



# CSR Data Book

Relationship with Our Stakeholders

Based on Takeda-ism

# CSR Data Book

Annual Report 2011—Takeda Pharmaceutical Company Limited



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## Editorial Policy

**Takeda issues an integrated Annual Report that incorporates non-financial information such as CSR activities.**

**The CSR Data Book is issued as a separate volume containing detailed information about Takeda's relationship with its stakeholders.**

At Takeda, we believe that the essence of CSR is corporate activities based on Takeda-ism that lead to successful development of superior pharmaceutical products. In recognition of this, Takeda has integrated non-financial information such as CSR information into its Annual Report since fiscal 2006 to actively disclose this information to stakeholders.

To ensure our disclosure to stakeholders is as full as possible, we have also compiled the CSR Data Book. Available only in PDF format out of consideration for the environment, the CSR Data Book contains further details about the CSR information found in the Annual Report in a re-edited form. The information is selected for its all-round importance, to both Takeda and to society.

## Takeda's Philosophy and Approach on Stakeholder Engagement

For Takeda, stakeholder engagement means understanding the position and concerns of stakeholders and then reflecting these in corporate activities and decision making. Takeda refers to the international AA1000 scheme for accountability to enhance its stakeholder engagement efforts.

### Associated Information

- ➔ P.2 Our Stakeholders/Main Methods of Dialogue
- ➔ P.19 Stakeholder Engagement

### AA1000: Fundamental Principles

#### Inclusivity (Foundation Principle)

Fully involving stakeholders in developing and achieving an accountable and strategic response to sustainability

#### Materiality

Determining issues of relevance and significance to the organization and its stakeholders

#### Responsiveness

Fully responding to the issues of stakeholders

## Scope of Reporting

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 2010 (April 1, 2010 to March 31, 2011)

\*Some fiscal 2011 activities are included.

## Issue Date

October 2011 (Previous issue: October 2010)

## Reference Guidelines

### Sustainability Reporting Guidelines:

Guidelines issued by the Global Reporting Initiative that specify a globally applicable framework for sustainability reports.

### AA1000:

Guidelines issued by British firm AccountAbility that specify a systematic process in which stakeholders are involved in the course of developing communication systems, etc.

### ISO 26000:

Guidance standards for social responsibility published by the International Organization for Standardization. The standards were designed to be used by all organizations in both advanced and developing countries.

## Key Association Memberships

- Nippon Keidanren (Japan Business Federation)
- Keizai Doyukai (Japan Association of Corporate Executives)
- Japan Pharmaceutical Manufacturers Association (JPMA)
- Osaka Pharmaceutical Manufacturers Association

