- **Volunteer leave**
As part of its corporate citizenship activities, Takeda supports employees' own initiatives of participating in society through the volunteer leave system. The system allows employees to receive paid leave up to five days per year. One of the goals is to allow them to gain experience of various changes in society so that the experience is beneficial to employees in their daily work.
- **Philanthropy leave**
Employees can use this system to take leave with pay for a period determined by the company for volunteer programs sponsored by a government agency, non-government organization or non-profit organization.

Employment of People with Disabilities

LI Takeda Ltd.

At LI Takeda Ltd., Takeda employees overcome various hurdles, including communication barriers posed by intellectual, hearing, and other disabilities, to fulfill their duties with a positive attitude. The company's operations support the Group's R&D and sales and marketing functions through production of business cards, pamphlets, booklets, posters and other printed materials, forwarding of direct mail, and cleaning and laundry services. We are expanding

1995

LI Takeda established

LI Takeda was established as a special subsidiary for offering employment for people with disabilities. It was the first of its kind in the Japanese pharmaceutical industry.

The L in LI Takeda stands for "Labor" and the I is the phonetic equivalent of the Japanese word for "Love." The intention is to reflect the company's management mission of "being a friendly company for workers with disabilities," by supporting each employee in achieving independence in society.

employment opportunities for LI Takeda employees: we have undertaken cleaning of the onsite accommodation facility at the Center for Learning and Innovation (CLI) training facility in Suita, Osaka Prefecture, and laundry services in the Shonan district of the Shonan Research Center.

		FY2011	FY2012	FY2013
Ratio of people with disabilities employed at Takeda*3		2.09%	2.02%	2.02%
Number of people with disabilities employed at Takeda*4	Severe	61	60.5	60.5
	Mild	30.5	28.5	28.5
	Total	91.5	89	89

*3 As of March 1 of each fiscal year

*4 Employees with disabilities on reduced work hours (between 20 and 29 hours per week) are counted as 0.5 for statistical purposes

Scope of data collection: Takeda Pharmaceutical Company Limited and LI Takeda Ltd.

Health and Safety of Employees

Mental Healthcare

Takeda has introduced the Takeda Total Human Safety Net (THS) support system to enhance its initiatives relating to mental health management and disease prevention for employees. The THS supports activities such as prevention, early detection and treatment with regard to mental healthcare in particular. In addition to the usual periodical health checkups and provision of a medical staff of industrial physicians, Takeda employs a system that gives employees in need access to consultations with specialists such as doctors and clinical psychotherapists outside the company. The THS also has a system for supporting employees who need to take long-term medical leave, ensuring their livelihood and facilitating their return to work.

Health and Safety

In accordance with its basic principle of "protect people," Takeda strives to secure the participation of all employees in ensuring health and safety based on its Global EHS Policy. The company has established Safety and Health Committees at the head office and branch offices as well as at plants and research centers. In addition, Takeda takes steps to

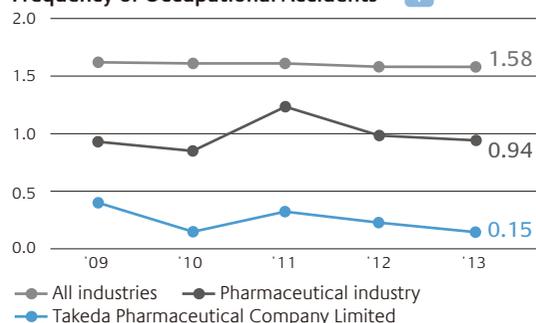
Takeda Health Insurance Society Selected as a Model for Data Health Plans

The Ministry of Health, Labour and Welfare is promoting a data health plan that aims to ascertain the health risk status of individuals based on diagnostic data, statement of medical expenses and other objective data, and implement detailed countermeasures for each individual. Takeda Health Insurance Society was selected as one of 52 health insurance societies who will create a model plan for other associations.

prevent occupational accidents and improve the health of employees by drawing up action programs based on the company-wide occupational health and safety management policies formulated each year. The frequency of occupational accidents among contractors at Takeda Pharmaceuticals production sites during fiscal 2013 was 2.7.

	FY2011	FY2012	FY2013
Percentage of employees using the health check service	96%	95%	95%

Frequency of Occupational Accidents*5



*5 Frequency rate refers to the number of deaths or injuries per 1 million net working hours.

Note: In fiscal 2013, the frequency of days of leave due to work-related injuries (=(total number of days of leave due to injury / total number of working days × 100) was 0.61%.

Union Relationship

Development of Healthy Industrial Relations

By communicating with workers unions and employee representatives of each company in accordance with the laws of each respective country, we maintain a healthy relationship with workers unions. For example, in Japan, by having a collective bargaining agreement with the Takeda Pharmaceutical Workers Union we conduct regular dialogues regarding various topics, such as conditions of employment or human resource activities currently practiced at Takeda.

Future Outlook

Issues and Initiatives Going Forward

Takeda is promoting a policy under Vision 2020 of unifying our strengths as "Global One Takeda" to achieve an organization where diversity thrives. Our initiative to build a new global HR system is an effort to make Vision 2020 a reality. We will share common goals throughout the entire company across divisional and regional borders, and undertake even further alignment activities to optimize our HR functions. In this way, we are accelerating our endeavor to become a truly global pharmaceutical company.

Data assured by a third party

See → P.82 Independent Assurance of Environmental and Social Performance Indicators



First Global EHS Meeting



Measures to Sustain Corporate Value

Holding of the Global EHS Meeting

With the integration with Nycomed, Takeda's global presence has expanded to around 70 countries. In response to the rapid change, we strive to share information and expertise. In 2013, the first Global EHS Meeting was held by representatives in charge of environment, occupational health and accident prevention. Network Meetings, which aim to deepen cooperation between manufacturing sites and research sites respectively, were successfully held.

Countries of participants at the First Global EHS Meeting and Network Meeting (2013)

22

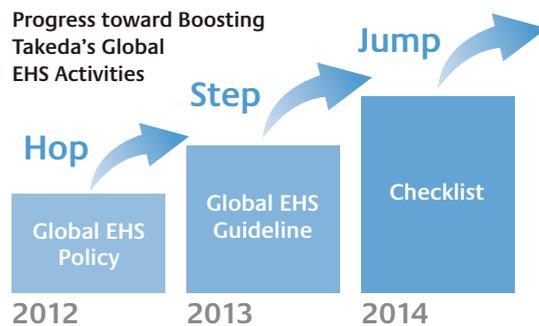
See → P.33 Sharing Information and Know-How among Group Companies

Environmental Management

Reorganizing the Group-Wide Management Structure

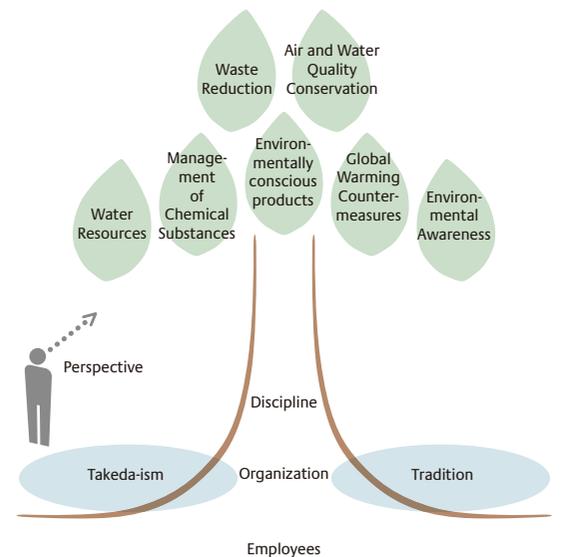
Since establishing the Environmental Protection Measures Committee in 1970, Takeda has engaged in environmental protection activities from a long-term perspective. Under the Takeda Group Environmental Action Plan, Takeda has set targets for measures to combat global warming, waste reduction, and other initiatives over the mid- and long-term. We review and evaluate our progress each year, and plan our future activities. In order to make concerted efforts as a Global One Takeda on environment as well as health and safety, we formulated the Global EHS Policy in 2012, the Global EHS Guideline which sets out specific measures for the policy in 2013, and a checklist which ascertains our EHS implementation progress in 2014. Combining these three guiding documents gives our EHS activities a dramatic boost.

Progress toward Boosting Takeda's Global EHS Activities



Takeda has devised the concept of the Takeda Environment Action Tree (TEA Tree) to be nurtured by each individual employee from a global perspective, while leveraging the Group's overall organizational power and guidelines framework. This initiative is based on Takeda's history of supplying pharmaceuticals for over 230 years and its corporate philosophy of "Takeda-ism."

Takeda Environment Action Tree

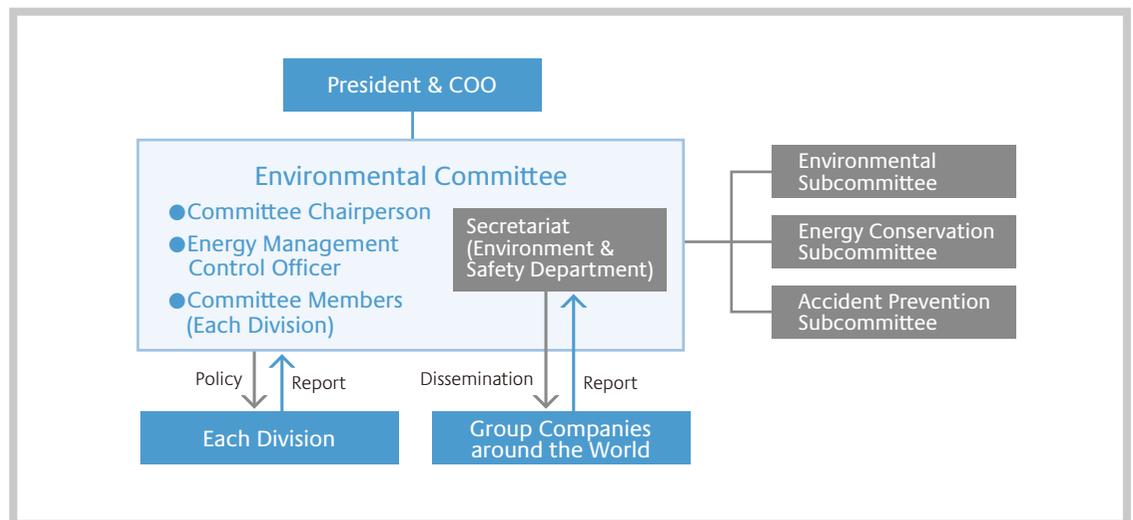


Environment and Safety Management Structure

Takeda has established an Environmental Committee, consisting of representatives in charge of environmental activities from each division, to promote our business operations based on the Global EHS Policy. In the Environmental Committee, various issues regarding the environment, including company-wide environmental protection, energy conservation and accident prevention are deliberated and the annual environmental policies are determined. Under the

Environmental Committee, three subcommittees—for the environment, energy conservation and accident prevention—have been established, and measures related to each issue are devised and implemented at the practical operation level. Moreover, personnel in charge of environmental activities are appointed at production sites and research centers, promoting activities based on the medium-term implementation plan, as well as the annual plan.

The matters deliberated by the Environmental Committee are relayed by the Secretariat to all Group companies around the world.



Message



Message from the Environmental Committee Chairperson

Promoting the environment (E), health (H), and safety (S) is an essential responsibility for Takeda in addition to leading innovation in pharmaceuticals, since its mission is to strive towards better health for people. To carry out this responsibility, we formulated the Takeda Group Environmental Action Plan in 2010, the Global EHS Policy in 2012, and the Global EHS Guideline for Production and Research Sites in 2013. Following on from these, in 2014 we established the Global EHS Guideline for Office Sites and the EHS Guideline Checklist. We also held the Global EHS Meeting and network meetings, and shared the concepts fostered within them, as well as promoting a common Group-wide understanding of EHS priorities for realizing “Vision 2020.” Harnessing the power of these concepts and networks, we will continue to steadily promote EHS as “Global One Takeda,” aiming to achieve specific targets for fiscal 2015, such as an 18% reduction in energy-derived CO₂ compared with fiscal 2005 levels.

Yasuhiko Yamanaka

Managing Director and Chairperson of the Environmental Committee

Based on the Global EHS Guideline and the Takeda Group Environmental Action Plan, Takeda will establish a yearly policy and enhance its activities relating to the environment, health and safety.

Global EHS Policy/Global EHS Guideline

To achieve Global One Takeda as set forth in Vision 2020 in EHS, Takeda formulated the Global EHS Guideline for Production and Research Sites in June, 2013, to provide specific direction to the activities required by the Global EHS Policy. In June 2014, we set out to further develop our initiatives as a Group by

formulating the Global EHS Guideline for Office Sites. The office sites version incorporates the required items from the production and research sites version, while providing enhanced content on information gathering and recording, and other matters in order to adapt it for office operations.

Global EHS Policy

Takeda group, as a global pharmaceutical company, is committed to striving towards better health for people worldwide through leading innovation in medicine. We are committed to achieving sustainable growth by fulfilling the Environmental (E), Health (H), and Safety (S) demands of society. We recognize our

responsibility toward the health and safety of the Takeda workforce, our affiliates, and the local residents. We also recognize that environmental protection and sustainability is our responsibility. We will tackle these goals sincerely based on Takeda-ism.

Primary responsibility

Takeda's primary responsibility is the protection of people and the environment. We prioritize health, safety and environmental protection throughout all our business activities.

Compliance

We are committed to complying with all relevant legislation of each country and industry best practices/standards concerning health, safety and environmental protection.

Roles and Responsibilities

Takeda defines the role and responsibility of each director, officer and employee and establishes management systems to continuously improve health, safety, and environmental protection.

Awareness

We promote awareness of our mission to ensure health and safety, as well as environmental protection and sustainability. We are committed to enhancing our knowledge and skills to fulfill this mission and minimize relevant risks.

Communication

We proactively promote communication with diverse groups of stakeholders including neighboring communities, and fulfill our social responsibility for health, safety and environmental protection to achieve a social trust.

Global EHS Guideline (for Production and Research Sites /for Office Sites) Items

Chapter 1: General Principles

- Purpose
- Scope
- Definition

Chapter 2: Management

- Roles and Responsibilities
- Goals
- EHS Management System
- Plans
- Review
- Audit
- EHS Risk Assessment
- Compliance
- Corrective and Preventive Actions
- Collection of Information and Recordkeeping

- Documentation, Document Management and Record Retention
- Education and Training
- Communication

Chapter 3: Environmental Protection

- Storage of Hazardous Substance
- Waste Management
- Transport of Hazardous Substances
- Atmospheric Emissions and Environmental Air Quality
- Ozone Layer Depleting Substances (ODSs)
- Noise and Vibrations Nuisance
- Energy Saving, Use of Sustainable Energy
- Water Resource Conservation

- Wastewater Management
- Soil and Ground Water Contamination Control
- Chemical Emission Volumes to the Environment
- Biodiversity Conservation
- Green Procurement

Chapter 4: Occupational Health and Safety, Accident Prevention

- Biosafety
- Management of Genetically Modified Organisms, etc
- Experimental Animal
- General Occupational Health and Safety

- Industrial Hygiene Management
- Occupational Safety during Potentially High Risk Operations
- Use and Management of Hazardous Substances
- Ionizing Radiation Management
- Personal Protective Equipment (PPE)
- Ergonomics Program
- Performing Potentially Dangerous Work Alone
- Health Management
- Equipment and Machinery
- Emergency Response

Black text: Items only in the production and research sites version Blue text: Items shared by both the production and research sites version and the office sites version

Global EHS Checklist

Takeda created a checklist as a tool to disseminate the Global EHS Guideline formulated in 2013, and to evaluate adherence to the guideline. From fiscal 2014, the checklist will be deployed as a tool at every business site related to production and research for

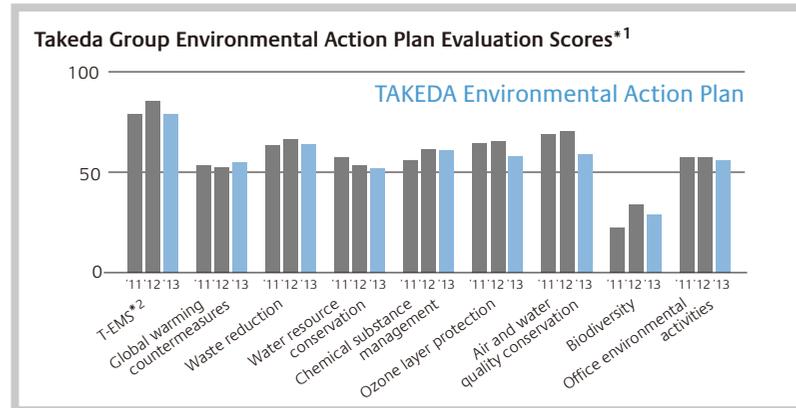
use in internal audits conducted each year. This is intended as a further development from the internal audits based on the Takeda Group's Standard for Environmental Protection and Accident Prevention Work that was introduced in fiscal 2007.

Takeda Group Environmental Action Plan

In fiscal 2010, Takeda formulated the Takeda Environmental Action Plan to specify environmental issues and targets for the medium and long term. At the same time, we created the Takeda Group

Environmental Action Plan for our Group companies in Japan and overseas. To fulfill our social responsibilities as a global pharmaceutical company, we have set concrete numerical targets to combat global warming and reduce waste. We

review our progress toward these targets annually and quantify our evaluation for each item. By tracking our performance each year, we continuously promote activities for achieving the targets. Where progress is lagging on certain items, we will continue working actively to improve.



*1 Activity levels are divided into four depending on the presence or absence of numerical targets, etc., and quantified.
 *2 T-EMS: Takeda Environmental Management System
 Data collection sites: Group production and research sites in Japan and overseas (excluding legacy Nycomed sites).
 Takeda Pharmaceutical Company includes headquarters and sales offices.

See → P.50 Progress on the Takeda Group Environmental Action Plan

Sharing Information and Know-How among Group Companies

Takeda holds Global EHS Meetings and network meetings to forge deeper connections between its production and research sites. This enables Group companies to share information and expertise and improve their performance by harnessing synergies. In 2014 we held network meetings in Austria in April and in the U.S. in June. The participants shared best practices from various sites and exchanged opinions on EHS strategies and action plans up through 2020.



R&D Division EHS network meeting in the U.S.

Takeda is promoting activities across the entire Group to help fulfill our responsibilities as a global enterprise.

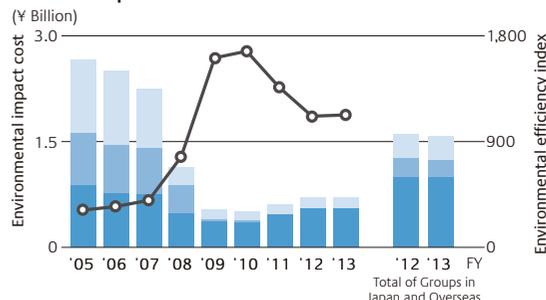
Validation of Activities Using an Index

Takeda recognizes the importance of quantitative assessments of the impact of business activities on the environment. In fiscal 2012, we undertook environmental impact assessments for our operations in Japan and overseas by LIME.*1 Based on the results of these assessments, we identified issues to be addressed and we are now using the expertise we have acquired in Japan to reduce our environmental impact globally.

Recognizing that business growth tends to increase the environmental impact, Takeda has defined an internal “environmental efficiency index,” equal to net sales divided by the total environmental impact cost as measured by the LIME assessment. The index has been decreasing since fiscal 2011 because environmental impact costs increased in line with the start of operations at new manufacturing and research facilities. Takeda will use the index to help assess the relationship between the Group’s business activities and the environment.

*1 LIME (Life-cycle Impact assessment Method based on Endpoint modeling) was developed as a national project in Japan for making a quantitative overall assessment of various environmental impacts, including CO₂, waste, and chemical substances.

Trends in Environmental Impacts Due to Business Operations



Environmental impact cost ■ CO₂ ■ SO_x ■ Others
 ○ Environmental efficiency index (Net sales/environmental impact cost)

Data collection sites: Takeda production and research sites ('05-'13, unconsolidated), including indirect emissions associated with purchased electricity. Group production and research sites in Japan and overseas ('12-'13 Group sites in Japan and overseas), including indirect emissions associated with purchased electricity.

Responsible Care Activities

Responsible Care is an international voluntary program for the chemical industry to deal with the management of chemical substances. The purpose of the program is to ensure consideration for the environment, safety and health while handling chemical substances. Takeda has been implementing such activities in Group companies in Japan and overseas since 1995,



when the Japan Responsible Care Council was launched.

Environmental Management System

All Takeda production sites in Japan have acquired ISO 14001 certification, as have the production sites of Takeda Italia S.p.A. (Italy), Takeda GmbH (Germany), Guangdong Techpool Bio-Pharma Co., Ltd. (China), Tianjin Takeda Pharmaceuticals Co., Ltd. (China), Takeda Pharma Ltda (Brazil), and Takeda Austria GmbH (Austria).

ISO 14001-Certified Sites

Takeda Pharmaceutical Company Limited.	•Osaka Plant •Hikari Plant
Wako Pure Chemical Industries, Ltd.	•Company-Wide (12 sites)
Mizusawa Industrial Chemicals, Ltd.	•Nakajo Plant •Mizusawa Plant
Daiwa Special Glass Co., Ltd.	•Company-Wide (2 sites)
Nihon Pharmaceutical Co., Ltd.	•Narita Plant •Osaka Plant
Takeda Healthcare Products Co., Ltd.	•Company-Wide
Takeda Italia S.p.A.	•Cerano Plant
Takeda GmbH	•Singen Plant •Oranienburg Plant •Konstanz Plant
Guangdong Techpool Bio-Pharma Co., Ltd.	•Guangzhou Plant
Tianjin Takeda Pharmaceuticals Co., Ltd.	•Tianjin Plant
Takeda Pharma Ltda.	•Jaguariúna Plant
Takeda Austria GmbH	•Linz Plant

Environmental Accounting

Takeda has been monitoring and supervising environmental protection investments and expenditures since fiscal 1980. The table on the next page shows the costs in business areas for the Group in Japan, upstream and downstream costs, and the cost of administrative activities. In fiscal 2013, environmental protection investments totaled ¥997 million and expenditures were ¥2,819 million. Upgrading and replacing aging environmental protection equipment accounted for the majority of the investments. In addition, there were about ¥1,600 million of investments to prevent accidents, such as by replacing aging equipment and making facilities resistant to earthquakes. The economic benefits of energy conservation measures for Takeda itself totaled approximately ¥442 million.

No.1

Industry ranking for the 17th Environmental Management Survey (Pharmaceutical)

The Environmental Management Survey has been held annually since 1997. It provides a comprehensive evaluation of a company's environmental measures based on a questionnaire.

Source: Nikkei, Inc.

Life Cycle Assessment Society of Japan

The Life Cycle Assessment Society of Japan (JLCA) is a group of professionals associated with industry, academia, and national laboratories, concerned with life cycle assessment in Japan.

