



## A Brighter Future Through a Better Workplace

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

# Overview



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

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

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

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

### Criteria for Global Top Employers

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



# Global Talent Management



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

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

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

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

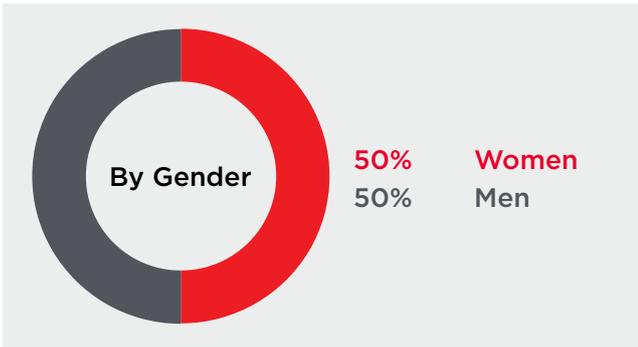
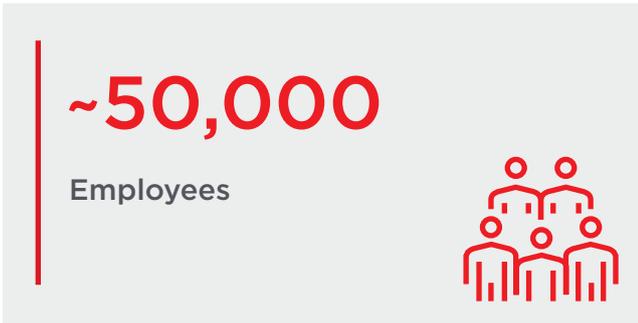
- Demonstrate strategic enterprise thinking to find innovative ways to serve patients and build trust, reputation, and business.
- Create an environment that inspires and enables people to move the organization forward.
- Focus on the priorities that matter most and deliver superior results.
- Elevate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

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



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

## Workforce AT A GLANCE



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

### Talent Development

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

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



We have a number of established development programs:

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

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



# A Conversation with Padma Thiruvengadam

## Chief Human Resources Officer

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

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

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

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

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

### HOW DOES YOUR WORK HELP TAKEDA BETTER SERVE PATIENTS?

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

## Integrating Shire

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

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

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

# Diversity and Inclusion



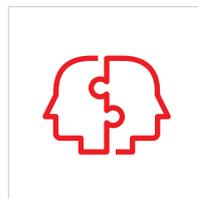
**Takeda strives for a workforce that is as diverse as the patients we serve to deliver greater creativity and innovation.**

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

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

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

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



**38%**

global female manager ratio<sup>1</sup>



<sup>1</sup>EXCLUDES DATA FROM SHIRE ACQUISITION



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

# Occupational Health and Safety

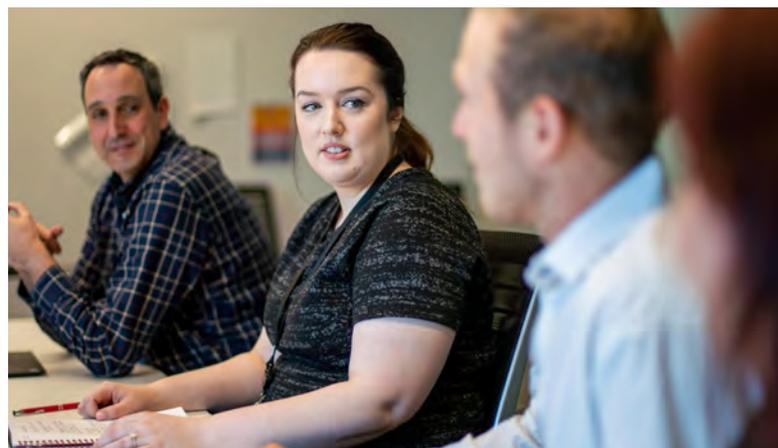


**We are committed to operating our business in a manner that protects the health, safety, and well-being of our employees and the communities in which we work, live, and serve.**