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### Website

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

## Our Stakeholders

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

		Main Method of Dialogue
 <p><b>Relationship with Medical Professionals and Patients</b></p>	<p>Through its pharmaceutical business, Takeda builds relationships of trust with medical professionals by providing high-quality pharmaceutical information services based on scientific evidence. Takeda's aim in this is to enable as many people as possible to be healthy. To allow us to develop a greater number of superior pharmaceutical products at a faster pace, and to better understand patients' needs, we believe it is also vital to build good relationships with patients through organizations such as patient support groups.</p> <p><b>Associated Information</b> → P.62 Consumer Issues</p>	<ul style="list-style-type: none"> <li>● Pharmaceutical information activities</li> <li>● Provide information through customer relations and through our website, etc.</li> <li>● Hold seminars on healthcare, etc.</li> <li>● Provide information through advertising</li> </ul>
 <p><b>Relationship with Shareholders and Investors</b></p>	<p>In order to meet the expectations of shareholders and investors, Takeda will fulfill its economic responsibilities by pursuing sustainable growth. Takeda will also build better relationships with shareholders and investors by continuing to disclose information in a timely and appropriate manner through its annual report and website.</p>	<ul style="list-style-type: none"> <li>● Provide information through our Annual Report, website, and other media</li> <li>● Shareholders meetings and investors' briefings</li> <li>● IR activities</li> <li>● Respond to CSR surveys by socially responsible investors</li> </ul>
 <p><b>Relationship with Society</b></p>	<p>Takeda fully recognizes that the development of society globally is closely linked to the Company's own development. We will constantly consider how we as a corporate citizen should respond to the challenges facing global society and promote our initiatives accordingly.</p> <p><b>Relationship with Public Organizations</b></p> <p>In the countries and regions where we conduct business, we will continue to contribute to those countries and associated regions, observing international rules and local laws, and cooperating with public organizations.</p> <p><b>Relationship with Economic Organizations</b></p> <p>Takeda cooperates with the activities of economic organizations in regions where it conducts business, recognizing that such activities contribute to the sustainable growth of global society.</p> <p><b>Relationship with Pharmaceutical Manufacturers' Associations</b></p> <p>Takeda's cooperation with pharmaceutical manufacturers' associations goes beyond problems facing pharmaceutical industry at home in Japan. We also cooperate with pharmaceutical manufacturers' associations in the countries where we conduct business, to tackle global issues such as access to medicines and fighting disease in developing countries.</p> <p><b>Associated Information</b> → P.70 Community Involvement and Development</p>	<ul style="list-style-type: none"> <li>● Implement programs in cooperation with NGOs and NPOs</li> <li>● Activities through involvement in economic and industry groups</li> <li>● Hold CSR lectures for professional adults and students</li> <li>● Exchange of views (dialogue)</li> <li>● Volunteer activities</li> </ul>
 <p><b>Relationship with the Environment</b></p>	<p>Takeda is actively working in many ways to minimize the impact on the environment, including in relation to global warming, of the manufacturing process for pharmaceutical products. In addition, we are also taking steps to address biodiversity and water resource issues.</p> <p><b>Associated Information</b> → P.30 The Environment</p>	<ul style="list-style-type: none"> <li>● Dialogue with local residents living near plants and research facilities</li> <li>● Disclosure of information through Annual Report and website, etc.</li> </ul>
 <p><b>Relationship with Business Partners</b></p>	<p>Takeda considers partnerships with business partners to be vital to its efforts to develop superior-quality pharmaceutical products. We hope to grow together with our business partners, having gained their understanding of our aspiration to create pharmaceutical products of outstanding quality.</p> <p><b>Associated Information</b> → P.54 Fair Operating Practices</p>	<ul style="list-style-type: none"> <li>● Honest and sincere purchasing based on the Takeda Global Code of Conduct and the Guidelines for Socially Responsible Purchasing</li> <li>● Surveys of business partners</li> <li>● Exchange of views, explanations, study sessions</li> <li>● Inquiries desk</li> </ul>
 <p><b>Relationship with Employees</b></p>	<p>Takeda aims to establish a work environment where all employees can be proud to work as members of the Takeda Group. We place a value on diversity, personality and individuality among staff, as well as human rights, and consider staff development to be the key driver for growth.</p> <p><b>Associated Information</b> → P.24 Labor Practices</p>	<ul style="list-style-type: none"> <li>● Global Employee Survey</li> <li>● Company intranet</li> <li>● Consultation channel</li> <li>● Labor-management dialogue</li> <li>● Counseling</li> <li>● Internal bulletins</li> <li>● Hold "Takeda-ism Month"</li> <li>● A range of skills development training</li> </ul>

# Takeda's CSR Activities

Takeda works to fulfill its social responsibilities as a company committed to improving people's lives by tackling issues confronting global society and reporting on its activities in line with international standards.