Environmental Protection Costs		(Million yen)	
Category		Investments	Expenditures
Business area costs	Pollution prevention	666	1,172
	Environmental protection	93	145
	Resources recycling	233	954
Upstream and downstream costs		—	39
Administrative costs		5	509
Total		997	2,819

- Data collection period: April 1, 2013 to March 31, 2014
- Data collection sites: Group production and research sites in Japan
- Reference guidelines: The Ministry of the Environment's 2005 Environmental Accounting Guidelines, The Japan Chemical Industry Association's Environmental Accounting Guidelines for Chemical Companies

External Evaluation of Environmental Initiatives

Takeda uses the results from external evaluations of its environmental initiatives as a starting point for examining points for improvement and enhancing its activities even further.

In the 17th Environmental Management Survey conducted by Nikkei, Inc., (announced in January 2014), Takeda came first in the pharmaceutical

industry category, scoring 411 points out of a maximum of 500. Moreover, as a result of an evaluation of our environmental activities by an external evaluating organization, we have been selected for investment by SRI funds such as the SNAM Sustainable Investment Fund.

The carbon disclosure project (CDP) is a scoring system based on a questionnaire jointly issued by global financial institutions. Takeda's 2013 CDP score was 79 out of a maximum of 100 points.

Future Outlook

Issues and Initiatives Going Forward

Takeda will continue working to fulfill its social responsibilities for EHS on a Group-wide basis, in accordance with the Global EHS Policy and the Global EHS Guideline. We will promote EHS-related activities spanning various issues of concern to the global community such as the use of water resources and climate change. At the same time, we will continue to ascertain the global environmental impact of our operations through Scope 3 calculation and independent assurance, and to conduct highly transparent and reliable disclosure.

Encouragement Prize Winner at the 10th Life Cycle Assessment Society of Japan Awards in Fiscal 2013-Achieving Energy Reduction at Plants in the Services Field by Using MFCA

Material Flow Cost Accounting (MFCA) is an environmental management method for ascertaining and evaluating the costs invested in resource and energy losses in the manufacturing process. Efforts by Pharmaceutical Production Division to visualize energy and quantify energy losses were highly rated for providing a new perspective on energy saving in manufacturing processes.



10th Life Cycle Assessment Society of Japan Awards presentation ceremony

Winner of Planners and Inspectors Special Prize for the Low Carbon Cup 2014 Project –Low Carbon Pharmaceutical Containers Starting from Sugar Cane

The Low Carbon Cup is a contest between initiatives by schools, communities, NPOs, and corporations, aimed at achieving a low carbon society. Takeda entered its initiative for using bio-polyethylene bottles derived from plants for the primary packaging containers*2 for the hypertension treatment AZILVA (azilsartan). Our entry was selected as one of 41 finalists from among a total of 1,620 entries, and received the Planners and Inspectors Special Prize for Outstanding Social Innovation.

*2 The packaging component that is in direct contact with the pharmaceutical product.



Award ceremony for the Low Carbon Cup 2014

See → P.38 Initiatives to Deal with Climate Change

Takeda is constantly implementing efforts to reduce environmental risks based on the Global EHS Guideline.

■ Reducing Environmental Risks

Fundamental Stance on Reducing Environmental Risks

Takeda is well aware of its responsibilities as a company that handles a wide range of chemical substances, including its pharmaceutical products. We have therefore established a structure to reduce environmental risks as much as possible from both environmental and accident prevention perspectives. We have implemented environmental protection and accident prevention procedures at each stage of our operations based on the Takeda Group's Standard for Environmental Protection and Accident Prevention Work. In addition, we have continuously conducted Environmental Protection and Accident Prevention audits to fully ensure that they are being implemented appropriately. In December 2012 we revised Takeda Group's Standard for Environmental Protection and Accident Prevention Work to Takeda Group's Standard for Environmental, Health and Safety Work, and have implemented this new standard since April 2013. We will continue to upgrade our efforts to reduce risks from the perspective of environment, health and safety (EHS) based on the Global EHS Guideline, which replaces the Takeda Group's Standard for Environmental, Health and Safety Work.

Environment, Health and Safety Audit

Takeda conducted Group-wide Environmental Protection and Accident Prevention Audits, which are designed to ensure thorough risk management and risk assessment by internal specialists. From fiscal 2012, we have run an experimental Environment, Health and Safety Audit,

which included health and safety matters within the scope of an audit, and from fiscal 2013, we conducted a full-fledged Environment, Health and Safety Audit based on the Global EHS Guideline.

The Environment, Health and Safety Audit is conducted over a number of days during visits to each site by personnel in charge of the audit. Prior to the visits, they assess the standard-format questionnaires submitted by each site. The audit results are detailed in the report, which is submitted to top management. Indications and recommendations to be improved found through the audit are followed up thoroughly, and a progress report providing details of countermeasures is mandatory.

In fiscal 2013, Environment, Health and Safety Audits were implemented at five sites in Japan and 11 sites overseas, including affiliated companies. No critical indication was identified as a result of the audits.

Furthermore, from fiscal 2007 all business sites have been conducting internal audits to verify their conformance to the Takeda Group's Standard for Environmental Protection and Accident Prevention Work, and from fiscal 2014 we will transition to internal audits based on the Global EHS Checklist.

Sites audited in the Environment, Health and Safety audit

■ In Japan

Takeda Pharmaceutical Company Limited (Shonan Research Center and Osaka Plant)/Wako Pure Chemical Industries, Ltd. (Tokyo Plant and Osaka Plant)/ Takeda Healthcare Products Co., Ltd.

■ Outside Japan

Tianjin Takeda Pharmaceuticals Co., Ltd./Takeda Ireland Limited (Grange Castle Plant and Bray Plant)/Takeda Christiaens SCA/CVA/Takeda Pharma AS/Takeda Pharmaceuticals Limited Liability Company/Takeda GmbH (Singen Plant)/P.T. Takeda Indonesia/Guangdong Techpool Bio-Pharma Co., Ltd./Takeda S.A.S./Multilab Indústria e Comércio de Produtos Farmacêuticos Ltda.

16 sites

Number of sites subjected in the fiscal 2013 Environment, Health and Safety audit

Takeda's Voice



Takeda Ireland Limited Grange Castle (TILGC) is a multi-purpose API plant primarily engaged in the manufacture of pharmaceutical products from clinical trial stages through to launch and full commercialization. TILGC's main focus in fiscal 2013 was increasing production volumes and introducing new products while continuing to comply with EHS legislation, Global EHS Policy and EHS Guideline and improving existing EHS management systems.

As a result, we achieved a variety of results including becoming the first in the Group to achieve ISO 50001 Energy Management System certification.

TILGC remains committed to further improving on this EHS performance into the future.

Aileen Newman

EHS Engineer, Takeda Ireland Limited Grange Castle

4,000 kW

Total generating capacity of the gas-powered generators at the Energy and Emergency Control Center (Osaka Plant)

Accident Prevention Initiatives

Takeda formulates its “Policies on Accident Prevention” each fiscal year. All the sites establish its action plan based on the policy and pursue measures that encompass both tangible and intangible aspects of the issue.

On the tangible side, for facilities, we have a rigorous management program that includes a maintenance plan for aging equipment. To prevent fires and other accidents, we have safety measures concerning static electricity and flammable substances. When static electricity builds up and discharges, it can create major accidents by igniting flammable gases and dust in facilities. We therefore work constantly to eliminate the risks posed by static electricity in all production processes and machinery.

Countermeasures against Static Electricity

- Earthing and bonding of facilities
- Measurement of charged potential of equipment in operation
- Making filters, hoses, etc conductive
- Wearing antistatic working clothes and shoes
- Floor coating with conductive resin, etc

On the intangible side, to upgrade employees’ skills, we have expanded our Manual for Accident Prevention and our Manual for Non-Routine Operations. We use both manuals for training and drills. These manuals are also vital to inherit accident prevention and response techniques to less-experienced workers. Another way that we work vigorously to ensure comprehensive safety is by conducting risk assessments to uncover potential risks. All of these activities take place at every Group production site in Japan and around the world.

Preventing fires and explosions during manufacturing processes is a particularly important goal. To improve safety, we identify the physicochemical characteristics of the chemical substances we use and the pharmaceuticals we manufacture and use manufacturing processes appropriate to those properties. Takeda implements safety assessments of processes for manufacturing both drug candidates and its production processes from the initial stages of research and development, and discusses the assessments in a Process Safety Committee and a Formulation Process Safety Committee to ensure safety.

We also conduct thorough accident and disaster prevention measures for large-scale construction work at sites. This includes detailed safety management and the sharing of safety information with support companies.

Risk Assessment of Candidate Compounds and Processes

- Thermal hazard
- Runaway reaction hazard
- Hazard by friction and impact
- Risk of dust explosion, etc

Review and Enhancement of Earthquake Countermeasures

Learning from the Great East Japan Earthquake, we have been reviewing all disaster countermeasures, including tsunami countermeasures. We have been enhancing our disaster countermeasures facilities at production sites in Japan, while at our Head Office, branches, and sales offices we have been bolstering our countermeasures for stockpiling emergency supplies, helping employees to return to their homes, means of communication during an emergency, and back-up facilities.

Measures at the Osaka Plant

To ensure that operations at the Osaka Plant can continue in the event of a disaster, in July 2012 we set up the Energy and Emergency Control Center, and equipped it with four 1,000 kW gas-powered generators and two 800 kW mobile power supply vehicles. The center also



The Energy and Emergency Control Center

has flood gates installed to eliminate the need for emergency vehicles to retreat to high ground if a tsunami occurs. In fiscal 2013, we established a space able to function as a crisis management and countermeasures headquarters on the fourth floor of the center.

Measures at the Hikari Plant

In April 2013, we established an Emergency Control Center able to function as a crisis management headquarters on an elevated site outside of the Hikari Plant. The center is stocked with disaster preparedness materials and supplies, and can house those people afflicted by the disaster who are unable to return to their homes. A flood barrier has been reinforced as a countermeasure against tsunamis, and an 800 kW mobile power supply vehicle has been prepared. We are also looking into extending the flood barrier along the east side of the plant.



Flood barrier

Since 1974 Takeda has systematically implemented energy conservation measures that help reduce CO₂ emissions.

Takeda will continue to take a long-term stance on initiatives in this area.

Initiatives to Deal with Climate Change

Fundamental Stance Regarding Climate Change

Takeda makes efforts to reduce greenhouse gas (GHG) emissions from the entire Group. We established an Energy Conservation Committee in 1974, and for around 40 years since, we have conducted energy conservation activities to help reduce GHG emissions. We actively publicize our progress through our Annual Report, the Carbon Disclosure Project,*¹ and other means.

*1 The carbon disclosure project (CDP) aims to evaluate the status of companies' climate change initiatives based on a questionnaire jointly issued by global financial institutions.

Mid-Term Targets for the Group in Japan and Overseas

The Takeda Group Environmental Action Plan sets the following numerical targets for production and research sites worldwide. During fiscal 2014, we plan to establish a global CO₂ reduction target for fiscal 2020 as part of our next environmental action plan.

- Reduce CO₂ emissions from energy sources across the Group by 18% from fiscal 2005 level by fiscal 2015

For the Takeda parent company on an unconsolidated basis, the plan's numerical targets are as follows:

- Reduce CO₂ emissions from energy sources by 30% from fiscal 1990 level by fiscal 2015
- Reduce CO₂ emissions from energy sources by 40% from fiscal 1990 level by fiscal 2020

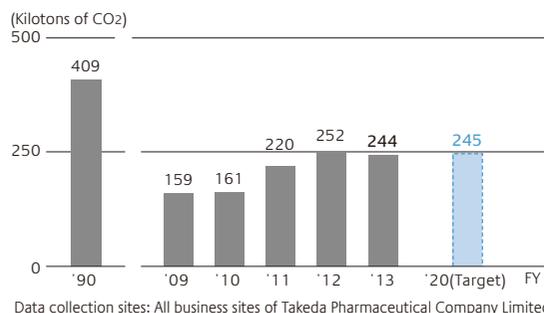
Results for Fiscal 2013

Takeda is promoting its 11th Energy Conservation Program covering the years from FY2013-FY2015. CO₂ emissions for the parent company alone in fiscal 2013 were 240,000 tons, a 40% reduction from fiscal 1990 level. For the Group worldwide, fiscal 2013 CO₂ emissions (including legacy Nycomed) were 430,000 tons, down 21% from fiscal 2005. In line with the advance of the Group's global activities, its energy consumption has risen over time. In response to that, we continue to curb this rise as far as possible by urging the participation of all employees in energy-saving measures.

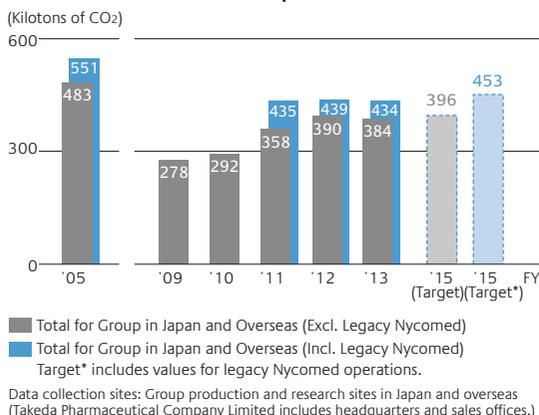
21%
reduction

The Group's CO₂ emissions in Japan and overseas in fiscal 2013 (from fiscal 2005 level)

Trend of Takeda Pharmaceutical's CO₂ Emissions



CO₂ Emissions of the Group



Calculation Method

- **Emissions included in the calculation**
CO₂ emissions refer to direct emissions generated by combustion of fossil fuels and indirect emissions from electricity use.
- **CO₂ emission factor**
Emissions of the Group in Japan are calculated based on the "Law Concerning the Rational Use of Energy," and the CO₂ emission factor for purchased electricity is the adjusted emission factor for each electric power provider in each fiscal year (figures for fiscal 2013 are the actual figures from fiscal 2012). The CO₂ emission factors for electricity purchased outside Japan are based on country-specific factors stipulated in the GHG Protocol. Due to changes in factors, past data has been restated.

Initiatives in Products

In June 2013, Takeda adopted bio-polyethylene bottles for the primary packaging container for the antihypertensive agent AZILVA (azilsartan). This is the first time in the Japanese pharmaceutical industry that such bottles, known as Bio-PE bottles have been used for primary packaging. The use of Bio-PE bottles can reduce CO₂ emissions compared to conventional petroleum-derived polyethylene bottles. The containers have also been used for the newly launched product, ZACRAS, a fixed-dose combination of AZILVA and a calcium channel blocker. Takeda will continue to examine further products for which Bio-PE bottles could be adopted to help conserve the environment.

See → P.35 Winner of Planners and Inspectors Special Prize for the Low Carbon Cup 2014 Project

GHG Emission Verification

Takeda strives to ensure objectivity in calculating its CO₂ emissions. We had a third party give assurance that the proper method was used to calculate emissions at our Osaka and Hikari plants, and at the Shonan Research Center.

Use of Alternative Fuels and Renewable Energy Sources at Production Sites

Takeda's Hikari Plant has made a substantial reduction in CO₂ emissions since switching from fuel oil to city gas in fiscal 2008. Now Takeda is promoting the uptake of renewable energy sources, and examining options for introducing solar power generation facilities when newly constructing plants, research laboratories, training facilities and other buildings. So far, solar power generation facilities have been installed at Takeda Italia S.p.A.'s Cerano Plant, as well as at the Osaka and Hikari plants and some company housing.

Carbon Offset Initiatives

Carbon offsetting refers to a method of offsetting all or part of the emissions related to a company using the reduction in emissions in another place. Takeda used this method to offset the CO₂ emissions generated from energy used in manufacturing ALINAMIN drinks produced between April 2010 and October 2013 at an outsourcing contractors' plant.



Carbon offset certificate

Promoting Energy Saving

Based on the Guidelines for Environmental Consideration in Capital Investments that we formulated in fiscal 2011, we have been aggressively introducing facilities and adopting equipment and technologies with a view to saving energy. We have also had external experts perform energy-saving diagnostic tests at the Osaka and Hikari plants, and we are using the results to plan and promote effective energy-saving measures.

Company-Wide Initiatives

The Takeda Eco Project started in fiscal 2008 and covers offices and sales departments. Under the project we are pursuing a number of detailed measures to prevent global warming, such as controlling room temperatures by implementing "Cool Biz," a summer dress code, using low-emission vehicles and converting waste cooking oil from our canteen into biodiesel. The ratio of low-emission sales vehicles reached 100% (excluding 4-wheel-drives for use in cold climates). We are now also reducing the ratio of gasoline vehicles by replacing them with hybrid vehicles. The hybrid vehicle adoption rate in fiscal 2013 was 60%.

Various technologies to curb CO₂ emissions were utilized at the Shonan Research Center. During its construction, it was picked out by the Ministry of Land, Infrastructure, Transport and Tourism as a Model Project for Promoting CO₂ Reduction in Residential and Other Buildings.

50%

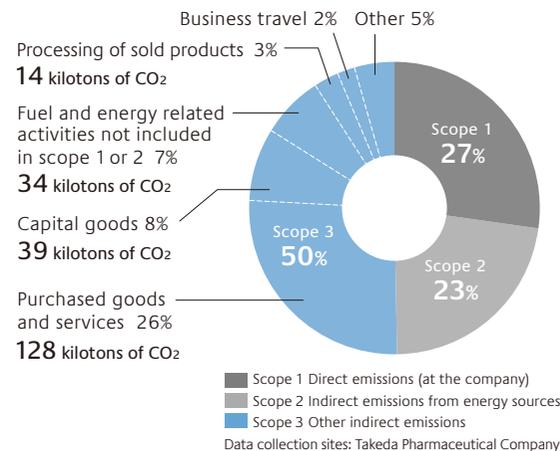
Ratio of Scope*² 3 CO₂ emissions at the Takeda parent company across the entire value chain (fiscal 2013)

*² Refers to the scope for calculation and reporting on emissions as stipulated by the GHG Protocol, an international standard for calculating GHG emissions.

The Environmental Impact throughout the Entire Value Chain

Since fiscal 2012, Takeda has been calculating the greenhouse gas (GHG) emissions at the parent company not only for its own activities (Scope 1 and 2) but for the entire value chain including the activities of its suppliers, customers and others (Scope 3). Details of the initiative are published on the Ministry of Environment website "Green Value Chain Platform," which is set up to disseminate information about calculation of GHG emissions in the supply chain. Going forward, we will consider the entire value chain in our efforts to reduce CO₂ emissions.

CO₂ Emission Ratios across the Entire Value Chain at Takeda Parent Company (Fiscal 2013)



Takeda approach water resource conservation from a global viewpoint and promote long-term, continuous activities for biodiversity.

1bn

Number of people worldwide who do not have access to clean water

Source: United Nations "World Water Development Report" (2012)

Water Resources Conservation Initiatives

Reducing Water Usage

Scarcity of water is becoming a serious concern worldwide as demand for water continues to climb.

Before the integration of Nycomed, none of Takeda's production sites faced a major water risk since most of the Group's water usage was at sites within Japan. However, with the integration of Nycomed, we now have business sites in around 70 countries. To grasp actual water use in each area, we quantified it using a Global Water Tool,*1 question sheets, and water usage. Based on this information, we have classified our sites into three categories in terms of water risk as shown in the table below.

We are currently taking steps to address water issues and reduce water usage at each Group production and research site in Japan and overseas, based on their respective water risk levels.

*1 A tool for indexing water-related risks, provided by the World Business Council for Sustainable Development

Water Risk Level A	Sites where water risk may emerge even now or in the near future because they are in areas with a high level of water stress and they use a large volume of water
Water Risk Level B	Sites where water risk may emerge in the future because they are in areas with a relatively high level of water stress and they use a large volume of water
Water Risk Level C	Sites with low water risk

Setting Targets for Water Resource Conservation

Since water supplies and site operating conditions vary regionally, Takeda is mainly focusing on the following measures in accordance with water risk level, rather than setting numeric targets for the entire Group.

Common Measures

- Grasp water usage from each water source, and report annually
- Reduce water usage, promote recycling

Water Risk Level A

- Conduct a risk assessment, create a plan to reduce water usage

Water Risk Level B

- Conduct a risk assessment and set numerical targets for water usage

Water Risk Level C

- Take active measures to conserve water though without setting numerical targets

Initiatives for Waste Water Management

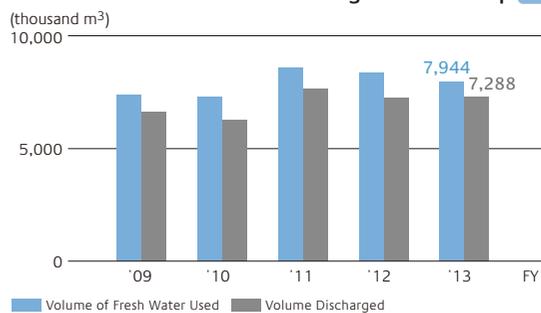
Takeda is managing the quality of effluent waste water in line with the following principles.

- Prevent effects on people and the ecosystem due to chemical substances in waste water
- Comply with relevant laws
- Manage waste water rationally based on scientific evidence
- Utilize management systems based on both chemical substance concentrations and its environmental toxicity

Takeda will strive to minimize the impact of chemical substances on public water environments by using discharge treatment such as separation and detoxification.

We cannot totally exclude the possibility that unregulated or unidentified chemical substances are included in waste water, and there exist chemical substances whose environmental impacts are unknown. Takeda has performed WET*2 tests since fiscal 2012 to directly evaluate the combined impact of its waste water, which is a mixed substance, using a bio-response test. In fiscal 2013, the tests were conducted two times at the Shonan Research Center and three times at the Hikari Plant. All of the tests results showed chemical substances in the waste water to be at safe levels.

Amount of Water Used and Discharged of the Group



✓ Data assured by a third party

See → P.82 Independent Assurance of Environmental and Social Performance Indicators

*2 Whole Effluent Toxicity (WET) tests are a way of evaluating the quality of effluent waste water by observing bio-response of aquatic organisms such as fish, daphnia, and algae.

Biodiversity Conservation Initiatives

Fundamental Stance Regarding Biodiversity Conservation

The Takeda Group Environmental Action Plan covers the entire group and incorporates guidelines concerning biodiversity conservation, and activities at each Takeda division are consistent with the objectives of the Convention on Biological Diversity.

Initiatives for Sustainable Use of Biological Resources

Takeda uses biological resources as ingredients for products and indirectly utilizes these resources in its R&D activities. They are used as ingredients in Chinese and other herbal medicines, which are over-the-counter drugs. Most of these ingredients are from cultivated plants but some are sourced from wild plants. We are currently studying the feasibility of switching to cultivated plants in order to ensure stable procurement, which should help conserve biodiversity. When using genetic resources in R&D activities we conduct activities with sufficient consideration given to the Convention on Biological Diversity.