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

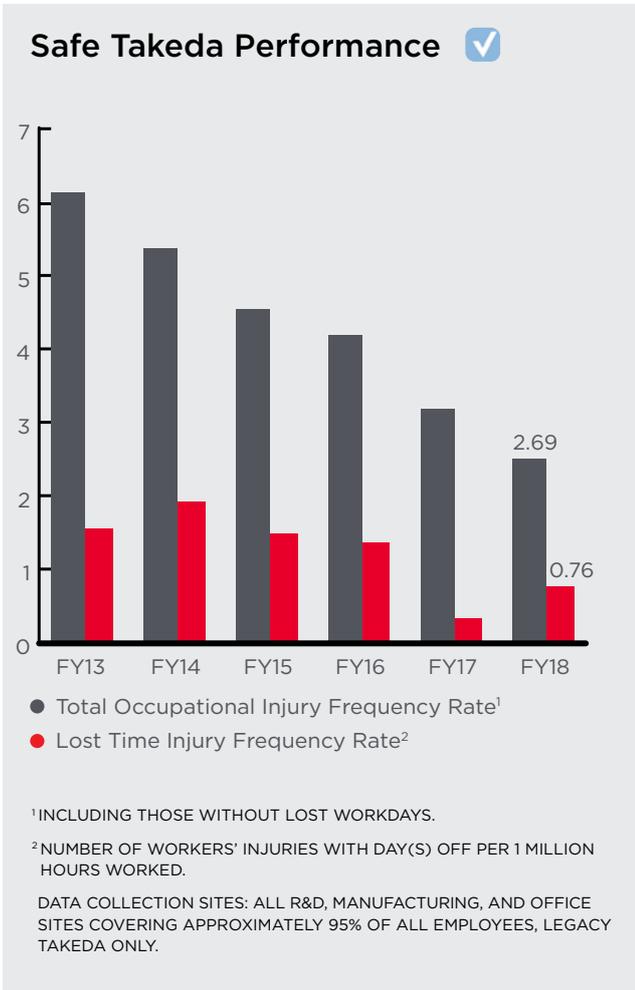
Building trust with society begins with providing a healthy and safe workplace for our employees and partners. In carrying out that mission, we are guided by the following principles:

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



## Safe Takeda

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



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

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

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

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

# EHS Alert: Communicating the Risk to Prevent Incidents

## SAFE TAKEDA

### EHS Alert 004

ASIA – GMS SITE; 22ND OCTOBER 2018

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

**Description**

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

**Immediate Causes**

→ While mixing the solvents, the internal pressure increased causing the content being projected from the flask.

→ The fume hood's front sash glass window was not moved down by operator before starting operations (2).

→ The operator was wearing conventional corrective glasses, without protection against droplets projections.

**Contributory and Root Causes**

→ Inadequate SOP: the use of corrective glasses was allowed for this task.

→ Inadequate safety culture: general safety rules were not followed (fume hood glass window safe position)

→ MoC (management of change) non applied: a minor modification of solvents concentration was introduced without considering it as a significant change, then the task risk assessment was not reviewed.

**Actions**

→ Update SOP: use of safety glasses even while wearing eye correction glasses (4), and sealed goggles (5) when there is a risk of projection.

→ Re-training workers on general safety rules and specific procedures

→ Improve safety culture: safety gamba walks, unsafe situations report, ...

**Key Learning**

→ Safety leadership, follow rules & SOPs.

→ Proper risk assessment.

→ MoC also for minor changes.

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

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

EHS Alert : 004 SAFETY Safety (unsafe chemical handling) -Projections

Site: ..... Date Analysis: ..... 22<sup>nd</sup> OCTOBER 2018

→ **Communication Plan**

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

→ **Could it happen to us?**

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

Where: Site Department's Workstation's .....

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

→ **Follow-up**

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

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<p>1 EHS Alert Record</p> <p>2 Communication Plan</p> <p>3 Could It Happen To Us?</p>	<p>4 CAPA</p> <p>5 Follow Up</p>
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## Manufacturing Safety Initiatives

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

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

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

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

Takeda | 2019 Sustainable Value Report

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