## Basic Policy on CSR

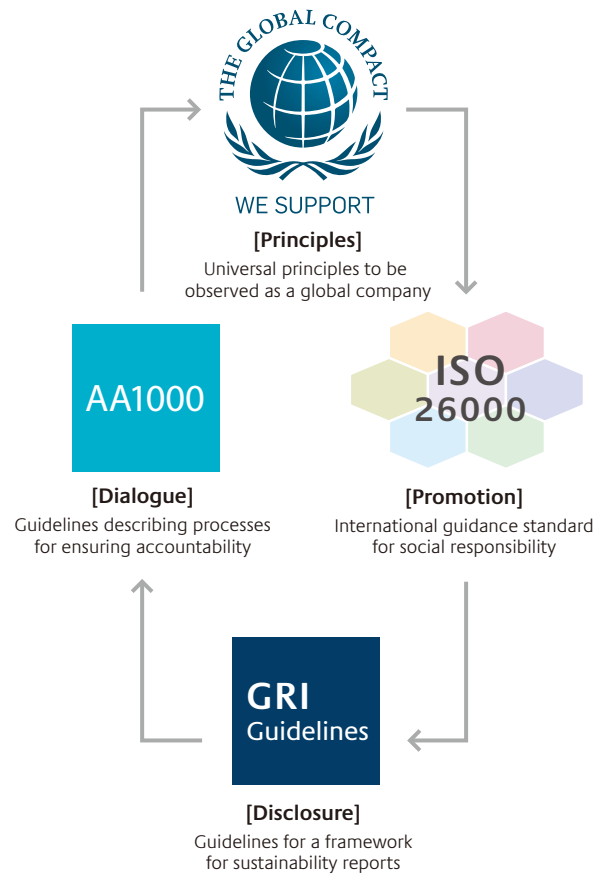


For Takeda, the basis of CSR is embodied in our corporate mission of “striving towards better health for patients worldwide through leading innovation in medicine.” In short, we believe that our most important responsibility to society is in helping patients and healthcare professionals through our core business.

From another perspective, there would be no sustainability of our own if not for a sustainable healthy society. We have developed a deep awareness of this truth over our 230-year history. In particular, as our business becomes global, we realize that our role as a corporate citizen has become more important than ever before. In 2009, we joined the United Nations Global Compact, pledging to uphold the 10 principles of the compact relating to “Human Rights,” “Labor,” “Environment” and “Anti-Corruption.” We have since incorporated the principles into every aspect of our corporate activities.

In promoting CSR activities, we refer to the international guidance standard for social responsibility, ISO 26000. We also select items for disclosure based on the Global Reporting Initiative Guidelines, and promote deeper dialogue with stakeholders following the AA1000 scheme. Guided by these frameworks, we are pursuing CSR activities that meet the demands of the international community.

## Guidance Frameworks for CSR Activities



## Relationship between CSR and Sustainability



# Takeda's CSR Activities

Takeda supports the 10 principles of the United Nations Global Compact, and reflects them in all of its corporate activities in line with international standards for social responsibility.

## [United Nations Global Compact]

The United Nations Global Compact is a worldwide framework for promoting voluntary actions by corporations as responsible corporate citizens. Participating businesses and organizations are asked to support and implement 10 principles (GC 10 principles) relating to "Human Rights," "Labor," "Environment" and "Anti-Corruption." Takeda joined the Global Compact in 2009, incorporating the GC 10 principles into every aspect of its corporate activities and deepening its relationships with stakeholders.

### Takeda Joins Global Compact LEAD

Takeda is a member of Global Compact LEAD, a new platform launched in January 2011. The approximately 50 global companies taking part in LEAD have been asked to spearhead implementation of the principles of the United Nations Global Compact contained in its Blueprint for Corporate Sustainability Leadership. The two-year period from 2011 through 2012 is considered the pilot phase, during which participants will take part in international meetings to discuss issues and share their respective experiences.



#### Required Activities of LEAD Members

Implementing the 10 principles into strategies and operations

Taking action in support of broader United Nations goals and issues

Engaging with the United Nations Global Compact

### Engagement Activities

#### ■ United Nations Global Compact Leaders Summit (June 2010, New York)

Leaders from more than 1,000 companies, NGOs and international organizations around the world gathered

at the United Nations Global Compact Leaders Summit 2010 to discuss priority areas essential for enhancing the sustainability of society. A message from Takeda President & CEO Yasuchika Hasegawa was included in a report on the future of social sustainability and the United Nations Global Compact that was distributed on the first day of the summit. Takeda also made an active effort to share information, including examples of the Company's initiatives regarding quality audits that were featured in a pamphlet.

#### ■ United Nations Global Compact 10th Anniversary Symposium (November 2010, Tokyo)

Some 300 participants from a broad range of fields attended this 10th anniversary symposium to discuss future direction of the United Nations Global Compact. In an address on the topic, "The Relationship between CSR and Assuring the Safety of Human Beings," Takeda advocated the importance of collective action among corporations.

#### ■ United Nations Global Compact Annual General Meeting (June 2011, Copenhagen)

At this meeting, Takeda provided information on its CSR activities to other LEAD members in response to a request from the secretariat of Global Compact LEAD. The information included an outline of the "Takeda Initiative," a support program that aims to develop and strengthen the capacity of healthcare professionals in Africa. Takeda will continue enhancing its CSR activities, working in collaboration with a wide variety of companies and supporting the spread of the principles of the United Nations Global Compact.