Sources of Herbal Medicines	FY2011	FY2012	FY2013
Percentage of Wild Plants (based on volume)	20.2%	20.3%	20.3%

Promoting In-House Cultivation of Medicinal Plants

Takeda started early with in-house cultivation of medicinal plants, which is connected to conserving biodiversity. For over 20 years from 1939 onwards, we conducted research on rhubarb cultivation, developing a new variety called Shinshu-Daio, which is an ingredient for Kampo herbal medicine to treat constipation. As part of its efforts to ensure stable supplies of medicinal plants and to conserve the environment, Takeda has been conducting research into in-house cultivation of the licorice since 1996. These efforts have resulted in creation of a variety that is extremely easy to grow, called Miyako No. 1. We have been carrying out trial cultivation of this variety for mass production in Hokkaido since 2012. (We are applying for variety registration of the licorice cultivar Miyako No. 1.)



Miyako No. 1 flowers in bloom

20.3%

Percentage of wild plants used in herbal medicines (based on volume) (fiscal 2013)

119

Number of endangered plant species preserved in the Takeda Garden for Medicinal Plant Conservation (Kyoto) as of March 31, 2014



A conservatory at the Takeda Garden for Medicinal Plant Conservation (Kyoto)

Takeda Garden for Medicinal Plant Conservation (Kyoto)

Since 1933, the Garden Has Continued to Research Plants with Medicinal Properties, and Helped to Preserve Endangered Species

For over 80 years, Takeda Garden for Medicinal Plant Conservation (Kyoto) has collected, grown and used herbal and other plants with medicinal value from around the world. Currently, the garden grows about 2,800 species of plant, of which 2,128 have medicinal value. The garden currently has 119 endangered plant species, including 82 varieties of herbal plants. Activities to collect more endangered species continue with the goal of increasing the number for preservation to 100.

In 2010, for its 75th anniversary, the garden upgraded its facilities and embarked on new activities as a facility for preserving medicinal plants and supporting research. One aspect of that is to hold an annual Takeda Garden Symposium for teachers specializing in herbal medicine. In March 2014, Takeda held a study session for pharmacy students on plants in the early spring, with 84 participants coming from 16 universities. Hands on research focused on a theme of the medicinal herb dong dang gui. Additionally, the Takeda Garden for Medicinal Plant Conservation (Kyoto) continued to run a series of Fun with Nature Programs for students of local elementary schools and their parents, and these were highly rated by participants.

For detailed information about the Takeda Garden for Medicinal Plant Conservation (Kyoto), see the following website: <http://www.takeda.co.jp/kyoto/english/>

Takeda is reducing its waste to help create a recycling society. We are also reducing our emissions of chemical substances.

Waste Reduction

Fundamental Stance Regarding Waste Reduction

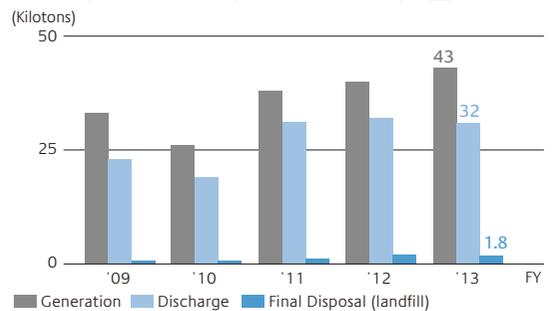
Takeda's fundamental stance on waste management is to reduce the amount of waste for final disposal by curtailing the amount of waste generated, reusing and reducing waste within sites, and promoting off-site recycling. We aim to contribute to creating a sound, material-cycle society through such efforts.

Continuing the 5th Waste-Reduction Program

Takeda has been continually promoting waste-reduction activities since fiscal 1993. The 5th Waste-Reduction Program started in fiscal 2011 with the aim of reducing the amount of waste for final disposal in fiscal 2015 to below fiscal 2010 level. The entire company has been working to reduce waste disposal and to encourage the reuse of waste as a valuable material and the recycling of waste into resources.

In fiscal 2013 the company strove to reduce waste by promoting zero-emission activities and other

Trends in Waste Generation, Discharge and Final Disposal of the Group



Data collection sites: Group production and research sites in Japan and overseas
Waste: The total sum of hazardous and non-hazardous waste and valuable resources

Data assured by a third party

means. These efforts reduced the amount of waste for final disposal at Takeda Pharmaceutical alone to 21 tons (down 56% compared with fiscal 2010). The amount for final disposal for the entire Group in Japan was 386 tons, down 26% compared with fiscal 2010.

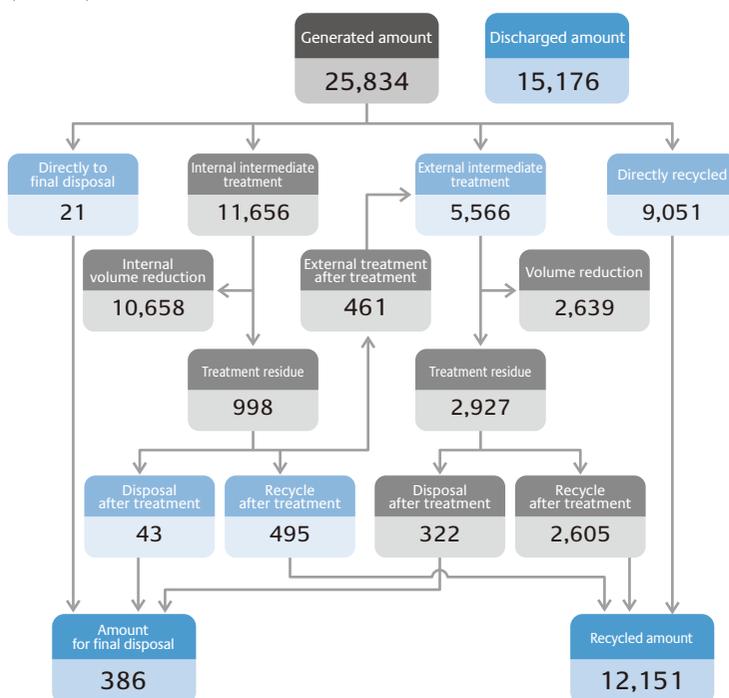
Moreover, the Osaka and Hikari plants achieved their zero-emissions targets in fiscal 2009, and have been maintaining their efforts.

26%
reduction

The volume of the Group's final waste disposal in Japan from fiscal 2010 level (fiscal 2013)

Waste Treatment Flow in Fiscal 2013

(Unit: tons)



Waste Product Breakdown and Amounts

(Unit: tons)

	FY2009	FY2010	FY2011	FY2012	FY2013
Sludge	3,736	3,179	3,624	5,586	4,372
Waste oil	10,904	5,337	4,706	5,857	6,588
Waste acid/waste alkali	10,875	9,970	9,843	8,818	10,460
Waste plastics	690	754	840	836	729
Metal scrap	708	645	823	642	631
Glass and ceramics	923	875	842	788	790
Other industrial waste	1,698	1,636	1,595	1,594	1,504
General waste	741	600	760	830	760
Total	30,275	22,996	23,031	24,951	25,834

Data collection sites: Group production and research sites in Japan.

29%
reduction

The Group's reported atmospheric release of PRTR substances in Japan from fiscal 2010 level (fiscal 2013)

Reduction in Releases of Chemical Substances

Fundamental Stance Regarding Management of Chemical Substances

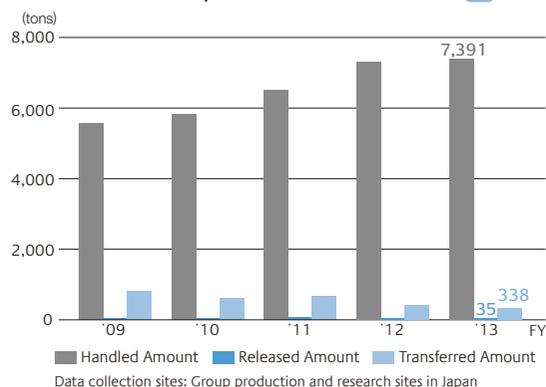
Takeda is working to reduce environmental emissions of chemical substances under the Takeda Group Environmental Action Plan formulated in fiscal 2010. Risk assessments are used to prioritize emissions-reduction efforts. With PCBs and asbestos, we took steps to remove materials properly and systematically in full compliance with laws and regulations, and to appropriately manage chemical substances.

To advance our management of chemical substances even further, we developed a centralized SDS (Safety Data Sheet) system for managing our own products and OELs (Occupational Exposure Limits) set by a specially appointed in-house committee to manage the level of chemical substances that can safely be handled at production sites to promote initiatives for maintaining an appropriate work environment. We take a comprehensive approach to chemical substance management, including quantifying the concentrations of pharmaceutical products in our factory waste water and conducting WET test.

Emissions and Transferred Amount of PRTR-Designated Substances

In fiscal 2013 Takeda (unconsolidated basis) handled 11 substances subject to notification under the PRTR scheme. Releases into the atmosphere came to 12 tons, a 27% decrease from the previous fiscal year. The main factor in this decrease was a decline in the use of dichloromethane at the Hikari Plant. However, compared to the base year, 2010, the overall releases increased 2%. Overall, the Group in Japan handled 71 PRTR-designated substances, with emissions of 35 tons, a reduction of 29% compared to fiscal 2010. Of this, 34 tons were released into the atmosphere, a reduction of 29% from fiscal 2010. Takeda's Group-wide VOC emissions for fiscal 2013, including overseas, were 184 tons . Takeda will continue to take steps to reduce the environmental impact posed by chemical substances, based on risk assessments.

PRTR (Pollutant Release and Transfer Register) Substances Handled, Released and Transferred



Data assured by a third party (Handled Amount and Released Amount)

Totals for PRTR-Designated Substance Data in Fiscal 2013

(Unit: tons)

Substance	Releases				Transfers		
	Atmosphere	Public water area	Soil	Total	Sewerage	Off-site	Total
Toluene	11.2	0.0	0.0	11.2	0.0	51	51
Dichloromethane	9.7	0.0	0.0	9.7	0.0004	97	97
1,2-Dichloroethane	7.3	0.0	0.0	7.3	0.0	5.2	5.2
n-Hexane	2.4	0.0	0.0	2.4	0.0001	32	32
Formaldehyde	1.1	0.7	0.0	1.8	0.0	0.0	0.0
Acetonitrile	1.3	0.0	0.0	1.3	0.0006	31	31

Data collection sites: Group production and research sites in Japan. Substances with a total release amount less than one ton are not shown.

See → P.82 Independent Assurance of Environmental and Social Performance Indicators

Takeda is making a concerted, Group-wide effort to conserve air, water, and soil quality, as well as engaged in environmental communication.

Air, Water, and Soil Quality Conservation

Fundamental Stance Regarding Air, Water, and Soil Quality Conservation

At each of its Group company operating sites around the world, Takeda has established in-house standards more stringent than those required by laws, state government regulations, and local agreements, in an effort to reduce NOx (nitrogen oxides), SOx (sulfur oxides), and dust emissions, and the chemical oxygen demand (COD) load. When a measurement exceeding the level of the in-house standard emerges in regular monitoring, we immediately determine and rectify the causes to prevent damage. We also regularly check for excessive noise and nuisance odors, and consider our impact on the lives of our neighbors or the surrounding environment.

Reduction Targets for NOx, SOx, and COD

To further strengthen its efforts to conserve air, water, and soil quality, Takeda set the following new targets for production and research sites belonging to the parent company.

- Reduce NOx emissions by 60% from fiscal 2005 levels by fiscal 2015.
- Reduce SOx emissions by 95% from fiscal 2005 levels by fiscal 2015.
- Reduce the COD load by 80% from fiscal 2005 levels by fiscal 2015.

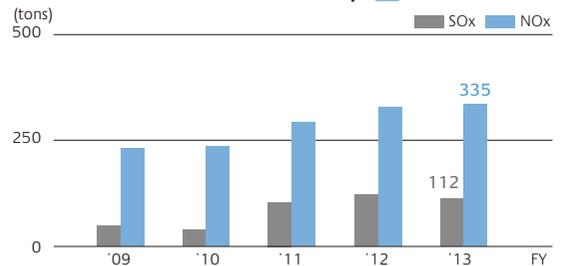


Hikari Plant (Japan)

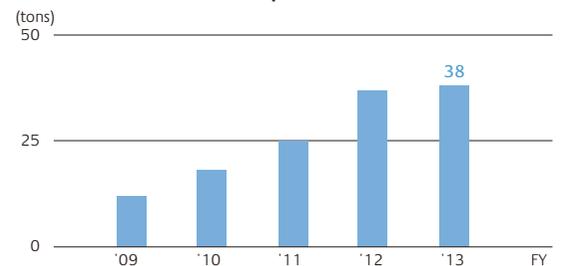
Measures to Prevent Pollution

Based on our “Countermeasure Guidelines for Soil and Groundwater Contamination,” we are working to prevent contamination of soil and groundwater at Group sites. Groundwater monitoring is conducted at all sites periodically and we have confirmed there are no problems. At Hikari Plant and Osaka Plant, we confirmed slight soil contamination on the sites, but this did not affect the surrounding environment. Soil remediation measures are being conducted in accordance with internal policy guidelines.

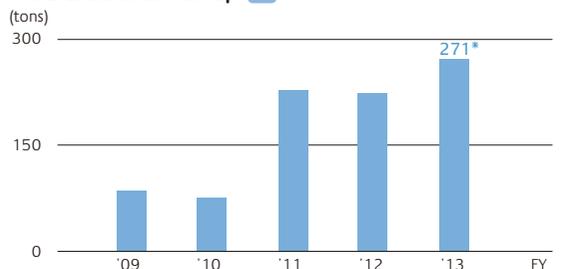
SOx and NOx Emissions of the Group



Dust Emissions of the Group



COD Load of the Group



Data collection sites: Group production and research sites in Japan and overseas
 Past years data has been revised due to changing the calculation method to exclude the COD load in seawater used for indirect cooling.

* Total of 256 tons discharged into off-site treatment systems and 15 tons emitted into public water areas.

Data assured by a third party

■ Environmental Communication

Activities in Japan

■Osaka Plant

The Osaka Plant is proactive in running cleanup activities such as volunteer cleanup around the plant and also participated in the Osaka Marathon “Cleanup” Program to clean up the city. The plant has also fostered ongoing relations with local residents by running programs such as the Takeda Gardening Class and Summer Party Evening. At the Summer Party Evening, an Eco Quiz Maze was set up with the goal of progressing to the finish by answering an environment-themed quiz, which was enjoyed by adults and children alike.



Eco Quiz Maze (Osaka Plant)

■Hikari Plant

The Hikari Plant conducts ongoing volunteer cleanup activities around the plant and shows environmental movies for employees. Furthermore, in fiscal 2013 it held the Takeda Summer Festival, when the plant grounds are open to the public, and other events again to stay in close contact with residents in a fun way. In addition, we invite members of local fisheries associations to tour the plant and exchange views on various concerns.

■Shonan Research Center

At the Shonan Research Center, Takeda reports regularly on the status of its environmental protection initiatives to local community representatives and to the local governments of Fujisawa and Kamakura cities and exchanges opinions with them. Takeda has also continued conducting volunteer cleanup activities in the area surrounding the center around the time of locally-organized neighborhood cleanup days. Other initiatives include efforts to promote interaction with the local community, such as holding an autumn festival on the site to which local residents are invited

and exhibiting at a science fair for junior and senior high school students run by Kanagawa Prefecture to give opportunities for many people to experience experimental technologies.

Activities in Other Countries

■Zydus Takeda Healthcare Pvt. Ltd. (India)

At Zydus Takeda Healthcare Pvt. Ltd. (India), one of Takeda's global production bases, employees engaged in tree-planting to mark World Environment Day. It has also carried out a variety of awareness programs aimed at raising awareness of the global environment.



Tree-planting on World Environment Day

■ Environmental Monitors

Takeda invites residents living near the Hikari Plant, the Osaka Plant, and the Shonan Research Center to become Environmental Monitors, conducting surveys to find out whether they are aware of any noise or nuisance odors from the plant. The site's management is meticulous about responding to any feedback from these surveys. We also hold plant tours and other events for Environmental Monitors.



Plant tours (Osaka Plant)

Takeda strives to raise environmental awareness as well as enhancing environmental management through exchanges among different industries.

■ Raising Environmental Awareness

Environmental awareness-raising seminar

At the Shonan Research Center, the NPO Kanagawa Environmental Counselors Association held an environmental awareness-raising seminar in June 2014. The seminar picked up various themes, such as global environmental issues, global warming and renewable energy, resource recycling and waste processing, and biodiversity. The event served to increase environmental awareness among researchers and other employees.



Environmental awareness-raising seminar (Shonan Research Center)

The Take-Eco Point System

Since April 2012, Takeda has been operating the Take-Eco Point System (Takeda's Eco-Activity Pointing System), which awards points for eco-activities undertaken by employees and their families. Various daily eco-activities are eligible for points, such as participating in environmental activities, growing a "green-curtain" outside of a window, or setting the air conditioner to an appropriate level for saving power. Employees can apply for points through a website on the company's intranet. The points can be exchanged for eco-products or used to make a donation in support of environmental conservation groups. In fiscal 2013, Takeda added its own support to eco-points to make donations to the Tamanawazakura wo Hiromeru Kai, ("Group for the Promotion of Tamanawazakura Cherry Blossom Trees"), and the Fukuchiyama Kankyou Kaigi ("Fukuchiyama Environment Council"). The system is designed to help raise employees' environmental awareness on an individual level, and to extend the scope of Takeda's eco-activities to include families as well.

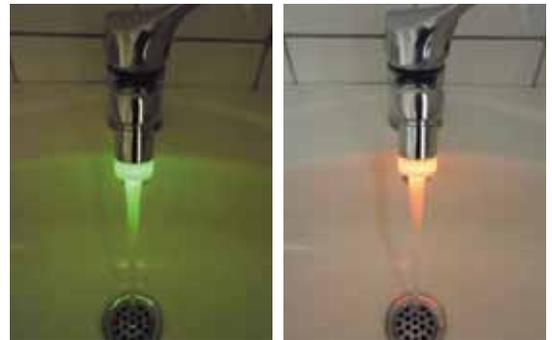


Donation to the Fukuchiyama Kankyou Kaigi ("Fukuchiyama Environment Council")

Activities in Other Countries

■ Oranienburg Plant (Germany)

The Takeda GmbH Oranienburg Plant set up a Day of Action on Water in August 2013 to raise awareness among employees. A variety of initiatives were implemented, including an information booth being set up at the company entrance, employees holding a discussion amongst themselves and color-coded light sensors applied to faucets to show the length of time that water was being used.



Light sensor detects the duration of water usage.

■ Exchanges with Other Industries

Takeda held an information exchange with environment officials from Sekisui Chemical Co., Ltd., a company with advanced environmental policies, and held discussions based on specific case studies on a wide variety of themes including long-term vision, preservation of biodiversity and methods of managing waste water. Going forward, Takeda will actively provide opportunities to hold these exchanges and enrich activities with people from other industries to revise environmental management from beyond the confines of the pharmaceutical industry.



Exchanging opinions with environment officials from Sekisui Chemical Co., Ltd.

Approx.
2,000

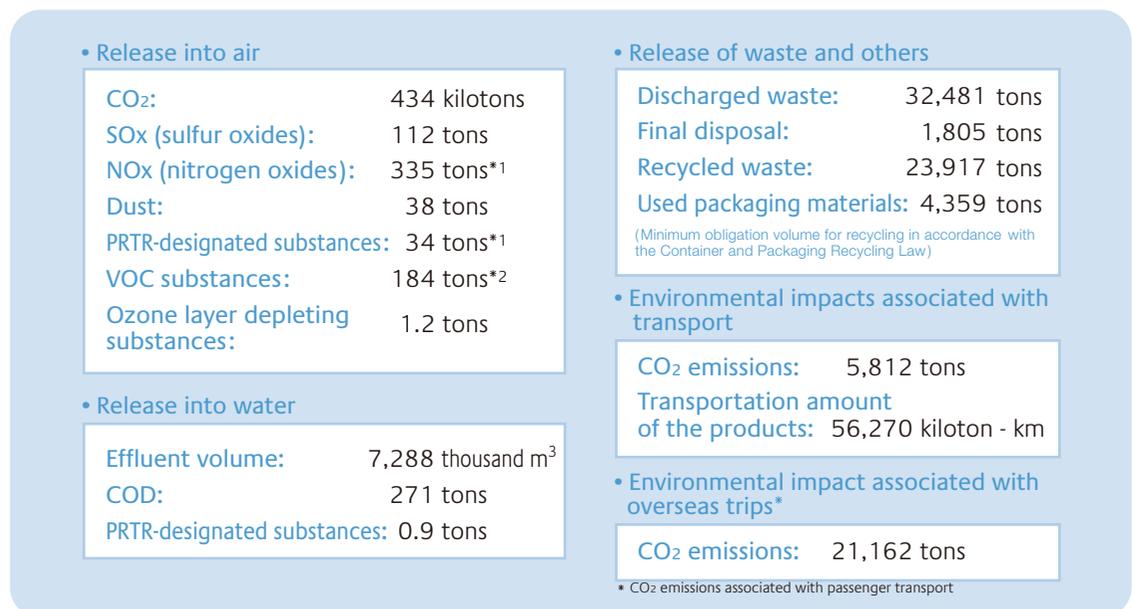
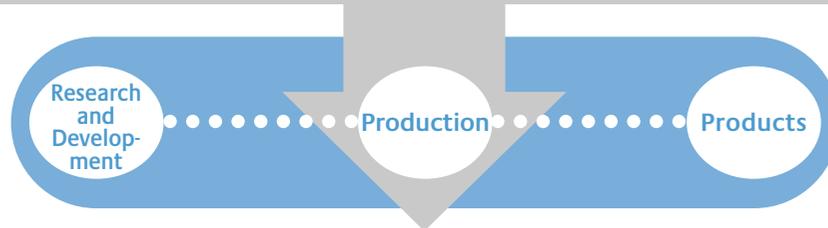
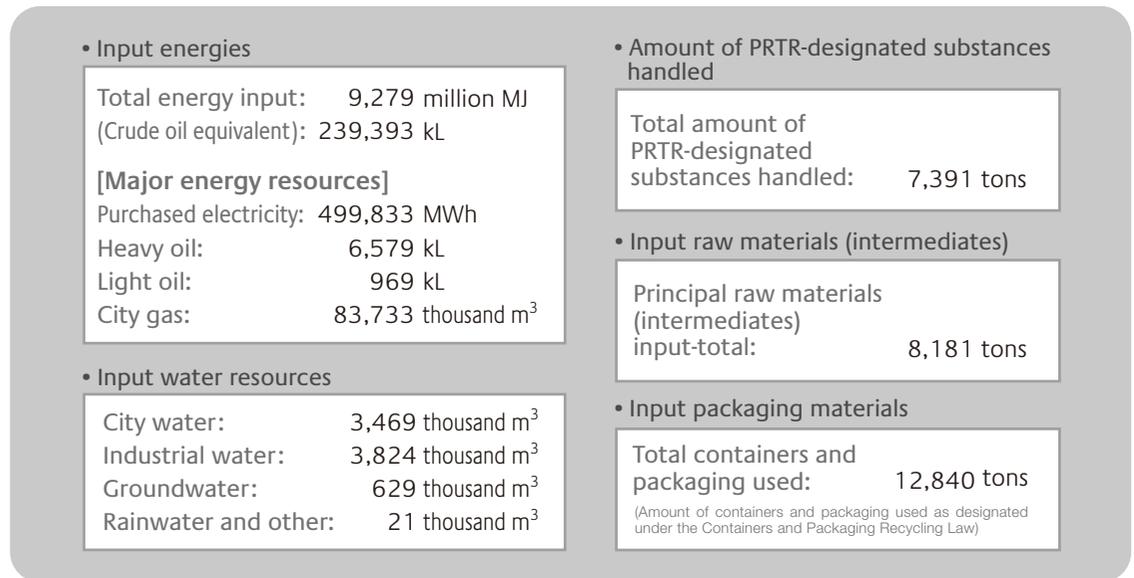
Number of people who have applied for Take-Eco Points (As of August, 2014)



"Take-Eco-san" – a mascot for the Take-Eco Point System

We prioritize controlling environmental impacts during the research and production processes, and implement various measures to fulfill this goal.

Environmental Impacts Associated with Takeda Group Business Activities



Compilation Method of Environmental Data

- Data collection period: From April 1, 2013 to March 31, 2014
- Data collection sites: Group production and research sites in Japan and overseas. The scope of energy and CO₂ data includes Takeda Pharmaceuticals head offices and sales offices. However, data on PRTR-designated substances and environmental impacts from transport come from production and research sites in Japan only. The environmental impact associated with overseas trips is for all business sites of the Takeda parent company and major subsidiaries in the U.S. Input raw materials (intermediates) data refers to Takeda Pharmaceutical's production sites.

*1 As a result of receiving independent assurance, we have revised the figures that were disclosed in Annual Report 2014.

*2 The figures for VOCs are for 101 substances comprising the typical 100 substances of VOC listed by the Ministry of the Environment, Japan with the addition of 1-propyl alcohol.

A global approach to minimizing environmental impacts by monitoring data for the Group as a whole.

Site Data

Totals for Production and Research Sites of Takeda Pharmaceutical Company Limited*1

Amount of Resources Used			Environmental Impacts			
Total energy input	4,736	million MJ	CO ₂ emissions	243,570 tons	Dust	5 tons
[Main energy resources]			Waste generation	14,106 tons	COD	43 tons
Purchased electricity	216,676	MWh	Waste discharge	7,847 tons		
Heavy oil	1,274	kL	Final disposal	21 tons		
City gas	56,646	thousand m ³	SOx	2 tons		
Water	4,403	thousand m ³	NOx	124 tons		

*1 Energy and CO₂ data include head offices and sales offices

Totals for Takeda Group Production and Research Sites Inside Japan (excluding the parent company)

Amount of Resources Used			Environmental Impacts			
Total energy input	1,651	million MJ	CO ₂ emissions	84,844 tons	Dust	15 tons
[Main energy resources]			Waste generation	11,728 tons	COD	12 tons
Purchased electricity	82,613	MWh	Waste discharge	7,329 tons		
Heavy oil	4,011	kL	Final disposal	365 tons		
City gas	10,331	thousand m ³	SOx	16 tons		
Water	2,340	thousand m ³	NOx	135 tons		

Totals for Takeda Group Production and Research Sites Outside of Japan

Amount of Resources Used			Environmental Impacts			
Total energy input	2,891	million MJ	CO ₂ emissions	105,173 tons	Dust	19 tons
[Main energy resources]			Waste generation	17,305 tons	COD	215 tons
Purchased electricity	200,544	MWh	Waste discharge	17,305 tons		
Heavy oil	1,294	kL	Final disposal	1,419 tons		
City gas	16,756	thousand m ³	SOx	94 tons		
Water	1,201	thousand m ³	NOx	76 tons		

Site Data for Takeda Pharmaceutical Company Limited

Osaka Plant

Amount of Resources Used			Environmental Impacts			
Total energy input	1,218	million MJ	CO ₂ emissions*2	60,145 tons	Dust	0.1 tons
[Main energy resources]			Waste generation	1,047 tons	BOD	22 tons
Purchased electricity	65,786	MWh	Waste discharge	1,047 tons		
Heavy oil	0	kL	Final disposal	5 tons		
City gas	12,854	thousand m ³	SOx	0 tons		
Water	971	thousand m ³	NOx	11 tons		

Substance	PRTR Data						
	Releases				Transfers		
	Atmosphere	Public water area	Soil	Total	Sewerage	Off-site	Total
Acetonitrile	0.17	0	0	0.17	0.0001	11	11
Dichloromethane	0.031	0	0	0.031	0.0004	1.4	1.4
N,N-Dimethylformamide	0.011	0	0	0.011	0.0027	1.1	1.1

(Unit: tons)

■ Hikari Plant

Amount of Resources Used		
Total energy input	2,062	million MJ
[Main energy resources]		
Purchased electricity	67,700	MWh
Heavy oil	1,270	kL
City gas	29,441	thousand m ³
Water	2,773	thousand m ³

Environmental Impacts			
CO ₂ emissions* ²	116,585 tons	Dust	5 tons
Waste generation	12,109 tons	COD	13 tons
Waste discharge	5,850 tons		
Final disposal	0 tons		
SOx	2 tons		
NOx	104 tons		

PRTR Data							
Substance	Releases				Transfers		
	Atmosphere	Public water area	Soil	Total	Sewerage	Off-site	Total
Acetonitrile	0.19	0	0	0.19	0	0.15	0.15
Cumene	0	0	0	0	0	0	0
Dichloromethane	8.6	0	0	8.6	0	84	84
<i>N,N</i> -Dimethylacetamide	0	0	0	0	0	0	0
<i>N,N</i> -Dimethylformamide	0	0	0	0	0	0	0
Dioxins (mg-TEQ)	0.0010	0.0034	0	0.0044	0	19	19
Triethylamine	0	0	0	0	0	1.0	1.0
Toluene	1.4	0	0	1.4	0	0	0
<i>n</i> -Hexane	0	0	0	0	0	0	0
Formaldehyde	1.1	0.69	0	1.8	0	0	0
1-Methyl-1-phenylethyl hydroperoxide	0	0	0	0	0	0	0

(Unit: tons)

■ Shonan Research Center

Amount of Resources Used		
Total energy input	1,312	million MJ
[Main energy resources]		
Purchased electricity	71,655	MWh
Heavy oil	4	kL
City gas	13,725	thousand m ³
Water	659	thousand m ³

Environmental Impacts			
CO ₂ emissions* ²	59,929 tons	Dust	0 tons
Waste generation	949 tons	BOD	14 tons
Waste discharge	949 tons		
Final disposal	16 tons		
SOx	0 tons		
NOx	9 tons		

PRTR Data							
Substance	Releases				Transfers		
	Atmosphere	Public water area	Soil	Total	Sewerage	Off-site	Total
Acetonitrile	0.17	0	0	0.17	0.0005	11	11
<i>N,N</i> -Dimethylformamide	0.013	0	0	0.013	0.011	1.3	1.3
<i>n</i> -Hexane	0.49	0	0	0.49	0.0001	32	32

(Unit: tons)

*² Calculations for CO₂ emissions for the Osaka and Hikari plants and the Shonan Research Center have received independent assurance.

Takeda has formulated policies based on the Takeda Group Environmental Action Plan, and it continues to upgrade its environmental protection and accident prevention activities.

Progress on the Takeda Group Environmental Action Plan in Fiscal 2013

Theme	Item	Fiscal 2013 Achievements
T-EMS (Takeda Group Environmental Management System)	All Takeda Group production and research sites, on the basis of the "Takeda Group's Standard for Environmental Protection and Accident Prevention Work," execute their autonomous environmental protection and accident prevention activities in utilization of ISO 14001 related activities, environmental protection and accident prevention audit, and environmental protection and accident prevention internal audit.	<ul style="list-style-type: none"> Promoted environmental protection and accident prevention activities based on the Global EHS Guideline Continued ISO 14001 activities at 29 business sites (including legacy Nycomed sites), including the recently certified Takeda Austria GmbH Have not attained management system qualifications at some research sites, the head offices and sales offices. Designated environmental managers at business sites and sales divisions, including overseas Group companies
	The business offices in the Takeda Group establish their environmental management systems corresponding to their business places and scales to execute their activities.	
Countermeasures for global warming	The CO ₂ emissions resulting from energy use are reduced in FY2015 by 18% from those in FY2005.	<ul style="list-style-type: none"> Established targets for each Group company and business site in Japan and overseas, and promoted energy saving activities FY2013 Takeda Group CO₂ emissions of 434,000 tons were 21% less than those in FY2005 (including legacy Nycomed sites)
	The use of renewable energy is promoted.	<ul style="list-style-type: none"> Installed solar power generation facilities at Takeda Italia S.p.A., the Osaka Plant, the Hikari Plant and other sites The plan for installation of mega-solar power generation at the Hikari Plant is now being reexamined Considered current situations and cost efficiency to install solar power generation at other sites
Waste reduction	The amount of final disposal in FY2015 is decreased to the amount in FY2010 or less.	<ul style="list-style-type: none"> Established targets for each company and business site to reduce waste generation, promoted recycling of waste into valuable resources, and conducted other activities to reduce the amount of waste for final disposal Amount of waste for final disposal for the Group in Japan in FY2013 was 386 tons, down 26% from FY2010
	3R activities are promoted, namely, to Reduce the generation of wastes, Reuse the wastes, and Recycle the wastes.	<ul style="list-style-type: none"> Promoted recycling through rigorous waste separation. Converted waste into recyclable and valuable resources Continued zero-emission activities at the Osaka Plant and the Hikari Plant
Protection of water resources	Efforts are paid in endeavor to make effective use of water resources, and the amount of water use is reduced.	<ul style="list-style-type: none"> Assessed water use at each business site, used proprietary method to assess water resource risk Moved ahead with initiatives responding to the risk level for each business site Established water risk assessments for some sites, set targets for water use and implements activities for meeting them
	The recycle use of water is promoted.	<ul style="list-style-type: none"> Promoted initiatives to reuse waste water Initiatives included reusing equipment cooling water effluent as industrial water, reusing condensation water from reverse osmosis membrane system as water for toilets, and using recycled water for toilets and sprinkling water onsite
Managing chemical substances	Efforts on the reduction of the emission amount of chemical substances to the environment are promoted. In the process of the reduction, target of the reduction is prioritized based on the risk assessment.	<ul style="list-style-type: none"> Assessed chemical substance emissions at each business site, set reduction targets for each site, and took steps to steadily reduce emissions Initiatives included reducing usage of formaldehyde for fumigation and considering substitution with hydrogen peroxide, reducing the number of test examples to reduce usage of raw materials
	PCB and asbestos are appropriately disposed of in a systematic manner by following regulations.	<ul style="list-style-type: none"> Assessed the management of PCB and asbestos use at each business site, ensured appropriate storage in accordance with laws and regulations, and continued steady disposal Appropriately disposed in accordance with laws and regulations any harmful materials, including asbestos generated in removal work

See → P. 33 Takeda Group Environmental Action Plan Evaluation Scores

Theme	Item	Fiscal 2013 Achievements
Protection of ozone layer	The equipment used with ozone depleting substances is renewed in a systematic manner.	<ul style="list-style-type: none"> Assessed status (quantity) of air conditioners and other equipment using ozone depleting substances such as CFC-type refrigerants at business sites, formulated a plan for renewing the equipment, and disposed of it appropriately
Air and water quality Conservation	Emission standards and total amount control are observed, and the reduction of NOx and SOx emissions and the reduction of COD are promoted.	<ul style="list-style-type: none"> Set in-house standards that are more stringent than applicable laws, regulations, and local agreements, and managed emissions accordingly. Achieved reduction targets for the Takeda parent company
Biodiversity	The influence of business activities on biodiversity is understood, and the activities contributing to the conservation of biodiversity and the sustainable use of bioresources are promoted.	<ul style="list-style-type: none"> We continue to promoted biodiversity conservation activities according to the characteristics of each company and business site. Initiatives include the following: <ul style="list-style-type: none"> Raised 119 species of endangered herbal plants designated by the Ministry of the Environment for preservation outside of their natural habitat at Takeda Garden for Medicinal Plant Conservation (Kyoto). Of these, 82 were medicinal plants In addition to in-house cultivation of raw material for Kampo medicines, investigated switching from wild to cultivated varieties Participated in the "Corporate Forestation Assistance Program" of a regional government
	In the use of genetic resources or the like, the Convention on Biological Diversity is considered.	<ul style="list-style-type: none"> Recognized the need to observe laws based on the Cartagena Protocol on Biosafety, and to give consideration to ABS when using biological resources and trained employees performing the experiments about these matters
Environmental activities in offices	Efforts on the reduction of the use of energy at the head offices and representative offices are promoted.	<ul style="list-style-type: none"> Promoted "Cool Biz," a summer dress code to accommodate reduced air conditioning use and reduced the number of lights, set numerical targets, and took other steps to save electricity and other resources at office locations
	The reduction of wastes and the reduction of the use of copy paper are promoted at the offices.	<ul style="list-style-type: none"> Promoted thorough separation of waste and recycling Reduced consumption of copier paper by encouraging double-sided printing and paperless alternatives, and set numerical targets
	The green procurement of office supplies is promoted.	<ul style="list-style-type: none"> Promoted green procurement, including by set numerical targets for ratio of green procurement

Note: Excluding legacy Nycomed sites

Message



Views of an Independent Expert on Takeda Group Environmental Activities

In fiscal 2013, I was able to confirm that Takeda has continued to make steady progress with its Group-wide environmental management. In the Global EHS promotion framework, which is expressed as Hop, Step, and Jump, Takeda has made advances each year, establishing the Policy in 2012, the Guideline in 2013, and the Checklist in 2014. Other forward steps include the first Global EHS Meeting, disclosure of scope 3 GHG emissions, and inclusion of water and waste data in the scope for independent assurance.

In future reports, I hope to see Takeda follow the process from broad-based disclosure of its environmental impact, including in the supply chain, as intended by version 4 of the GRI and other guidelines, to a more focused approach to reporting activities by setting priority themes for its initiatives and KPIs, and so forth. I believe that the report will be even more compelling if it offers a comprehensive overview including the risk classification established for water and scope 3 information on GHGs, as well as clearly showing how these link to a variety of EHS activities.

Takashi Fukushima

President, Sustainability Accounting Co., Ltd.



Measures to Sustain Corporate Value

Global Anti-Counterfeit Measures

Takeda has formulated the Three-Year Plan for Anti-Counterfeit Measures (fiscal 2012 through 2014). The specialized team called Global Product Security (GPS) is responsible for executing the initiatives stipulated in the plan. Specific measures are developed and applied in consideration of the risk profile and level of each product and the country in which it is sold, considering corruption levels as well. Takeda is also gathering and investigating information regarding counterfeit medicines on a global scale in cooperation with international organizations, including the ICPO (International Criminal Police Organization). A total of 8,044 rogue online pharmacies illegally selling Takeda products were shut down as a result of Takeda's investigations in fiscal 2013.

Estimated quantifiable ROI to the legitimate supply chain by shutting down rogue online pharmacies illegally selling Takeda products (fiscal 2013)

Approx. **¥1 bn**

[See →](#) P.64 Three-Year Plan for Anti-Counterfeit Measures

60

Number of countries where the Takeda Global Code of Conduct has been disseminated in brochures or on the intranet

Basic Policy for Anti-Corruption

The Takeda Global Code of Conduct

The Takeda Global Code of Conduct is a set of basic rules governing compliance across the entire Group. The code contains a section on conducting business with integrity and fairness.

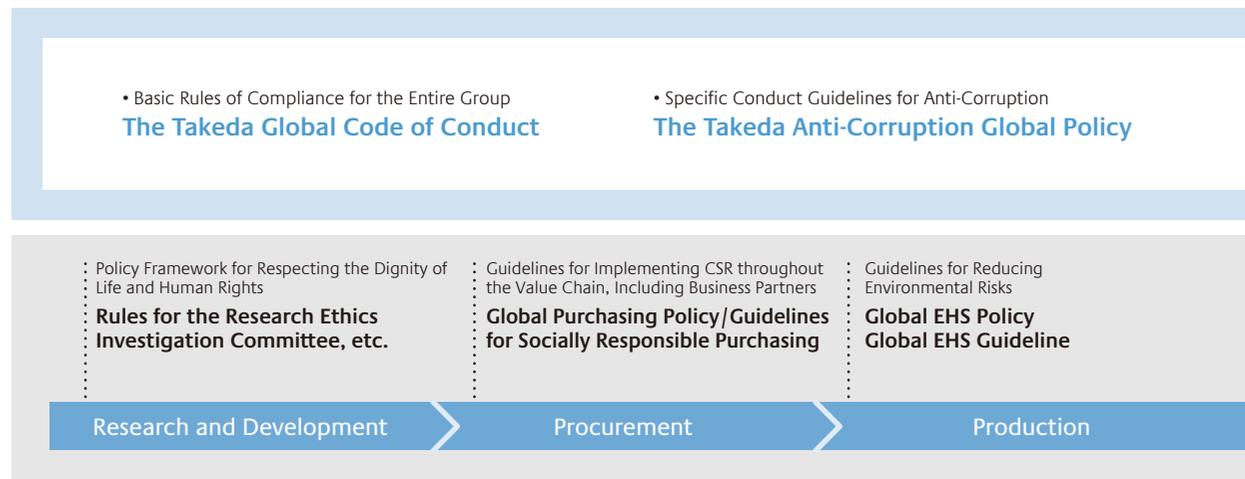
This section clearly defines that patient safety is Takeda's highest priority, and demands full compliance with laws and regulations in research, development, manufacturing, storage, distribution and post-marketing activities, in order to ensure the safety

and quality of products. The Code also contains specific guidelines on global compliance with promotion codes, anti-corruption and anti-bribery, and fair competition and anti-trust.

In addition, the Code contains other items such as environmental protection and respect for intellectual property. All Group executives and employees are expected to understand, comply with and implement the Takeda Global Code of Conduct in daily business activities.

[See →](#) P.13 Compliance

Takeda's Main Policies/Guidelines/Action Plans on Anti-Corruption



Initiatives in the Industry

Promoting Fair Operating Practices across the Industry

Through activities at the JPMA (Japan Pharmaceutical Manufacturers Association), Takeda is working to promote fair operating practices across the industry. Takeda is also a member of BSR, a CSR-focused association of firms dedicated to identifying and acting on the social responsibilities of global enterprises. In addition, as a member of the Healthcare Working Group comprising global BSR-member firms in the pharmaceutical industry, we are contributing to the work of identifying materiality in CSR – a priority task for the industry – and we reflect the results in our own Group activities.

Takeda is also a member of the United Nations Global Compact LEAD Program, and along with about 50 other global companies has helped to lead corporate efforts worldwide to implement and disseminate the 10 principles of the Compact relating to areas such as human rights, labour, environment, and anti-corruption.

Anti-Corruption

We Will Ensure Compliance with Our Policy for Anti-Corruption and Anti-Bribery

The ISO 26000 standard for social responsibility lists “Anti-corruption” as the first item in its section on fair operating practices. The section notes that corruption not only impairs the efficacy and ethical standing of

an organization, but that it also leads to human rights abuses, impoverished societies, environmental destruction, and other problems.

The Takeda Global Code of Conduct has a clear guideline on prohibiting corruption and bribery, and strictly forbids offering bribes (including money, goods, hospitality, gifts, or any other item of value) to national and foreign public officials and private-sector employees. More detailed guidelines are set out in the Takeda Anti-Corruption Global Policy.

Transparency Guideline

Relationship with Medical Institutions and Patient Groups

International society is calling for greater transparency and disclosure of information from pharmaceutical companies about their activities in every country. In the U.S., the Affordable Care Act (ACA) of 2010 stipulated the “Sunshine Act,” while in Japan in 2011 a guideline was formulated for ensuring transparency in the relationship between corporate activities and medical institutions, and in 2012 a guideline was formulated on transparency in the relationship between corporate activities and patient groups.

Takeda referred to these guidelines to form its own Transparency Guideline for the Relation between Corporate Activities and Medical Institutions as well as the Transparency Guideline for the Relation between Corporate Activities and Patient Groups. We have disclosed related information such as provision of funds.

Timing and method of disclosure

Provision of funds to medical institutions

We have started disclosing information about our provision of funds to medical institutions for each fiscal year (from April 1 to March 31 of the following year) on our corporate web site, starting with the funds provided during fiscal 2012.

Provision of funds to patient groups

Starting from fiscal 2014, we will disclose information about funds provided to patient groups each fiscal year through our website and other means, once the financial results for that fiscal year have been confirmed. (The first results disclosed will be for funds provided during fiscal 2013).

For further details about the Transparency Guideline, please see Takeda’s website

<http://www.takeda.com/csr/policies/>

- Transparency Guideline

Transparency Guideline for the Relation between Corporate Activities and Medical Institutions

Transparency Guideline for the Relation between Corporate Activities and Patient Groups

- Quality Assurance Standard for Pharmaceutical Products Distribution
- **Takeda Global GDP Standard**
- Global Anti-Counterfeit Measures
- **Three-Year Plan for Anti-Counterfeit Measures**

- Code for Promoting Drugs
- **The Policy on Promotion of the JPMA Code of Practice**

Distribution

Sales and Marketing

We will promote fair operating practices across the Group while encouraging our suppliers to implement CSR too.

IFPMA

The International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) is an NPO based in Geneva, Switzerland. Its members include the main industry groups of both advanced and developing countries, as well as R&D-focused pharmaceutical companies from around the world.

Fair Promotion Activities

The Policy on Promotion of the JPMA Code of Practice

Takeda's activities are governed by the Takeda Global Code of Conduct, which includes guidelines on fair promotion activities, and ensures strict adherence to laws relating to the pharmaceutical business in each country, and to the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) Code. Moreover, in Japan, in order to ensure strict adherence to the JPMA Code of Practice, Takeda has created the Policy on Promotion of the JPMA Code of Practice and detailed SOP to implement the Policy by incorporating the existing Takeda Promotion Code for Prescription Drugs. With regard to a series of issues surrounding the Candesartan Antihypertensive Survival Evaluation in Japan (CASE-J study), Takeda will implement measures to prevent recurrences of this kind of event in the future. These measures include ensuring transparency through clarifying the role of each department and strengthening each department's checking systems, as well as thoroughly ensuring that Takeda employees are completely uninvolved in investigator-led clinical research related to Takeda products.

[See →](#) P.14 Issues Surrounding the Candesartan Antihypertensive Survival Evaluation in Japan (CASE-J Study)

Global Purchasing Incorporating CSR

Promoting CSR Initiatives throughout the Value Chain, Including Business Partners

Takeda established the "Global Purchasing Policy" to guide its efforts to build a global supply network in line with the company's territory expansion. The Global Purchasing Policy sets out basic guidelines for purchasing activities, with a focus on quality, cost, delivery, society, and the environment.