2011 United Nations Global Compact Annual General Meeting (Copenhagen)



## [ISO 26000]

ISO 26000 is an International Organization for Standardization (ISO) international standard that provides guidance on social responsibility. Issued in November 2010, the standard was developed through a multi-stakeholder approach that incorporated the contributions of experts from over 90 countries and over 40 non-governmental organizations.

ISO 26000 sets out seven social responsibility core subjects. Each core subject contains a variety of issues for all organizations to incorporate in their activities.

### Due Diligence

As a global pharmaceutical company, Takeda has sought to meet the expectations and earn the trust of its diverse stakeholders through CSR activities. The initiatives formulated by Takeda over the years have clearly correlated with the GC 10 principles in the key fields of “Relationship with Society,” “Relationship with Environment,” “Relationship with Business Partners,” and “Relationship with Employees.” In the process, we have strengthened our initiatives to tackle issues facing both the global society and local communities.

However, with the launch of ISO 26000, we have decided to restructure our CSR framework so that we can better meet the demands of the international community.

From fiscal 2011, Takeda’s CSR framework will be based on the seven core subjects of ISO 26000. In addition, our CSR activities will emphasize the areas of “due diligence” and “stakeholder engagement.” In line with this new approach, in this data book we will focus on “human rights,” one of the core subjects and one with particular relevance to pharmaceutical manufacturers. From the perspective of “due diligence,” we will disclose information on human rights issues, showing how they fit throughout the value chain of a pharmaceutical company.

In September 2010, the Japan Business Federation (Keidanren) revised its Charter of Corporate Behavior for the first time in six years in order to incorporate the concepts contained in ISO 26000. Takeda played an active part in this process through its role as Chair of the Planning Division of the Committee on Corporate Behavior.

Associated Information → P.18 Due Diligence

### Seven Core Subjects of ISO 26000



# Takeda's CSR Activities

Takeda discloses its CSR activities in terms of the core subjects of the ISO 26000 international standard for social responsibility.

## Stakeholder-Centered Information Disclosure

Takeda's annual report is the main medium for helping stakeholders to understand our business activities and how we fulfill both our financial and social responsibilities through them. To this end, we strive to achieve a balance between financial and non-financial information in the report. Moreover, we make use of a range of media in disclosing information, in an effort to satisfy the different interests of our various stakeholders.

## Linking the GC 10 Principles with ISO 26000

We refer to the publication of the United Nations Global Compact Secretariat, "An Introduction to Linkages between UN Global Compact Principles and ISO 26000 Core Subjects" to help us link the GC 10 Principles and the core subjects of ISO 26000.



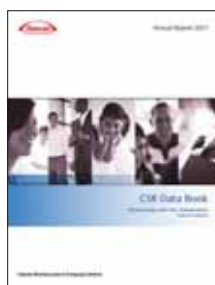
## Annual Report

**The annual report comprehensively discloses financial and non-financial information, including CSR activities.**

Since fiscal 2006, Takeda has published an annual report incorporating CSR activities and other non-financial information as part of our efforts to actively disclose information to investors, shareholders, and other stakeholders.

The annual report can be downloaded from our website.

<http://www.takeda.com/investor-information/>



## CSR Data Book (PDF)

**The CSR Data Book provides detailed disclosure of Takeda's CSR activities.**

To achieve greater accountability for our activities to our stakeholders, we produce a CSR Data Book in PDF format, which supplements the more detailed information to those in the annual report.

The CSR Data Book can be downloaded from our website.

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



## Website

**Takeda's website provides timely disclosure of overall information about Takeda and its corporate activities.**

The website provides overall information about Takeda, as well as investor information, and information about responsibility, R&D, products, and recruitment. There are also specially created websites that provide information by theme to help us build deeper relationships with stakeholders.

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

## Special Websites



Access to Healthcare



Supporting Children in Long-term Treatment



Takeda Garden for Medicinal Plant Conservation (Kyoto)



Takeda Science Foundation



## ISO 26000 Core Subjects Reference Table





Takeda's CSR activities are based on the GC 10 Principles. They can be classified based on the core subjects of ISO 26000 as follows.