Takeda strives to implement not only pharmaceutical business activities, but also CSR activities across the supply chain, including suppliers of raw/packaging materials and equipment, contract manufacturers as well as construction companies. Takeda has shared the "Guidelines for Socially Responsible Purchasing" with its suppliers and encourages them to make their own efforts to solve social and environmental issues.

These guidelines include the "CSR Code of Responsible Purchasing Standards" that Takeda's General Purchasing Department practices when sourcing materials for use in manufacturing plants and research laboratories. The guidelines also cover two important elements, which are "Continuous Business Relationship with Suppliers" and "Code of Conduct for Suppliers."

"Continuous Business Relationship with Suppliers" emphasizes social and environmental aspects in

Items from the Takeda Global Code of Conduct Relating to Fair Promotion Activities and Anti-Corruption (Extract)

Business with Integrity and Fairness

Advertisements/promotion

Takeda is committed to complying with all applicable laws, regulations and industry codes governing promotional activities and advertising and will conduct these activities in an appropriate and ethical manner.

We will follow applicable company procedures designed to ensure that our promotional information and advertisements comply with regulatory requirements and are accurate, balanced, fair, supported by scientific evidence and not false or misleading.

We will not promote our products for a specific use in a country until the requisite approval for marketing for that use has been given in that country.

Relationships with healthcare professionals

Takeda is committed to complying with all applicable laws, regulations, and industry codes (including the IFPMA's Code of Pharmaceutical Marketing Practices and other codes established by regional and local industry associations) in interacting with healthcare professionals.

We will not provide, offer, or promise any money, goods, hospitality, gift or any other item of value to induce or reward favorable treatment of our products.

When we obtain consulting services, advisory board services, or any other services from healthcare professionals, we will have a legitimate business need and we will not pay more than an appropriate market value for the services rendered.

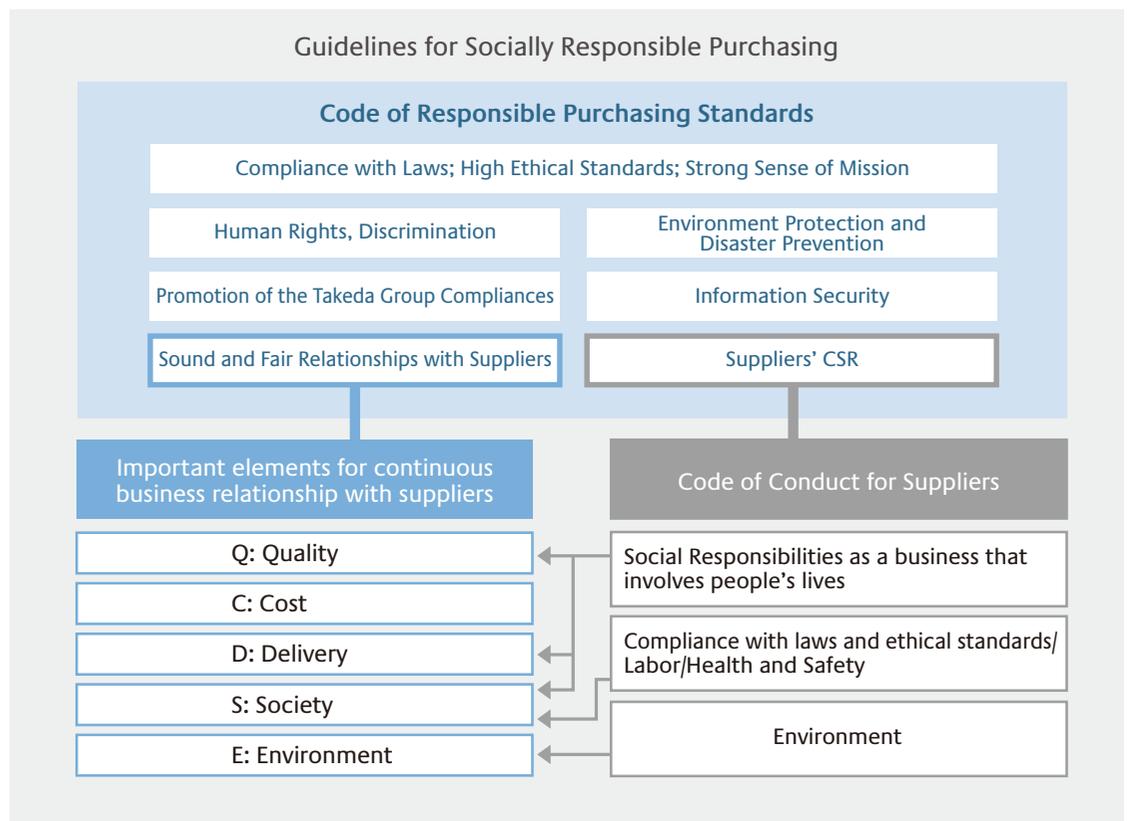
In addition to the conventional criteria of quality, cost and delivery. Moreover, in the “Code of Conduct for Suppliers,” the guidelines include a section on “Social Responsibilities as a business that involves people’s lives,” which stipulates, “Production and supply of materials for excellent pharmaceutical products in efficacy and safety,” “Efforts for stable supply,” and “Anti-counterfeit measures.”

Supplier Survey

Takeda asks suppliers to participate in a “CSR Survey” based on the “Guidelines for Socially Responsible Purchasing.” The survey allows us to ascertain suppliers’ CSR implementation performance, establishment of their quality assurance system, sustainability of stable supply, compliance with laws, labor management systems, and environmental preservation activities. The outcome collected from the surveys is fed back to the respective suppliers.

Question Items in the Supplier Survey

Social responsibilities as a business that involves people's lives	<ul style="list-style-type: none"> • Production and supply of materials and equipment for manufacturing effective and safe pharmaceutical products • Efforts for stable supply • Anti-counterfeit measures
Compliance with laws and ethical standards	<ul style="list-style-type: none"> • Compliance with laws • Business ethics and fair competition • Clear definition of concerns • Protection of experimental animals • Information security • Appropriate export controls
Labor	<ul style="list-style-type: none"> • Employment by free choice • Prohibition of child labor • Abolition of discrimination • Observation of legally required employment conditions
Health and safety	<ul style="list-style-type: none"> • Protection of employees • Process safety • Preparation and response for emergencies • Hazard information
The Environment	<ul style="list-style-type: none"> • Environmental permits • Waste and gas emissions • Emission and release of hazardous chemicals • Efforts to reduce the impact on the environment
Management	<ul style="list-style-type: none"> • Promotion of CSR • Items required by laws and customers • Training and capability development • Continuous improvement



Building sound and fair relationships as equals with business partners while expanding into emerging markets and other countries.

■ Global Purchasing Policy

Takeda Is Building a Comprehensive Global Supply Network Extending from Purchasing to Production and Distribution That Also Takes into Account Corporate Social Responsibility

Building supplier relationships in the spirit of “soundness and fairness based on a partnership as equals” is of particular importance in line with Takeda-ism. Successful pharmaceutical operations require partnerships with companies capable of consistently supplying raw materials, packaging materials, equipment and other products of high quality that

comply with strict authorities’ regulations for manufacturing and sales of pharmaceuticals.

From this standpoint, the members of the General Purchasing Department, which is responsible for procuring materials and equipment for R&D and production, have established sound and fair relationships with suppliers in line with the Basic Purchasing Policy, which takes CSR priorities into consideration. In addition, the General Purchasing Department has established a new “Global Purchasing Policy” in order to build a comprehensive global supply network extending from purchasing to production and distribution. This global supply network addresses Takeda’s business expansion into new countries and regions, including emerging markets.

Global Purchasing Policy (Extract)

<Objective>

We, Takeda Group, aim to fulfill our mission to “strive towards better health for people worldwide through leading innovation in medicine” by demonstrating Takeda-ism, in which we pledge to act with “integrity based on our fairness, honesty, and perseverance.”

Under corporate philosophies including Takeda-ism and our mission, the Pharmaceutical Production Division aims to provide patients worldwide with the highest quality and lowest-cost drugs by establishing world-class manufacturing technology. Moreover, in order to achieve stable and reliable supply, we shall establish and put into practice a comprehensive global supply network for purchasing, production, and distribution which can cover the expansion of new bases including developing countries and regions.

The General Purchasing Department has formulated “the Global Purchasing Policy” as a specific policy for optimizing purchasing activities in Japan and overseas in the global supply network, and will act in compliance with it.

<Scope>

The Global Purchasing Policy applies to purchasing activities of the General Purchasing Department for materials and equipment used for R&D and manufacturing. The purchasing activities are conducted in line with the “Purchasing Criteria” of the General Purchasing Department, which was established based on “Company-wide Guidance for Purchasing Affairs” (Corporate Strategy & Planning Department).

<Basic Policy>

We shall procure excellent quality (Q: Quality) materials and equipment for R&D and manufacturing with competitive cost (C: Cost) in a timely manner (D: Delivery) by building a global purchasing system. We shall also carry out purchasing activities as fulfilling social responsibilities in compliance with social norms (S: Society), and taking the environment into account (E: Environment).

<Purchasing System>

In order to procure better quality materials and equipment at the lowest cost in a stable manner from superior suppliers worldwide in terms of Q, C, D, S, E, we shall establish an optimizing purchasing system to play a part in the Takeda Group global production and supply system.

<Code of Responsible Purchasing Standards>

The Takeda Group, as a company which operates business relate and responsible to people’s life, proactively promotes CSR activities in accordance with its corporate philosophy, for example, by participating in the United Nations Global Compact and formulating and complying with “Takeda Code of Compliance Standards.”

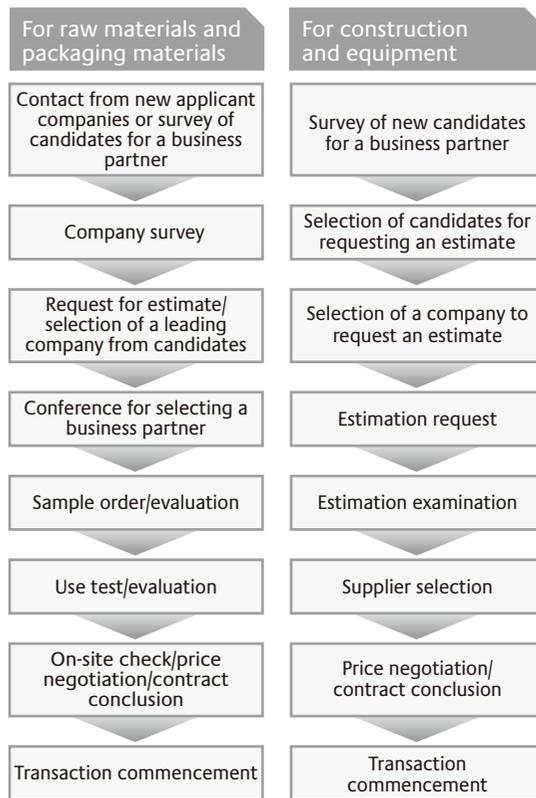
With the further globalization of purchasing, we consider that it is an important factor for engaging in fair and equal trading with appropriate suppliers worldwide including emerging countries not only to manage quality and safety but also to encourage them to conduct CSR activities and evaluate them on condition that we shall imply CSR activities ourselves. It is also considered to be response to social requirements. We have formulated the “Code of Socially Responsible Purchasing Standards” to prescribe fundamental elements and a code of behavior in relation to CSR which should be complied with and practiced in purchasing activities.

The “Guidelines for Socially Responsible Purchasing” includes specific details of our expectations for suppliers as well as the Code of Responsible Purchasing Standards.

The Code of Responsible Purchasing Standards applies to contract manufacturing activities.

Under the Global Purchasing Policy, Takeda's basic approach is to conduct purchasing activities emphasizing five elements; Quality (Q), Cost (C), Delivery (D), Society (S), and the Environment (E). This approach is incorporated in the "Guidelines for Socially Responsible Purchasing" as the "Important Elements for Continuous Business Relationship with Suppliers."

Response to Applications for New Accounts



Employee Compliance Program

Compliance Training

Takeda has prepared two sets of rules based on the "Takeda Compliance Program": The "Company-Wide Guidance for Purchasing Affairs" applies to activities throughout the company. The "Departmental Purchasing Criteria" are established specifically for the purchasing activities of individual business unit. Our goal is to prevent any purchasing activity from violating internal controls, applicable laws and regulations, including laws to subcontractor for preventing monopolies and late payments etc.

The General Purchasing Department has prepared several manuals to assist employees with proper

compliance which are the "Purchasing Ethics Manual," "Anti-Monopoly Law Compliance Manual" and "Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors Compliance Manual." The department also conducts ongoing staff education. We also have an education program for individuals in each department who are responsible for negotiating prices and other purchasing terms with business partners. These individuals are registered as a business negotiator and undergo special training by outside instructors. These training programs are structured to give employees an understanding of the importance of compliance and help create a workplace culture that is imbued with a commitment to self-discipline. We believe that these programs are vital to purchasing activities that will earn the trust of business partners.

Green Procurement

Promoting Eco-Green Purchasing

All Takeda production sites in Japan have received ISO 14001 certification for environmental management systems and use an ISO 14001 environmental management program to conduct extensive eco-green procurement activities. Furthermore, Takeda's Eco Project, which also covers administrative and sales divisions, includes the distribution of an office supplies catalog that shows which items have received the Eco Mark or Green Mark from the Japan Environmental Association. Overall, these measures facilitate green procurement throughout the Takeda organization.

See → P.32 Global EHS Guideline

Future Outlook

Issues and Initiatives Going Forward

Takeda has established a policy framework that includes the Takeda Global Code of Conduct and the Takeda Anti-Corruption Global Policy, and is upholding a tradition that Takeda has developed since its foundation of providing pharmaceuticals with integrity. Now, as part of our responsibility as a global pharmaceutical company, we also recognize the growing importance of implementing CSR initiatives not just internally, but throughout the entire supply chain. Going forward, we will take even further measures to ensure rigorous compliance, and to ensure fair operating practices across our entire value chain.

10

Number of compliance training sessions conducted per person in the General Purchasing Department (fiscal 2013)

Intellectual property activities are vital to our ability to contribute to society as a provider of outstanding pharmaceutical products.

Intellectual Property

Intellectual Property Protecting Takeda's Business

The Intellectual Property department supports the business of the Group by protecting scientific ideas and inventions using patents, goodwill capitalized in product brands using trademark rights, and also by promoting the proper usage of such intellectual property (IP) rights.

It is generally assumed that patent protection of pharmaceutical products is achieved solely by a basic substance patent covering the original new active ingredient. In fact, a medicine relies on a patent portfolio that protects not only the ingredient, but also its use, manufacturing process, formulation, production intermediates, any related derivatives, and the methods for evaluating biomarkers. The IP department strives to effectively manage all of these patent portfolios.

Takeda's IP operations must also address the important issue of how to construct patent portfolios to protect new businesses based on new state-of-the-art technologies developed in recent years, including regenerative medicine, cell-based therapies and gene therapy. In addition, there has been an increase in the importance of companion diagnostics using biomarkers, and addressing this topic has become an important new issue for IP in the pharmaceutical industry.

Helping to Realize the Mid-Range Growth Strategy

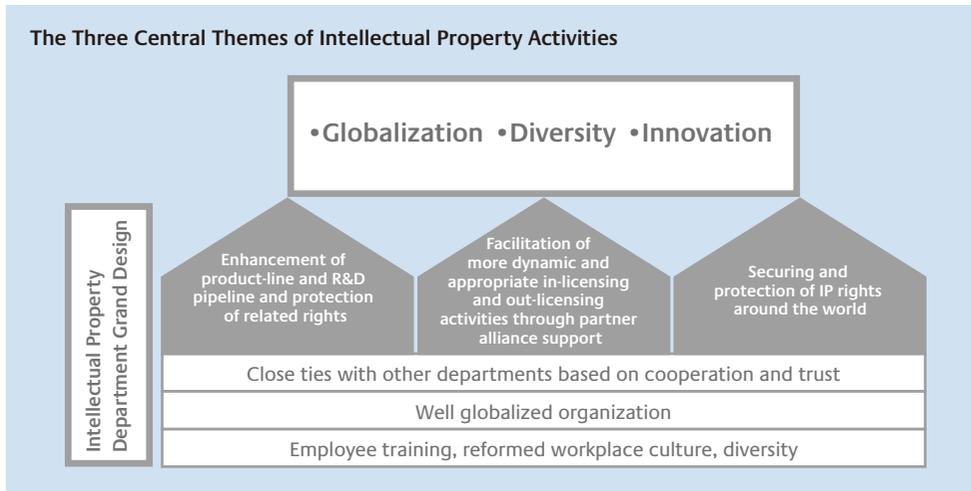
The IP department aims to help realize the Mid-Range Growth Strategy by supporting Takeda's increasingly

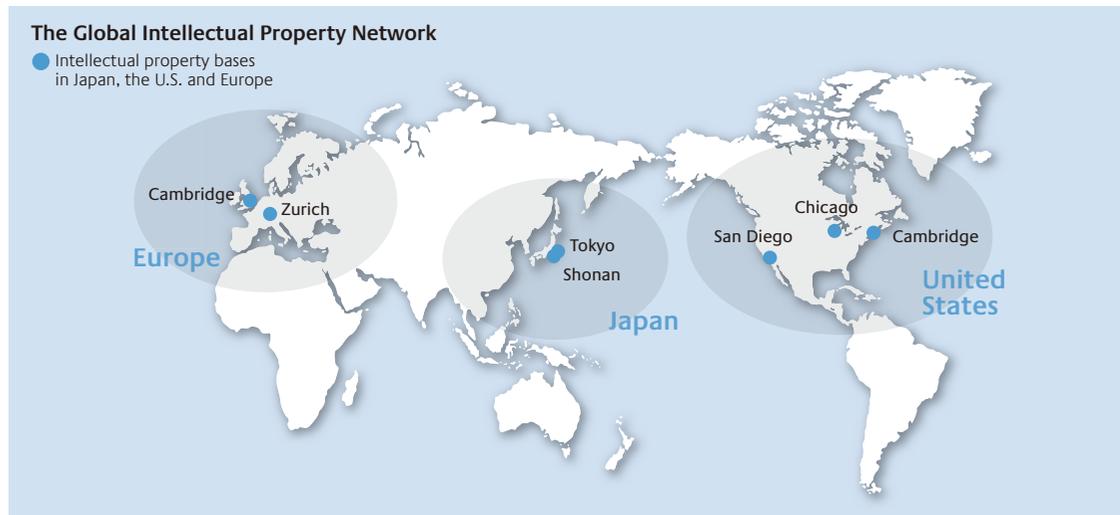
global business activities, specifically by ensuring appropriate protection of the Group's scientific ideas and inventions, and the goodwill of its products. At present, the IP department has offices in Japan (Tokyo and Shonan), Chicago, San Diego, Boston, Cambridge (U.K.) and Zurich. Each member of these teams supports Takeda's business in their respective regions, and we are also constructing an organization capable of operating on a global scale under a shared management policy and strategy as a global IP department. In terms of external activities, we are actively conveying our opinions regarding revisions to legal systems through a range of external organizations, so as to quickly respond to increasingly borderless IP regulatory systems worldwide surrounding the company's business. Global IP activities organized in this way support the Group's entire business from R&D to sales and marketing by focusing on the three key tasks defined below.

- [1] Enhancement of the product portfolio and R&D pipeline and protection of related rights
- [2] Facilitation of more dynamic and appropriate in-licensing and out-licensing activities through partner alliance support
- [3] Securing and protection of IP rights around the world

Up until several years ago, Takeda's IP operations focused primarily on the U.S., Europe, and Japan. However, with the expansion of our sales network and the strengthening of our business operations through the integration of Nycomed, an increasing proportion of our activities are now targeting emerging markets such as China, Russia and Brazil.

With interactive partnerships with the R&D and business functions, and with global teamwork within the organization, the IP department demonstrates agility in quickly adapting to changes in the social landscape, business environment and business strategy. The IP department will continue to evolve on a global scale to support Takeda's business as we strive towards our vision of "Better Health, Brighter Future."





Contribution toward Global Health through R&D Activities and Protection and Utilization of Intellectual Property

Takeda's mission is to strive towards better health for people worldwide through leading innovation in medicine. To achieve this, the IP department ensures appropriate protection of the results of Takeda's continuous research activities. Through appropriate protection and utilization of intellectual property rights, the department supports the stable supply of Takeda's products to patients. At the same time, the department makes intellectual property available for specified use to improve people's access to healthcare primarily in developing countries.

Since 2013, Takeda has been actively participating in R&D related to specific communicable diseases through product development partnerships funded by the Global Health Innovative Technology Fund (GHIT Fund), which Takeda helped to establish. Our objective has been to make our research results available for the advancement of research mainly on the communicable diseases that have been epidemic in developing countries. We will also look into opportunities for licensing certain intellectual property rights to third parties where there is a need, enabling them to make, use, and import specific pharmaceutical products, among other appropriate rights, in order to contribute to sustainable improvement and development of access to healthcare in developing countries.

The intellectual property system has been established and implemented for the purpose of promoting the development of industries. Its primary objective is to encourage innovators to create inventions by exchange-

ing exclusive rights for outstanding inventions for a certain period for subsequent disclosure of the inventions for widespread use. The system thus promotes further development of industries. Takeda is committed to contributing towards improvement of access to global healthcare by delivering innovative research results through its products and through appropriate use of intellectual property rights.

Issues and Initiatives Relating to the Intellectual Property System

Takeda believes that further progress in R&D in the field of life sciences will require an intellectual property system that reflects governmental policy on industries while allowing for protection of inventions and utilization of the rights to them. To accomplish these goals, we are cooperating and holding discussions with governmental ministries and agencies as well as industrial and business associations. A fundamental reform of the inventor remuneration system in patent law is being deliberated. Aiming to encourage innovation in Japan, we are working proactively with industry groups to revise the current system, which has many issues such as "unpredictability."

In addition, as an initiative to solve intellectual property issues at the global level, we are cooperating with Pharmaceutical Research and Manufacturers of America (PhRMA) and patent offices in other countries (particularly the United States Patent and Trademark Office). By actively exchanging opinions with these organizations, we aim to maintain an international standard of intellectual property rights protection in the legal system of each country and promote the harmonization of patent prosecution systems in the countries such as China, India and South Korea.

For patients who take our high-quality products around the world, Takeda is establishing a comprehensive quality management system to meet the requirements and expectations of a global pharmaceutical company, recognizing that safety takes priority over everything in this industry.

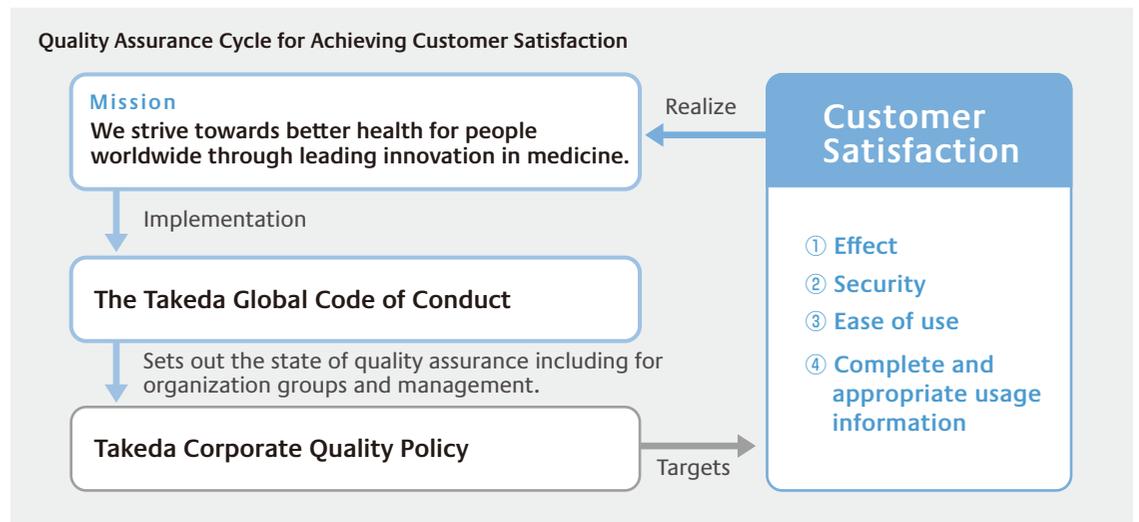


Quality Management System

Basic Policy

In addition to complying with applicable laws and regulations, Takeda’s overarching mission is to supply safe, high-quality products that can be used by patients and customers with complete confidence. To this end, Takeda has structured a comprehensive quality assurance and safety control system. With

cooperation among QA departments of Group companies worldwide, Takeda is committed to maintaining the reliability of its global operations at all stages of the product life cycle from research, clinical studies, manufacturing, distribution, and provision of information on appropriate use, to monitoring and analysis of safety and quality information as its products become widely used.



“Quality” that Takeda Pursues

Takeda’s mission statement is “We strive towards better health for people worldwide through leading innovation in medicine.” To realize this mission, we comply with all laws and regulations, as well as our own internal rules and standards, and strive to assure the “quality” of Takeda products from the following comprehensive perspectives through all our activities, including R&D, manufacturing, distribution, marketing, and post-marketing services.

- (1) Product conformity to required specifications at all stages of processing: raw materials, drug substances, investigational medicinal products, finished products, and marketed products during distribution and storage
- (2) Complete and accurate information (collection, recording, and documentation of information comprising a product profile, and validation including computerized systems)
- (3) Dissemination of information, such as efficacy, dosage, usage, and precautions, to customers in a timely manner

Establishing and Operating the New Quality Management System

Takeda is taking steps to support the rapid globalization of its business. As part of this, under the initiative of the Global Quality Assurance Department (GQAD), Takeda has combined existing quality management systems and established a next generation system suitable for the needs of a global pharmaceutical company.

GQAD has established document architecture to show the concept of a quality management system, including risk management and crisis management, placing “Takeda Corporate Quality Policy” as a top document. GQAD is calling for the entire Group to comply with the system. GQAD, as a cornerstone of quality assurance of Takeda, is responsible for dissemination of the quality management system to Group companies, while seriously reviewing the system for further improvement by diligently assessing the status of compliance through internal audits and other relevant measures.

Quality Assurance Spanning the Entire Product Life-Cycle

■ Research and Preclinical Studies

Takeda stringently manages studies and maintains data integrity and also strictly follows regulations for GLP (Good Laboratory Practice) for non-clinical studies to assess the safety of candidate compounds of pharmaceutical products.

■ Clinical Development

All of Takeda’s clinical studies, wherever conducted, comply with GCP (Good Clinical Practice), in addition to national and regional regulations as well as the Group’s own standard operating procedures and adherence to protocols.

■ Manufacture of IMP and Pharmaceutical Products

Takeda complies with GMP (Good Manufacturing Practice) for the manufacture and quality control of pharmaceuticals and GDP (Good Distribution Practice), and keeps up to date with the latest revisions to these regulations.

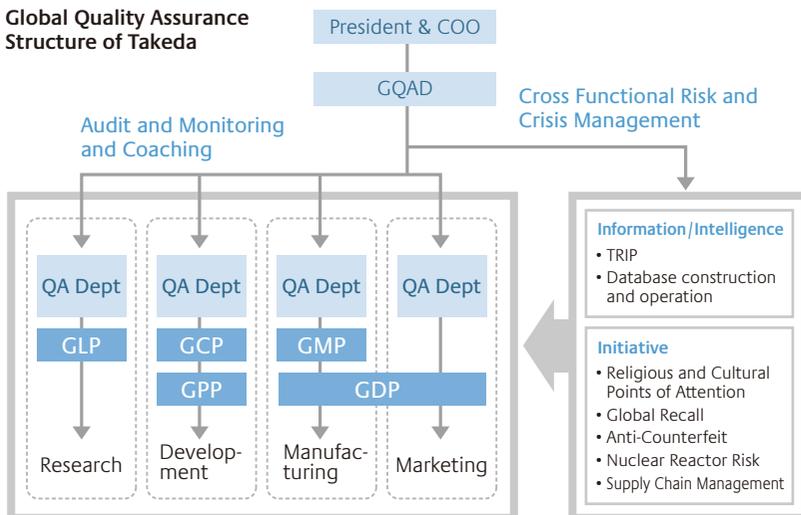
■ Post-Marketing Quality Control

In the post-marketing stage, we carry out not only quality control before shipping out products but also the collection of quality-related information from the market. In this way, we strive to detect potential quality issues at an early stage and make continuous improvements in quality control.

■ Safety Surveillance of Pharmaceutical Products

Takeda implements pharmacovigilance activities, continuously collecting safety information from the development phase of new drugs until after their launch, and providing this information to healthcare providers and companies marketing our products along with information on the appropriate use of the products.

Global Quality Assurance Structure of Takeda



Takeda is committed to maintaining the reliability of its global operations at all stages extending from research and development through to safety management after its products are launched. We have also been working to establish a global risk management system.

Risk Management as a Part of Quality Assurance Activities

Even under the most stringent quality and safety control, unforeseen product defects or adverse drug reactions may occur. Takeda gathers and analyzes risk-related information appropriately on a global scale to prevent occurrence of health injury by Takeda products. Moreover, should such a health injury occur, Takeda would strive to contain the problem.

Global Recall System

The supply management of Takeda’s products for global markets is becoming more complex due to the manifold manufacturing sites and multiple sales and distribution channels around the world. We have therefore established a global recall system that addresses unexpected recall of products in multiple countries on a global basis as part of our measures for crisis management.

Council for Risk Evaluation and Mitigation

For example, there is a risk that the company might create a product using an ingredient considered to be taboo by some cultures or religions due to lack of knowledge; the consequences of such a mistake could be serious. Pharmaceutical companies with global operations are being called upon to take responsible action on these issues. When Takeda’s products are marketed in emerging markets we need to give due consideration to these markets’ cultural and religious aspects in particular.

Takeda needs to grasp the situations peculiar to each country with respect to differences in culture and religion; political, economic, and social environments. We also need to take measures against any foreseeable risks. In response to this, we have set up a Council for Risk Evaluation And Mitigation (CREAM) hosted by the Global Quality Assurance Department. CREAM is in charge of formulating and carrying out measures to mitigate and avoid such risks.

Takeda Risk Intelligence Program (TRIP)

As a part of quality assurance activities, Takeda is establishing a risk management system on a global scale by promoting the Takeda Risk Intelligence Program (TRIP). The purpose of this program is to centrally collect information on risks that could affect quality assurance of Takeda products, such as pharmaceutical regulations, religion and culture, counterfeit medicines and nuclear reactors, and convert it to intelligence. Based on the intelligence

created by TRIP, potential risks associated with plans for expansion into new territories and clinical trials in emerging and developing countries have been identified so far.

Types of Risks Handled by TRIP

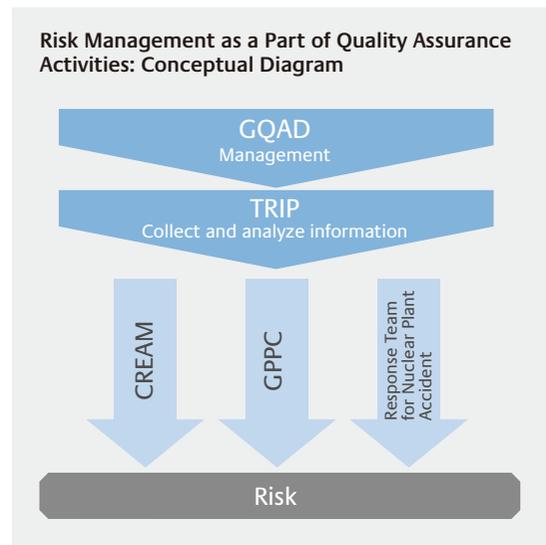
- Legislative changes in manufacturing, quality and import and export
- Impacts of Halal*
- Counterfeiting
- Cargo theft, theft of products
- Illegal diversion
- Corruption including bribery
- Actions, campaigns and threats against pharmaceutical companies and executives
- Cultural, religious, and other social actions that could negatively impact Takeda’s reputation

* Halal is the word used to describe compliance with Islamic law.

If a significant risk is identified, Takeda will take an immediate countermeasure against it. For instance, religious and cultural points of attention represented by Halal are being controlled by CREAM.

Furthermore, regarding counterfeit drugs, the Global Product Protection Committee (GPPC) has taken steps to strengthen our global countermeasures by utilizing TRIP.

See → P.64 Three-Year Plan for Anti-Counterfeit Measures



2,200

Number of sites subject to quality assurance audits concerning procurement and contract manufacturing (as of June 2014)

More than 90%

Ratio of people who finished e-learning for drug disasters in fiscal 2013 (target: executives and employees in Japan)

Quality Audits for Global Suppliers

Giving top priority to the safety of patients, Takeda conducts surveys encompassing a quality assurance perspective when selecting suppliers and contract manufacturers. We globally manage our selected suppliers and contract manufacturers by registering them in a supplier database, and having the quality assurance departments responsible for each supplier and contract manufacturer enter the results of regular audits into the database.

Preventing Drug Disasters

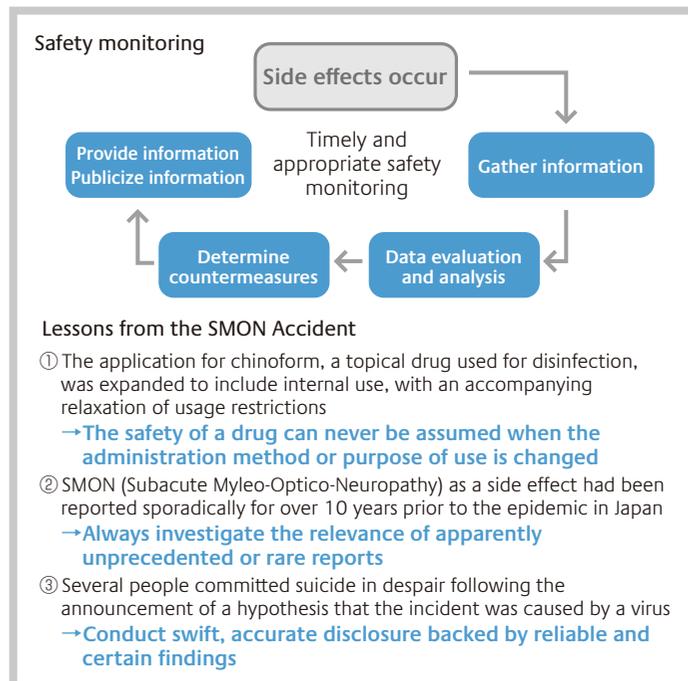
Historically, lack of appropriate and timely safety monitoring of medicines has led to a number of serious, large-scale medication-related health disasters (drug disasters). During the 1960s, Takeda was one of the defendant companies in the SMON (Subacute Myelo-Optico-Neuropathy) accident that affected over 10,000 people, for which the company is still paying compensation today. In a final statement released in April 2010, the Investigative Committee on the State of Pharmaceutical Administration for Investigation of a Drug-Induced Hepatitis Accident and Measures to Prevent Reoccurrence, a Ministry of Health, Labour and Welfare expert working group, called for pharmaceutical companies to implement education about drug disasters to prevent them from recurring.

At Takeda, we are taking steps to ensure that we never forget the tragedy of drug disasters, the suffering of patients who fall victim to them, and the immeasurable social responsibility of the company. For that reason, we run a training program targeting all departments involved in safety monitoring activities, as well as new recruits and mid-career hires. The program is being extended to cover all employees. In fiscal 2013, an e-learning program for drug disasters and safety management and quality assurance was implemented and more than 90% of the target audience (executives and employees in Japan) finished the program.



e-learning slides

Initiatives to Prevent Drug Disasters from Reoccurring



As part of our duty as a pharmaceutical company, we take the following initiatives to prevent drug disasters from reoccurring.

- Minimize the occurrence of serious side effects, and prevent their spread by implementing timely and appropriate safety monitoring.
- Maintain an internal system for implementing education based on past drug disasters.



A monument at the Ministry of Health, Labour, and Welfare bears witness to the Ministry's oath to eradicate drug disasters

We will take effective measures against the growing global problem of counterfeit drugs, based on the risk profile of each region.

124

Number of countries where counterfeit drugs have been confirmed (2013)

Source: "2013 Situation Report" Pharmaceutical Security Institute (PSI)

■ Three-Year Plan for Anti-Counterfeit Measures

Incidents in which the health of patients has been harmed due to counterfeit drugs have become a major issue worldwide in recent years.

In response, Takeda formulated the Three-Year Plan for Anti-Counterfeit Measures (fiscal 2012 through 2014), and has a specialized division called Global Product Security (GPS) to lead its efforts to strengthen anti-counterfeit measures under the leadership of GPPC.

Takeda believes that anti-counterfeit measures should not be the same for every product and in every country. Rather, measures need to be applied in consideration of the individual risk profile of each product and the country in which it is being used. Having expanded its scope of operations to more than 70 countries, Takeda will create and implement effective, area-specific countermeasures based on the result of risk analysis of the newly added regions.

Investigate and Expose Criminal Organizations that Manufacture and Sell Counterfeit Drugs

- By focusing on monitoring websites, Takeda has successfully helped to shut down 8,044 illegal online pharmacies (as of March 2014) that purported to sell Takeda products actually suspected to be counterfeit. In other areas, we have implemented a range of measures, including conducting investigations to determine whether or not counterfeit drugs were being traded, cooperating with the law enforcement activities of customs agencies, and establishing methodologies for determining the authenticity of products suspected of being counterfeit.

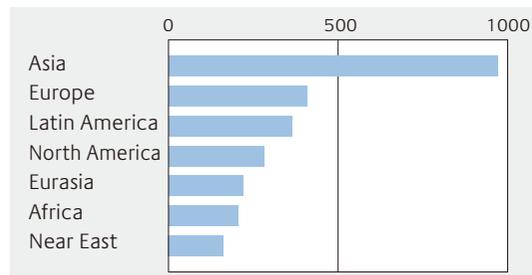
Establish and Implement Supply Chain Security Countermeasures

- In terms of advanced anti-counterfeit measures, we have introduced a tamper evident sealing label called the Takeda Security Label, which cannot be counterfeited, as well as an anti-theft system for freight trucks that transport valuable pharmaceuticals. These measures have proven to be effective in practice.

8,044

Number of illicit online pharmacies identified and shut down as a result of Takeda's investigations (As of March 2014)

Number of Counterfeit Drug Incidents (2013)



Source: "2013 Situation Report" Pharmaceutical Security Institute (PSI)

■ Establish and Implement Supply Chain Security (SCS)

Takeda is setting up architecture for assuring quality, security and legitimacy of supply chain. To improve the SCS, we keep the compliance with GDP (Good Distribution Practice) and participate in the Rx-360 Consortium for Pharmaceutical Supply Chain Quality Management. Also, as explained above, securing supply chain is crucial as a measure against counterfeit of Takeda's product.

Rx-360 is a consortium of over 80 companies organized as an NPO, with a mission to protect patient safety by sharing information on pharmaceutical product quality management and developing processes related to the quality of the materials within the supply chain. Takeda has been a strong supporter of Rx-360's activities since 2009, and is the only Japanese pharmaceutical company to participate. In January 2014, Takeda contributed to publish the guidance paper "Cargo Theft in High Risk Areas." This paper explores the risk of theft primarily in Mexico and Italy, and offers considerations and strategies for companies to mitigate such risks.

■ Measures to Prevent Contamination from Radioactive Substances

Takeda is taking measures to prevent contamination of its products from radioactive substances. To help decide on the best measures to be taken, we survey the effect of the spread of radioactive material from the Fukushima Daiichi Nuclear Power Station on the manufacture and supply of products. We check drug substances, raw materials, and packaging materials that originate from areas considered to be at risk to ensure that we use only items that are not contaminated with radioactive substances. This prevents entry of such contaminated materials into our manufacturing facilities and environments.

We are accelerating measures to strengthen our global production and supply chain functions as part of our effort to build a robust and efficient operating model.

Production and Supply Chain

Strengthening the Global Production and Supply Chain Network

In order to respond to the rapid geographical expansion of its sales activities, Takeda is taking steps to strengthen its global production and supply chain network and quality assurance system. In July 2014, we established the position of Global Manufacturing Officer (GMO) and appointed Dr. Thomas Wozniowski, who has accumulated abundant experience in a global pharmaceutical corporation. The GMO will work closely with the global leadership teams in

production and supply chain divisions to drive forward Takeda's global manufacturing strategy.

Takeda currently has 27* production sites in 18 countries and supply chain operations on a global scale, and the GMO will be responsible for all of Takeda's manufacturing facilities, including the Osaka and Hikari plants in Japan. Looking ahead, the GMO will lead our efforts to maximize the capability of our global production network, further reduce costs through global procurement of raw materials, and more effectively integrate and increase the efficiency of our global supply chain.

* Takeda plans to close the Roskilde Plant in Denmark and the Elverum Plant in Norway by early 2015.

18

Number of countries where Takeda has production sites



Hikari Plant in Japan



Yaroslavl Plant in Russia

Takeda's Production Sites



As of June 30, 2014



Measures to Sustain Corporate Value

IDEEL* Program

In developing countries, diabetes, hypertension, cancer, and other non-communicable diseases (NCDs) are becoming an increasingly serious issue along with communicable diseases (CDs). Since 2012, in partnership with the international NGO "Project HOPE," Takeda has been supporting the expansion of an online diabetes educator course known as International Diabetes Educator E-Learning (IDEEL), from India in to other countries. From 2013, Takeda is supporting the program development for Spanish-speaking countries where there are considerable numbers of diabetes patients. Takeda will assist in the translation of the program into Spanish and in the launch of the program to developing countries in the Americas, mainly Mexico, which has many sufferers from diabetes.

* IDEEL: International Diabetes Education E-Learning Program

Number of trainees the program aims to reach by the end of June 2015

2,000

Corporate Citizenship Activities Management

Basic Policy and Value Chain Concept

As part of its CSR activities, Takeda carries out corporate citizenship activities with a particular focus on support activities to solve social problems. Takeda has set out its Basic Policies on Corporate Citizenship Activities as a global pharmaceutical company, as a set of common basic principles shared by all Group companies. We have focused our activities in the area of healthcare, where we leverage our expertise in the pharmaceutical industry.

In the course of implementing these activities, we believe it is important to reevaluate each process

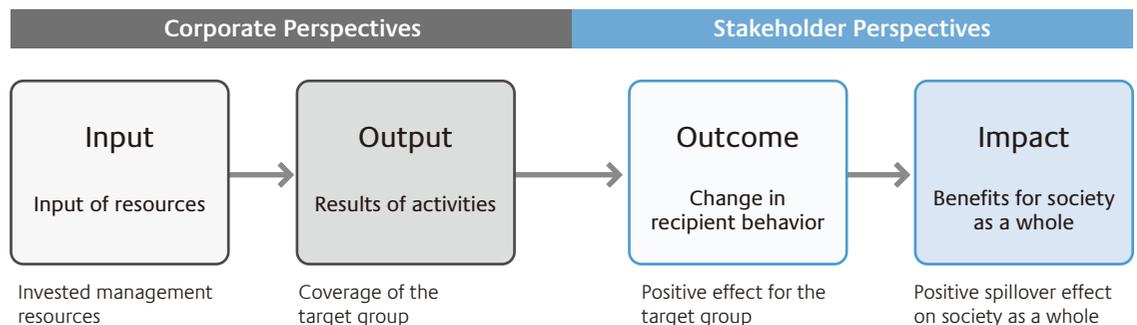
using a value-chain framework, and to then take on the stakeholder's perspective with an emphasis on outcomes and impacts.

Partnership with NGOs and NPOs

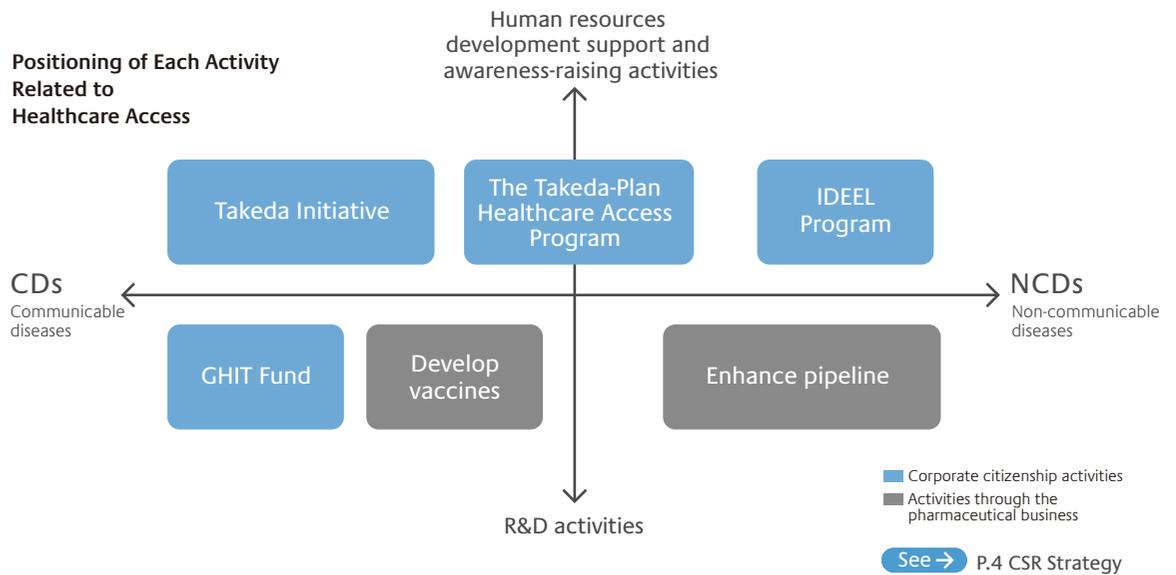
Long-Term Ongoing Corporate Citizenship Activities

When addressing social issues in the field of health and medicine, we believe that it is important to establish a framework for long-term, ongoing support. Takeda is implementing an ongoing support program based on links developed with NGOs and NPOs who have a deep understanding of frontline social issues.

Corporate Citizenship Activities Value Chain and Takeda's Focus



See → P.10 Value Chain Management



Initiatives to Improve Access to Healthcare

Takeda Initiative

The “Takeda Initiative” is a 10-year grant program running from 2010 to 2019 to support the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) in developing the capacity of healthcare providers in three African countries. In addition to providing donations, Takeda proactively visits project sites to gain an on the ground understanding of the local situation and contribute to improving access to healthcare. In 2013, a trip to Tanzania, one of the countries supported by the “Takeda Initiative,” allowed firsthand exposure to monitoring logistics in delivering medicine and learning about hygiene practices. The visit drove home the importance of

investing in personnel training to ensure efficient delivery and maintenance of quality in providing medicine to hospitals.

The Global Health Innovative Technology Fund (GHIT Fund)

The GHIT Fund is a pioneering non-profit public-private partnership established in Japan in April 2013 by the Government of Japan, a consortium of five Japanese pharmaceutical companies including Takeda, and the Bill & Melinda Gates Foundation, aimed at promoting the discovery and development of new drugs to fight communicable diseases (CDs) in developing countries. Takeda has entered into agreements with Medicines for Malaria Venture (“MMV”) to develop DSM265 and formulate ELQ300, two anti-malarial compounds. MMV was selected in December 2013 as the first project to be subsidized by the GHIT Fund.

10 years

Duration of the “Takeda Initiative” healthcare support program in Africa

Stakeholder's Voice



We are extremely grateful for the commitment from Takeda. At the core of the Global Fund is the realization that we all must work together if we are to defeat AIDS, tuberculosis and malaria. Working with partners like Takeda, we have an historic opportunity to seize new advances in science and apply practical experience to defeat these diseases and remove them as threats to public health. Working together, we can do great things.

Mark Dybul

Executive Director, the Global Fund to Fight AIDS, Tuberculosis and Malaria

Takeda is promoting activities in cooperation with external groups, while working to support better access to healthcare for people around the world.



Plan Japan is a member of Plan International, a global NGO recognized by the United Nations that is active in 70 countries throughout the world.

The Takeda-Plan Healthcare Access Program

In 2009, we established the Takeda-Plan Healthcare Access Program in collaboration with Plan Japan. The program is providing support for improved access to healthcare services for children in China, Indonesia, the Philippines, and Thailand. The program has achieved various results, as shown in the table below. Besides providing donations, Takeda has visited all the project sites and conducts activities such as stakeholder dialogues aimed at improving project quality.



A project site visit in China
Photograph: Plan Japan

See → P.4 CSR Strategy

Progress on the Takeda-Plan Healthcare Access Program (July 2009 – June 2013) ✓

Country/Activity	Input	Output	Outcome	Impact
Indonesia Community-led total sanitation to create open defecation-free villages Targeted MDGs: Goals 4 and 7	¥9.8 million	<ul style="list-style-type: none"> Trained facilitators (156 people in 36 villages). Conducted implementation workshops (about 1,100 people in 20 villages). Conducted follow-up monitoring of open defecation-free villages (5 villages in year two, 2 villages in year three, and 10 villages in year four) 	<ul style="list-style-type: none"> 12 out of 20 villages achieved open defecation-free villages within one year of implementation. The number of diarrhea patients at clinics decreased by about 90%. Toilets were installed at own cost (2,829 households). 	<ul style="list-style-type: none"> Of the 20 target villages, 2 adopted the five articles for achieving an open defecation-free village as village by-laws. The activity was recognized as a successful example case and has been promoted throughout the Lembata District and to neighboring districts also.
China Improvement of child nutrition Targeted MDGs: Goals 1 and 2	¥10.1 million	<ul style="list-style-type: none"> Supplied nutrition booklets for students and instructors (12,300 copies). Supplied food materials (for a total of about 5,900 individuals at 4 schools). Conducted awareness-raising activities led by a Children's Committee through essay writing contests (for 3,400 individuals at 3 schools), skit, song, and dance contests (1,874 individuals at 4 schools), and sports events (over 600 individuals at 3 schools). 	<ul style="list-style-type: none"> About 65% of all the children said that they have started to give more thought to nutrition when choosing snacks. Provision of sterilizers has enabled children to have meals in a hygienic environment. Students also learned how to use the sterilizers and practiced putting them away after use. 	<ul style="list-style-type: none"> The central government began supplying food materials for students, starting from the fourth quarter of the third year. A study tour was planned for a visit to Taiwan, where nutritional education in schools is well advanced. The district education board project team members and teachers from the 4 target schools, numbering 8 individuals in total, visited a junior high school and an elementary school in Taiwan.
Philippines Healthcare support for children Targeted MDGs: Goals 2 and 8	¥10.3 million	<ul style="list-style-type: none"> Conducted consultations, treatment, hospitalization, and surgery (87 individuals). Supplied assistive medical equipment (28 individuals). 	<ul style="list-style-type: none"> Donation activities for sick children have begun on a voluntary basis at schools. Certain doctors offered discounted fees for consultations and assistive medical equipment. Promoted understanding of the importance of early treatment, and increase in the number of medical consultations. 	<ul style="list-style-type: none"> Budget proposals for medical support at the town and village levels were submitted. Village councils approved financial support for part of the transportation expenses of children from villages to hospitals, as well as part of the transportation expenses for the children's parents and relatives, and for meals for children during transit.
Thailand Prevention of the spread of HIV/AIDS among young people Targeted MDGs: Goal 6	¥9.0 million	<ul style="list-style-type: none"> Comprehensive sexuality education provided to a total of 10,186 people at 16 schools, including students, teachers, and guardians, as part of the regular curriculum or extra-curricular programs. A student representative group was formed to increase awareness of comprehensive sexuality education within school (approx. 480 individuals at 16 schools). 	<ul style="list-style-type: none"> Increased acceptance of the topic of sexuality to enable instruction to be provided on the risks of pregnancy, abortion, and sexual diseases including HIV/AIDS among young people, as well as correct knowledge of sexuality, as part of the curriculum. Consultation offices for students were voluntarily set up within 16 target schools. 	<ul style="list-style-type: none"> A sustainable implementation system based on stronger stakeholder relationships was established by enhancing networks with hospital personnel and HIV patient groups. Based on the results of this project, Sisaket Province has decided to try introducing the sexuality education in more schools.

MDGs: Millennium Development Goals ✓ Data assured by a third party

See → P.82 Independent Assurance of Environmental and Social Performance Indicators

Stakeholder Dialogue



Fifth Stakeholder Dialogue

Stakeholder Dialogue

Takeda set up the Takeda Well-Being Program in 2009 with the NPO Civil Society Initiative Fund to support the civil activities that provide support to children undergoing long-term treatment for diseases, as well as support for their families. Since 2010 Takeda has been holding annual stakeholder dialogues with participation from groups receiving support through the program, to share the results of each group's efforts and challenges for its activities going forward.

In March 2014, Takeda held a general stakeholder dialogue to mark five years of operation of the Takeda Well-Being Program, and invited groups who have received assistance so far to participate. Three recipient groups in fiscal 2013 reported on their individual results and there was also a group discussion to explore strategies for improving the quality of activities and to discuss the current and future issues in this field. Takeda will continue to actively provide such opportunities for direct dialogue with stakeholders, with an eye to further enhancing its activities.

For further details about activities, please see Takeda's website (Japanese only)

<http://www.takeda.co.jp/chouki/>

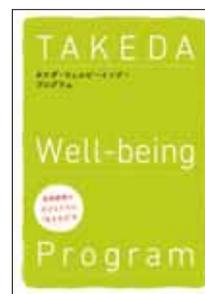
Group Discussion Themes

Increasing the Quality of Activities

1. Staff development
2. Broaden networks

Current and Future Issues in this Field

1. Issues that are likely to become focus points in the future
2. Issues that the program has not been able to support



Activity Introduction Pamphlet

You can download a pamphlet from our website offering details about the support program and the activities of the supported groups.



As a company that is directly involved in people's lives, Takeda is promoting activities to support the recovery of areas affected by the Great East Japan Earthquake, while continuously working to create basic infrastructure for healthcare development.

Approx. **200**

Number of participants in the GC-JN* Collective Action for Recovery from the Great East Japan Earthquake Disaster (As of August 2014)

* GC-JN: Global Compact Japan Network

25

Number of In-House Marketplace events held for earthquake recovery support (As of August 2014)

36

Number of internal forums and CSR explanation meetings held (As of August 2014)

12

Number of programs supported in the "Support for Japan's Vitality and Recovery" (fiscal 2011-2013)

Recipient Categories in the "Support for Japan's Vitality and Recovery"



Support for Disaster-Affected Areas

Support for Areas Affected by the Great East Japan Earthquake

Since immediately after the Great East Japan Earthquake, Takeda has been conducting activities to support the recovery of areas affected by the disaster. Examples include the contribution of pharmaceuticals and donations. Including our "Support for Japan's Vitality and Recovery" project, under which we donate part of the profits from sales of ALINAMIN, we approved donations totaling ¥3.9 billion (as of January 2014). Through these donations, we will continue to assist recovery support programs by NGOs and NPOs through to 2020. Furthermore, we are conducting a broad range of other activities

Approach for Supporting People in Affected Areas

	Emergency	Recovery	Restoration
Physical needs	Prior Approach	Expand →	
Money			
People	Expand ↓	Expand ↘	
Others			

to assist with post-quake recovery efforts, such as support for employees who have an intention to serve as volunteers and our In-House Marketplace events, where local specialties from the disaster-affected areas are sold within the company. In addition, we have been running internal forums and CSR explanation meetings where we report on support activities face-to-face with employees.

Donation Amounts and Recipients in the "Support for Japan's Vitality and Recovery" Program for Fiscal 2011-13

	Program	Recipient	Timeframes	Donation amount
Life and Livelihood	Takeda Life and Livelihood Reconstruction Program	Japan NPO Center	10 years (2011-2020)	¥1,200 million
	Takeda-Akaihane Nationwide Evacuee Support Program	Central Community Chest of Japan	3 years (2014-2016)	¥200,087,207
	Disaster Relief Volunteer & NPO Support Fund		7th donation (2012)	¥20 million
	Takeda Capacity Building Initiative	Japan Earthquake Local NPO Support Fund	3 years (2012-2014)	¥20 million
	Psychological support by CliniClowns in Tohoku	Japan CliniClowns Association	3 years (2013-2015)	¥5,522,223
Industrial Revitalization	IPPO IPPO NIPPON Project	Keizai Doyukai (Japan Association of Corporate Executives)	3 years (2011-2013)	¥750 million
	Tohoku Future Creation Initiative	Tohoku New Business Council	5 years (2012-2016)	¥20 million
Empowering the Next Generation	TOMODACHI	U.S.-Japan Council	3 years (2011-2013)	¥90 million
	BEYOND Tomorrow	Global Fund for Education Assistance	3 years (2011-2013)	¥60 million
	ARK NOVA Music Program for Children	ARK NOVA Project	1 year (2013)	¥20 million
Policy Proposals	Rebuild Japan Initiative	Rebuild Japan Initiative Foundation	3 years (2011-2013)	¥300 million
	Integrated Health and Lifestyle Support Project for Elderly People Living in Yamada Town, Iwate Prefecture	Health and Global Policy Institute	2 years (2012.10-2014.9)	¥25 million

For further details about Takeda's initiatives to support the recovery from the Great East Japan Earthquake and its support activities over the past three years, please see its website.

<http://www.takeda.com/earthquake/>

¥2.03bn

Total grants/scholarships provided by Takeda Science Foundation, Shoshisha Foundation and Institute for Fermentation, Osaka (fiscal 2013)

Corporate Foundations

Takeda Science Foundation

The Takeda Science Foundation was established in 1963 with an endowment from Takeda. Major activities of the foundation and results for fiscal 2013 (in brackets) are as follows:

1. Research Grants for research centers and research scientists involved in scientific technology projects throughout Japan (461 grants totaling ¥1,520.4 million);
2. International Fellowship Program for foreign medical doctors and researchers conducting research in Japan (44 persons received a total of ¥95.4 million) and Scholarships for students taking doctorate courses at medical schools (21 persons received a total of ¥75.6 million);
3. The Takeda Prize for Medical Science, which recognizes outstanding achievements in scientific research (Ph. D. Hitoshi Sakano, Professor, the University of Tokyo; M.D., Ph. D. Yoshihiro Yoneda, Director General, National Institute of Biomedical Innovation);
4. Holding of the Takeda Science Foundation Symposiums on Bioscience/PharmaSciences;
5. Publication of literature promoting scientific technologies; and
6. Storage, preservation, collection and exhibitions of oriental medical books and other documents at Kyo-U Sho-Oku, the foundation's library.

For further details about activities, please see the following website (Japanese only)

<http://www.takeda-sci.or.jp/>

Shoshisha Foundation

Shoshisha dates back to 1923 when Chobei Takeda V started using his own money to support deserving students with financial needs. The Shoshisha Foundation was established in 1960 to carry on this spirit, and in December 2012 it became a public interest incorporated foundation to further develop its operations. Since its establishment through fiscal 2013, the foundation has granted a total of 704 scholarships.

For further details about activities, please see the following website (Japanese only)

<http://www.shoshisha.or.jp/>

Institute for Fermentation, Osaka

The Institute for Fermentation, Osaka (IFO) was established in 1944 with joint funding by the Japanese government and Takeda Chemical Industries, Ltd. Up until 2002, the Institute collected, preserved, and distributed microorganisms to support research around the world. Since fiscal 2003, the Institute has provided

grants for research on microorganisms with the objective of contributing to the advancement of microbiology. In fiscal 2013, the Institute issued 43 grants totaling ¥407.25 million.

For further details about activities, please see the following website (Japanese only)

<http://www.ifo.or.jp/>

Workers Union Activities

Members of The Takeda Pharmaceutical Workers Union are involved in many types of community and charitable activities. Union members serve as volunteers, participate in disaster relief programs, support campaigns for various charities and take part in many other activities. One of the union's ongoing activities is an educational and cultural program in Mongolia: based on the concept of "from hand to hand," union members visit local schools to donate stationery, hygiene products, and other supplies. The program also supports cultural exchange with children. Through these heartfelt activities, the program has been running for over 15 years. In addition, from fiscal 2013 in Thailand the union launched activities to prevent the spread of HIV/AIDS, which is one of the United Nations Millennium Development Goals (MDGs) being tackled by the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund), with which Takeda is cooperating.



Union members enjoy a cultural exchange with children in Mongolia using Japanese toys

Future Outlook

Issues and Initiatives Going Forward

The United Nations and the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) have expressed an expectation to pharmaceutical companies around the world for action toward the prevention and control of non-communicable diseases (NCDs) in developing countries. We have therefore been promoting corporate citizenship activities focused on NCDs and developing countries, such as support for the IDEEL program. We have also declared our support for BSR's Guiding Principles on Access to Healthcare (GPAH) and are enhancing our practical activities based on the principles. Takeda will continue to contribute fully to community development through a holistic approach that incorporates both business and corporate citizenship perspectives.

Corporate Information

As of March 31, 2014

Company Name: Takeda Pharmaceutical Company Limited

Founded: June 12, 1781

Incorporated: January 29, 1925

Paid-In Capital: ¥63,562 million

Representative: Yasuchika Hasegawa,
Representative Director, Chairman of the Board & CEO
Christophe Weber
Representative Director, President & COO

Main Business: Manufacture, sale and import/export of pharmaceuticals and quasi-drugs

Number of Employees: 31,225 (consolidated)

Head Office:

1-1, Doshomachi 4-Chome
Chuo-ku, Osaka-shi, Osaka 540-8645, Japan

Tel: +81-6-6204-2111

Fax: +81-6-6204-2880

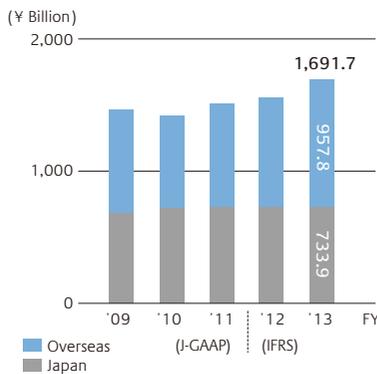
Tokyo Head Office:

12-10, Nihonbashi 2-Chome
Chuo-ku, Tokyo 103-8668, Japan

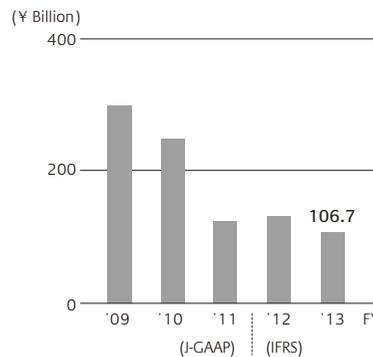
Tel: +81-3-3278-2111

Fax: +81-3-3278-2000

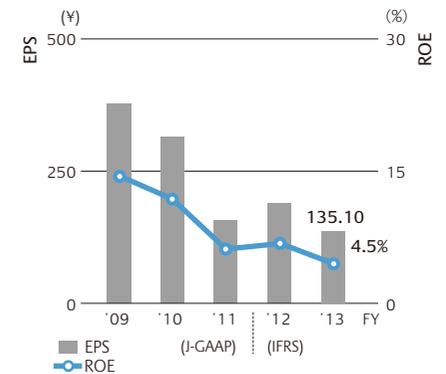
Revenue/Net Sales



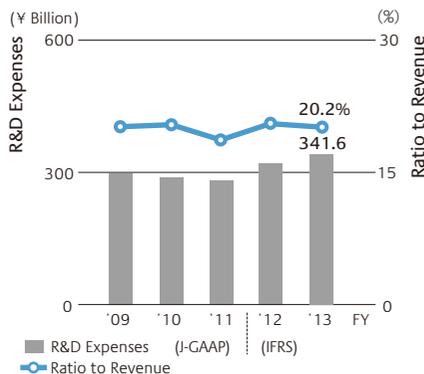
Net Profit Attributable to Owners of the Company/Net Income



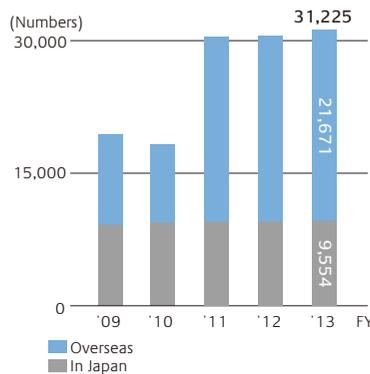
EPS and ROE



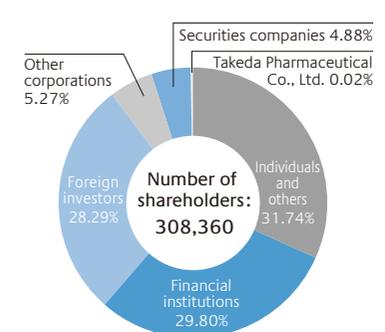
R&D Expenses and Ratio to Revenue



Number of Employees



Proportion of Shareholders



Key Social Responsibility Data

Takeda Pharmaceutical Company Limited and Subsidiaries

Labor		2014	2013	2012
Number of employees*	Total	31,225	30,481	30,305
	Japan	9,554	9,525	9,530
	Overseas	21,671	20,956	20,775
	Pharmaceutical business	29,133	28,397	28,284
	Ethical drugs	28,672	27,947	27,844
	Consumer healthcare	461	450	440
	Other businesses	2,092	2,084	2,021
Number of participants in the global leadership development program		—	36	28

* Employees working in Takeda Pharmaceutical Company Limited and its consolidated subsidiaries on a full time equivalent basis

Environment

Total input energies	9,279 million MJ	9,428 million MJ	9,156 million MJ
Fresh water used	7,944 thousand m ³	8,373 thousand m ³	8,598 thousand m ³
CO ₂ emissions	434 kilotons of CO ₂	439 kilotons of CO ₂	435 kilotons of CO ₂
SOx (sulfur oxides) emissions	112 tons	122 tons	105 tons
NOx (nitrogen oxides) emissions	335 tons	328 tons	293 tons
Dust emissions	38 tons	37 tons	25 tons
Amount of waste generated	43 kilotons	40 kilotons	38 kilotons
PRTR-designated substances released into the atmosphere (Japan)	34 tons	34 tons	56 tons

Corporate Citizenship Activities

Cash donations	¥ 3,220 million (IFRS)	¥ 2,839 million (IFRS)	¥ 5,324 million (J-GAAP)
Takeda Science Foundation research grants	¥ 1,520 million	¥ 2,261 million	¥ 2,266 million
Shoshisha Foundation scholarships	¥ 102 million	¥ 78 million	¥ 70 million
Institute for Fermentation, Osaka, research grants	¥ 407 million	¥ 400 million	¥ 408 million

GRI Guidelines Version 4.0 (G4) Reference Table

GRI Guidelines Content Index

Takeda's Annual Report 2014 and Annual Report 2014 CSR Data Book were prepared with reference to the Sustainability Reporting Guidelines (Version 4.0) published by the Global Reporting Initiative (GRI). The guidelines provide a framework for sustainability reports that can be applied globally.

GRI Guidelines Version 4.0 (G4) Reference Table

Standard Disclosures		Relevant Pages in Reports	
		Annual Report	CSR Data Book
Strategy and Analysis			
1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	9-14	–
2	Provide a description of key impacts, risks, and opportunities.	19,22-23,39,52-53,60-61,63-64,69,70-71	4,9-10,15-19,36-37,50-55,63-64
Organizational Profile			
3	Report the name of the organization.	79	72
4	Report the primary brands, products, and services.	40-41	–
5	Report the location of the organization's headquarters.	79	72
6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	31,38,42-47,64	59,65,68
7	Report the nature of ownership and legal form.	79	72
8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	20-21,42-47	–
9	Report the scale of the organization, including: •Total number of employees •Total number of operations •Net sales (for private sector organizations) or net revenues (for public sector organizations) •Total capitalization broken down in terms of debt and equity (for private sector organizations) •Quantity of products or services provided	3,6-7,10-11,17,38,72-73,74-75,76,77	72,73
10	•Report the total number of employees by employment contract and gender. •Report the total number of permanent employees by employment type and gender. •Report the total workforce by employees and supervised workers and by gender. •Report the total workforce by region and gender. •Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. •Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	6,7,57,77	25-26
11	Report the percentage of total employees covered by collective bargaining agreements.	–	–
12	Describe the organization's supply chain.	38	10,54-57
13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: •Changes in the location of, or changes in, operations, including facility openings, closings, and expansions •Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) •Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	31,37-38	65
14	Report whether and how the precautionary approach or principle is addressed by the organization.	39,51,58-61	8,36-44,54-57,62-64
15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	1,4-5,23,49-51,54-55,57	1-3,5-9,20-21,26,34,62,67
16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: •Holds a position on the governance body •Participates in projects or committees •Provides substantive funding beyond routine membership dues •Views membership as strategic	4-5,49-51,55,57	1-3,5-7,9,26,62,67
Identified Material Aspects and Boundaries			
17	•List all entities included in the organization's consolidated financial statements or equivalent documents. •Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	79	Inside Front Cover, 72
18	•Explain the process for defining the report content and the Aspect Boundaries. •Explain how the organization has implemented the Reporting Principles for Defining Report Content.	1,49-51	1-11
19	List all the material Aspects identified in the process for defining report content.	52-53	10,18-19
20	For each material Aspect, report the Aspect Boundary within the organization, as follows: •Report whether the Aspect is material within the organization •If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: – The list of entities or groups of entities included in G4-17 for which the Aspect is not material or – The list of entities or groups of entities included in G4-17 for which the Aspects is material •Report any specific limitation regarding the Aspect Boundary within the organization	22-23	Inside Front Cover, 4,9
21	For each material Aspect, report the Aspect Boundary outside the organization, as follows: •Report whether the Aspect is material outside of the organization •If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified •Report any specific limitation regarding the Aspect Boundary outside the organization	51	8,69
22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	–	–
23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	–	–

Standard Disclosures		Relevant Pages in Reports	
		Annual Report	CSR Data Book
Stakeholder Engagement			
24	Provide a list of stakeholder groups engaged by the organization.	51	8
25	Report the basis for identification and selection of stakeholders with whom to engage.	51	10-11
26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	51	8
27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	51	8
Report Profile			
28	Reporting period (such as fiscal or calendar year) for information provided.	Inside Front Cover	Inside Front Cover
29	Date of most recent previous report (if any).	Back Cover	Inside Front Cover
30	Reporting cycle (such as annual, biennial).	Back Cover	Inside Front Cover
31	Provide the contact point for questions regarding the report or its contents.	79	Inside Front Cover
32	<ul style="list-style-type: none"> •Report the 'in accordance' option the organization has chosen. •Report the GRI Content Index for the chosen option. •Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines. 	50	10-11,74-77
33	<ul style="list-style-type: none"> •Report the organization's policy and current practice with regard to seeking external assurance for the report. •If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. •Report the relationship between the organization and the assurance providers. •Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report. 	78	11,82
Governance			
34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	24-25,49-50,66-67	6-7,12-13
35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	66	12
36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	–	31
37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	50,66	6-7,12
38	Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> •Executive or non-executive •Independence •Tenure on the governance body •Number of each individual's other significant positions and commitments, and the nature of the commitments •Gender •Membership of under-represented social groups •Competences relating to economic, environmental and social impacts •Stakeholder representation 	26-27,66-67	12-13
39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	–	–
40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: <ul style="list-style-type: none"> •Whether and how diversity is considered •Whether and how independence is considered •Whether and how expertise and experience relating to economic, environmental and social topics are considered •Whether and how stakeholders (including shareholders) are involved 	66-67	12-13
41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: <ul style="list-style-type: none"> •Cross-board membership •Cross-shareholding with suppliers and other stakeholders •Existence of controlling shareholder •Related party disclosures 	24-25,60-61,66-68	12-14,52-54
42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	49-50,66-67	6-7,12-13
43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	49-50	6-7
44	<ul style="list-style-type: none"> •Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. •Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice. 	49-50	6-7
45	<ul style="list-style-type: none"> •Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. •Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities. 	49-50,66-67,69-71	6-7,12-13,15-17
46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	49-50	6-7
47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	66	12
48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	49-50,66	6-7,12
49	Report the process for communicating critical concerns to the highest governance body.	49-50,66	6-7,12
50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	–	–

GRI Guidelines Version 4.0 (G4) Reference Table

Standard Disclosures		Relevant Pages in Reports	
		Annual Report	CSR Data Book
51	<ul style="list-style-type: none"> •Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: <ul style="list-style-type: none"> – Fixed pay and variable pay: <ul style="list-style-type: none"> >Performance-based pay >Equity-based pay >Bonuses >Deferred or vested shares – Sign-on bonuses or recruitment incentive payments – Termination payments – Clawbacks – Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees •Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives. 	66-67	12-13
52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	66-67	12-13
53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	66-67	12-13
54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	–	–
55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	–	–
Ethics and Integrity			
56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	28	1,4
57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	51,56-57,67-68	8,13-14
58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	51,67-68	8,13-14
Disclosures on Management Approach			
DMA	<ul style="list-style-type: none"> •Report why the Aspect is material. Report the impacts that make this Aspect material. •Report how the organization manages the material Aspect or its impacts. •Report the evaluation of the management approach, including: <ul style="list-style-type: none"> – The mechanisms for evaluating the effectiveness of the management approach – The results of the evaluation of the management approach – Any related adjustments to the management approach 	22-23,39,49-56, 58,60-62,67	4-11,13,20-21, 24,30-34,52-53, 55-56,60-61, 63,66
Economic			
EC1	Direct economic value generated and distributed	3,5-7,11,42,44-46, 63-64,72,74-77	3,25,34-35,67-68, 70,71-73
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	–	34-35
EC3	Coverage of the organization's defined benefit plan obligations	–	–
EC4	Financial assistance received from government	–	–
EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	–	–
EC6	Proportion of senior management hired from the local community at significant locations of operation	–	–
EC7	Development and impact of infrastructure investments and services supported	62-64	66-71
EC8	Significant indirect economic impacts, including the extent of impacts	62-64	66,68
EC9	Proportion of spending on local suppliers at significant locations of operation	–	–
Environmental			
EN1	Materials used by weight or volume	–	47
EN2	Percentage of materials used that are recycled input materials	–	–
EN3	Energy consumption within the organization	6,77	47-49,73
EN4	Energy consumption outside of the organization	–	47
EN5	Energy intensity	–	–
EN6	Reduction of energy consumption	77	73
EN7	Reductions in energy requirements of products and services	–	36
EN8	Total water withdrawal by source	6,59,77	40,47-49,73
EN9	Water sources significantly affected by withdrawal of water	–	40
EN10	Percentage and total volume of water recycled and reused	–	–
EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	–	41
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	52	41,51
EN13	Habitats protected or restored	–	41
EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	–	–
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	59	38-39,48-49
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	59	38-39,48-49
EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	59	39,47
EN18	Greenhouse gas (GHG) emissions intensity	–	–
EN19	Reduction of greenhouse gas (GHG) emissions	6-7,59,77	38,50,73
EN20	Emissions of ozone-depleting substances (ODS)	–	47
EN21	NOx, SOx, and other significant air emissions	77	44,47-49,73
EN22	Total water discharge by quality and destination	59	40,47
EN23	Total weight of waste by type and disposal method	59,77	42,47-50,73
EN24	Total number and volume of significant spills	–	–

Standard Disclosures		Relevant Pages in Reports	
		Annual Report	CSR Data Book
EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	–	–
EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	–	40
EN27	Extent of impact mitigation of environmental impacts of products and services	58-59	38-39,41
EN28	Percentage of products sold and their packaging materials that are reclaimed by category	–	–
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	–	–
EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	59	39,47
EN31	Total environmental protection expenditures and investments by type	–	34-35
EN32	Percentage of new suppliers that were screened using environmental criteria	–	–
EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	61	54-57
EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	–	–
Social (Labor Practices and Decent Work)			
LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	–	25
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	57	26,28
LA3	Return to work and retention rates after parental leave, by gender	–	–
LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	–	–
LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	–	–
LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	–	29
LA7	Workers with high incidence or high risk of diseases related to their occupation	–	–
LA8	Health and safety topics covered in formal agreements with trade unions	57	29
LA9	Average hours of training per year per employee by gender, and by employee category	–	–
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	56-57	24-27
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	–	–
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	6,26-27,57,66-67	12-13,25
LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	–	–
LA14	Percentage of new suppliers that were screened using labor practices criteria	–	–
LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	60-61	54-55
LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	–	–
Social (Human Rights)			
HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	–	–
HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	–	–
HR3	Total number of incidents of discrimination and corrective actions taken	–	–
HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	–	–
HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	–	–
HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	–	–
HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	–	–
HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	–	–
HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	–	–
HR10	Percentage of new suppliers that were screened using human rights criteria	–	–
HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	60-61	54-55
HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	–	–
Social (Society)			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	–	–
SO2	Operations with significant actual and potential negative impacts on local communities	–	–
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	–	–
SO4	Communication and training on anti-corruption policies and procedures	60-61,67-69	13-15,52-53,57
SO5	Confirmed incidents of corruption and actions taken	68-69	14-15
SO6	Total value of political contributions by country and recipient/beneficiary	–	–
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	–	–
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	–	–
SO9	Percentage of new suppliers that were screened using criteria for impacts on society	–	–
SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	60-61	54-55
SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	–	–
Social (Product Responsibility)			
PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	–	–
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	–	–
PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	60	64
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	60	64
PR5	Results of surveys measuring customer satisfaction	–	–
PR6	Sale of banned or disputed products	71	17
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	–	–
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	–	–
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	–	–

Reference Table for United Nations Global Compact Advanced Level COP (March 2013 Version)

Criteria for the GC Advanced Level		Contents	Relevant Pages in Reports	
			Annual Report	CSR Data Book
Implementing the Ten Principles into Strategies & Operations				
Criterion 1	The COP describes mainstreaming into corporate functions and business units	CSR Strategy	22-23	4-5
		Takeda's CSR Activities	49-53	6-11,18-19
		Corporate Philosophy	28	24
		CSR Governance	50	7
		Compliance	67-68	13-14,52-57
		Crisis Management	69-70	15-16
Criterion 2	The COP describes value chain implementation	Value Chain Management	–	10
		Dialogue with Stakeholders	51	8,69
		Initiatives throughout the Value Chain (Human Rights Management)	55	20
		Major Human Rights Issues and Initiatives throughout the Value Chain	54-55	22-23
		Global CSR Purchasing / Guidelines for Socially Responsible Purchasing	61	54-56
		Supplier Survey	61	55
		Green Procurement	–	57
		Global Purchasing Policy	61	56-57
Robust Human Rights Management Policies & Procedures				
Criterion 3	The COP describes robust commitments, strategies or policies in the area of human rights	CSR Activity Targets and Results	52-53	18-19
		Major Human Rights-Related Rules for Research and Development Activities	55	22
		Future Outlook (Human Rights)	54	20
Criterion 4	The COP describes effective management systems to integrate the human rights principles	Due Diligence	51	8
		Promoting Compliance at Takeda Pharmaceutical Company Limited	68	14
		Human Rights Management	54-55	20-23
		Union Relationship	57	29
		Council for Risk Evaluation and Mitigation (Consumer Issues)	39	63
		Respecting the Principles of Halal (Consumer Issues)	39	63
Criterion 5	The COP describes effective monitoring and evaluation mechanisms of human rights integration	Dialogue with Stakeholders	51	8
		Supplier Survey	61	55

Criteria for the GC Advanced Level	Contents	Relevant Pages in Reports		
		Annual Report	CSR Data Book	
Robust Labour Management Policies & Procedures				
Criterion 6	The COP describes robust commitments, strategies or policies in the area of labour	CSR Activity Targets and Results	52-53	18-19
		Global Talent Management	56-57	24-25
		Future Outlook (Labor)	57	29
Criterion 7	The COP describes effective management systems to integrate the labour principles	Promoting Compliance at Takeda Pharmaceutical Company Limited	68	14,23
		Establishment of Global HR Functions	56	24
Criterion 8	The COP describes effective monitoring and evaluation mechanisms of labour principles integration	Promotion of Diversity	57	25-27
		Cultivating Employees	–	27
		Work-Life Balance	–	28
		Employment of People with Disabilities	–	28-29
		Health and Safety of Employees	–	29
		Supplier Survey	61	55
		Labor (Key Social Responsibility Data)	6,77	73

Robust Environmental Management Policies & Procedures				
Criterion 9	The COP describes robust commitments, strategies or policies in the area of environmental stewardship	CSR Activity Targets and Results	52-53	18-19
		Reorganizing the Group-Wide Management Structure	58	30
		Global EHS Policy/Global EHS Guideline	–	32
		Responsible Care Activities	–	34
		Future Outlook (Environment)	59	35
		Takeda Group Environmental Action Plan	–	33
		Environmental Management System	–	34
		Fundamental Stance on Reducing Environmental Risks	–	36
		Setting Targets for Water Resource Conservation	–	40
		Initiatives for Waste Water Management	–	40
		Initiatives to Deal with Climate Change	59	38-39
		Progress on the Takeda Group Environmental Action Plan in Fiscal 2013	–	50-51
Criterion 10	The COP describes effective management systems to integrate the environmental principles	Promoting Compliance at Takeda Pharmaceutical Company Limited	68	14
		Environment and Safety Management Structure	–	31
		ISO 14001-Certified Sites	–	34
		Reducing Environmental Risks	–	36
		Water Resources Conservation Initiatives	–	40
		Initiatives in Products	–	38

Criteria for the GC Advanced Level		Contents	Relevant Pages in Reports	
			Annual Report	CSR Data Book
Criterion 11	The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	Validation of Activities Using an Index	58	34
		ISO 14001-Certified Sites	–	34
		Environmental Accounting	–	34-35
		Environment, Health and Safety Audit	–	36
		GHG Emission Verification (Initiatives to Deal with Climate Change)	–	39
		Initiatives for Sustainable Use of Biological Resources (Biodiversity Conservation Initiatives)	–	41
		Waste Reduction	–	42
		Reduction in Releases of Chemical Substances	–	43
		Air, Water, and Soil Quality Conservation	–	44
		Environmental Impacts Associated with Takeda Group Business Activities	–	47
		Site Data	–	48-49
		Supplier Survey	61	55
		Environment (Key Social Responsibility Data)	6,77	73

Robust Anti-Corruption Management Policies & Procedures

Criterion 12	The COP describes robust commitments, strategies or policies in the area of anti-corruption	CSR Activity Targets and Results	52-53	18-19
		The Takeda Global Code of Conduct	60	52
		Promoting Fair Operating Practices across the Industry	–	53
		Anti-Corruption	–	53
		Transparency Guideline	60-61	53
		Global CSR Purchasing/Guidelines for Socially Responsible Purchasing	61	54-56
		Global Purchasing Policy	61	56-57
		Future Outlook	61	57
		Intellectual Property	33	58-59
Criterion 13	The COP describes effective management systems to integrate the anti-corruption principle	Promotion of Compliance in Research	68	14
		Promoting Compliance at Takeda Pharmaceutical Company Limited	68	14
		Fair Promotion Activities	–	54
		Employee Compliance Program	–	57
		Three-Year Plan for Anti-Counterfeit Measures	60	64
		Quality Management System	39	60-64
		Production and Supply Chain	38	65
		Risk Related to Stable Supply	71	17
Criterion 14	The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	Dialogue with Stakeholders	51	8
		Issues Surrounding the Candesartan Antihypertensive Survival Evaluation in Japan (CASE-J Study)	68-69	14-15
		Supplier Survey	61	55

Criteria for the GC Advanced Level		Contents	Relevant Pages in Reports	
			Annual Report	CSR Data Book
Taking Action in Support of Broader UN Goals and Issues				
Criterion 15	The COP describes core business contributions to UN goals and issues	Promoting Fair Operating Practices across the Industry	–	53
		IDEEL Program (Initiatives to Improve Access to Healthcare)	62	66
		Future Outlook (Corporate Citizenship Activities)	64	71
Criterion 16	The COP describes strategic social investments and philanthropy	Takeda Garden for Medicinal Plant Conservation (Kyoto) (Biodiversity Conservation Initiatives)	–	41
		Corporate Citizenship Activities Management	62	66
		Initiatives to Improve Access to Healthcare	63-64	67-68
		Support for Disaster-Affected Areas	–	70
		Takeda Science Foundation	–	71
		Shoshisha Foundation	–	71
		Corporate Citizenship Activities (Key Social Responsibility Data)	77	73
Criterion 17	The COP describes advocacy and public policy engagement	The Global Health Innovative Technology Fund	63	67
		Institute for Fermentation, Osaka	–	71
Criterion 18	The COP describes partnerships and collective action	Long-Term Ongoing Corporate Citizenship Activities through Links with NGOs and NPOs	62	66
		The Takeda-Plan Healthcare Access Program	64	68
		Future Outlook (Corporate Citizenship Activities)	64	71
Corporate Sustainability Governance and Leadership				
Criterion 19	The COP describes CEO commitment and leadership	Message to Stakeholders	8-15	–
Criterion 20	The COP describes Board adoption and oversight	Corporate Governance	66-67	12-13
Criterion 21	The COP describes stakeholder engagement	Stakeholder Engagement	51	8
		Environmental Communication	–	45
		Environmental Monitors	–	45
		Raising Environmental Awareness	–	46

Independent Assurance of Environmental and Social Performance Indicators



Independent Assurance Report

To the President and COO 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  for the period from April 1, 2013 to March 31, 2014 included in its Annual Report 2014 CSR Data Book (the "Data Book") for the fiscal year ended March 31, 2014, except for the Input, Output and Outcome indicators in the 'Progress on the Takeda-Plan Healthcare Access program', whose figures from July 1, 2009 to June 31, 2013 are the subject of this assurance engagement (the "Indicators").

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 Data Book, which are derived, among others, from the Sustainability Reporting Guidelines Version 4 of the Global Reporting Initiative and Environmental Reporting Guidelines of Japan's Ministry of the Environment.

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', issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines for the Assurance of Sustainability Information' of the Japanese Association of Assurance Organizations for Sustainability Information. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Data Book, 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 with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Data Book 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 reviews of 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 also recalculating the Indicators.
- Visiting to the Company's Osaka factory selected on the basis of a risk analysis.
- Evaluating the overall statement in which the Indicators are expressed.

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 Data Book are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Data Book.

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

September 9, 2014

CSR Data Book Survey

Thanks for taking the time to read our Annual Report 2014 CSR Data Book. We would greatly appreciate it if you could answer a few questions in the following survey to help us plan future CSR activities and reports.

<https://www.takeda.com/csr/enq-en/>

Fax: +81-3-3278-2000 Corporate Communications Division, Takeda Pharmaceutical Company Limited

Post: 12-10, Nihonbashi 2-Chome Chuo-ku, Tokyo 103-8668, Japan

Q1 What was your overall impression of the CSR Data Book?

- | | | | | | |
|--------------------------|--|---|---------------------------------|--|---|
| ●Content | <input type="checkbox"/> Very comprehensive | <input type="checkbox"/> Comprehensive | <input type="checkbox"/> Normal | <input type="checkbox"/> Somewhat lacking | <input type="checkbox"/> Severely lacking |
| ●Ease of understanding | <input type="checkbox"/> Very easy to understand | <input type="checkbox"/> Easy to understand | <input type="checkbox"/> Normal | <input type="checkbox"/> Difficult to understand | <input type="checkbox"/> Very difficult to understand |
| ●Volume of information | <input type="checkbox"/> Too much | <input type="checkbox"/> A little too much | <input type="checkbox"/> Normal | <input type="checkbox"/> A little brief | <input type="checkbox"/> Too brief |
| ●Design | <input type="checkbox"/> Very easy to read | <input type="checkbox"/> Easy to read | <input type="checkbox"/> Normal | <input type="checkbox"/> Difficult to read | <input type="checkbox"/> Very difficult to read |
| ●Takeda's CSR activities | <input type="checkbox"/> Very comprehensive | <input type="checkbox"/> Comprehensive | <input type="checkbox"/> Normal | <input type="checkbox"/> Somewhat lacking | <input type="checkbox"/> Severely lacking |

Q2 Which item(s) were you particularly interested in? (Multiple answers are OK)

- | | |
|---|--|
| <input type="checkbox"/> Takeda Snapshot (P.2-3) | <input type="checkbox"/> Environmental Communication/
Raising Environmental Awareness (P.45-46) |
| <input type="checkbox"/> CSR Strategy (P.4-5) | <input type="checkbox"/> Environmental Impacts Associated with Takeda Group Business
Activities (P.47) |
| <input type="checkbox"/> Takeda's CSR Activities (P.6-11) | <input type="checkbox"/> Site Data (P.48-49) |
| <input type="checkbox"/> Corporate Governance (P.12-17) | <input type="checkbox"/> Progress on the Takeda Group Environmental Action Plan/
Views of an Independent Expert (P.50-51) |
| <input type="checkbox"/> CSR Activity Targets and Results (P.18-19) | [Anti-Corruption/Fair Operating Practices/Consumer Issues] |
| [Human Rights] | <input type="checkbox"/> Global Anti-Counterfeit Measures (P.52) |
| <input type="checkbox"/> Human Rights Management (P.20-21) | <input type="checkbox"/> Anti-Corruption/Transparency Guideline (P.53) |
| <input type="checkbox"/> Human Rights Issues and Initiatives (P.22-23) | <input type="checkbox"/> Fair Promotion Activities (P.54) |
| [Labor] | <input type="checkbox"/> Global Purchasing Incorporating CSR (P.54-55) |
| <input type="checkbox"/> Establishment of Global HR Functions (P.24) | <input type="checkbox"/> Global Purchasing Policy (P.56-57) |
| <input type="checkbox"/> Global Talent Management (P.24-25) | <input type="checkbox"/> Intellectual Property (P.58-59) |
| <input type="checkbox"/> Promotion of Diversity (P.25-27) | <input type="checkbox"/> Quality Management System (P.60-64) |
| <input type="checkbox"/> Work-Life Balance (P.28) | [Corporate Citizenship Activities] |
| [Environment] | <input type="checkbox"/> Corporate Citizenship Activities Management (P.66) |
| <input type="checkbox"/> Environmental Management (P.30-35) | <input type="checkbox"/> Partnership with NGOs and NPOs (P.66) |
| <input type="checkbox"/> Reducing Environmental Risks (P.36-37) | <input type="checkbox"/> Initiatives to Improve Access to Healthcare (P.67-68) |
| <input type="checkbox"/> Initiatives to Deal with Climate Change (P.38-39) | <input type="checkbox"/> Stakeholder Dialogue (P.69) |
| <input type="checkbox"/> Water Resources Conservation Initiatives (P.40) | <input type="checkbox"/> Support for Disaster-Affected Areas (P.70) |
| <input type="checkbox"/> Biodiversity Conservation Initiatives (P.41) | <input type="checkbox"/> Corporate Foundations (P.71) |
| <input type="checkbox"/> Waste Reduction (P.42) | |
| <input type="checkbox"/> Reduction in Releases of Chemical Substances/
Air, Water, and Soil Quality Conservation (P.43-44) | |

Q3 From what perspective did you read the report?

- | | | |
|---|--|---|
| <input type="checkbox"/> Shareholder | <input type="checkbox"/> A person living close to a Takeda business site | <input type="checkbox"/> A specialist in CSR or the environment |
| <input type="checkbox"/> Finance/investment-related | <input type="checkbox"/> An employee or family member of an employee | <input type="checkbox"/> A person responsible for CSR for a corporation |
| <input type="checkbox"/> Healthcare professional | <input type="checkbox"/> A student | <input type="checkbox"/> A person connected to the mass media |
| <input type="checkbox"/> Patient | <input type="checkbox"/> A person connected to an NGO or NPO | <input type="checkbox"/> Other |
| <input type="checkbox"/> Trading partner | <input type="checkbox"/> A person connected to a government or civil service | |

Q4 If you have any opinions or comments about the report, please share them with us below.

Thank you for your cooperation.