ISO 26000 Core Subjects	Issues	Page on Annual Report
<b>Organizational Governance</b>	Subject 1: Organizational Governance	<p>➔ P.16~19</p> <p>Corporate Governance/Crisis Management CSR Management/Due Diligence Stakeholder Engagement</p>
<b>Human Rights</b>  GC Principles 1-6	<p>Issue 1: Due diligence</p> <p>Issue 2: Human rights risk situations</p> <p>Issue 3: Avoidance of complicity</p> <p>Issue 4: Resolving grievances</p> <p>Issue 5: Discrimination and vulnerable groups</p> <p>Issue 6: Civil and political rights</p> <p>Issue 7: Economic, social and cultural rights</p> <p>Issue 8: Fundamental principles and rights at work</p>	<p>➔ P.20~23</p> <p>Human Rights Issues throughout the Value Chain Initiatives throughout the Value Chain Treatment of Employees</p> <p>.....</p> <p>➔ P.11 Promoting Diversity</p> <p>➔ P.24 Labor Practices</p> <p>➔ P.54 Compliance</p> <p>➔ P.57 Guidelines for Socially Responsible Purchasing</p> <p>➔ P.62 Anti-Counterfeit Measures</p>
<b>Labor Practices</b>  GC Principles 3-6	<p>Issue 1: Employment and employment relationships</p> <p>Issue 2: Conditions of work and social protection</p> <p>Issue 3: Social dialogue</p> <p>Issue 4: Health and safety at work</p> <p>Issue 5: Human development and training in the workplace</p>	<p>➔ P.24~29</p> <p>Global Human Resources Policy Developing a Global Talent Base Global Employee Survey/Sharing Takeda-ism Cultivating Employees/Work-Life Balance Employment of People with Disabilities Health and Safety of Employees Relations with Workers Unions</p> <p>.....</p> <p>➔ P.11 Promoting Diversity</p>
<b>The Environment</b>  GC Principles 7-9	<p>Issue 1: Prevention of pollution</p> <p>Issue 2: Sustainable resource use</p> <p>Issue 3: Climate change mitigation and adaptation</p> <p>Issue 4: Protection of the environment, biodiversity and restoration of natural habitats</p>	<p>➔ P.30~53</p> <p>Environmental Management Reducing Environmental Risks Climate Change/Water Resources/Biodiversity Reduction in Releases of Chemical Substances Air, Water, and Soil Quality Protection/ Waste Reduction/Environmental Communication Environmental Monitors/Environmental Accounting Environmental Impacts Associated with Business Activities Environmental Impact Data by Site</p>
<b>Fair Operating Practices</b>  GC Principles 3-10	<p>Issue 1: Anti-corruption</p> <p>Issue 2: Responsible political involvement</p> <p>Issue 3: Fair competition</p> <p>Issue 4: Promoting social responsibility in the value chain</p> <p>Issue 5: Respect for property rights</p>	<p>➔ P.54~61</p> <p>Compliance/Toward Fair Operating Practices Initiatives in the Industry Fair Promotion Activities/Anti-Corruption Social Responsibility in the Value Chain Global Purchasing Policy Employee Compliance Program Green Procurement/Intellectual Property</p>
<b>Consumer Issues</b>	<p>Issue 1: Fair marketing, factual and unbiased information and fair contractual practices</p> <p>Issue 2: Protecting consumers' health and safety</p> <p>Issue 3: Sustainable consumption</p> <p>Issue 4: Consumer service, support, and complaint and dispute resolution</p> <p>Issue 5: Consumer data protection and privacy</p> <p>Issue 6: Access to essential services</p> <p>Issue 7: Education and awareness</p>	<p>➔ P.62~69</p> <p>Anti-Counterfeit Measures Supplying Information/Quality Assurance System Production System/Vaccine Business</p>
<b>Community Involvement and Development</b>	<p>Issue 1: Community involvement</p> <p>Issue 2: Education and culture</p> <p>Issue 3: Employment creation and skills development</p> <p>Issue 4: Technology development and access</p> <p>Issue 5: Wealth and income creation</p> <p>Issue 6: Health</p> <p>Issue 7: Social investment</p>	<p>➔ P.70~95</p> <p>Policy for Corporate Citizenship Activities Partnership with NGOs and NPOs Corporate Foundations Support for Areas Affected by the Great East Japan Earthquake Healthcare Support for Developing Countries Initiatives at Takeda Group Companies</p>

# Takeda's CSR Activities

Takeda sets concrete targets for promoting CSR activities, based on the 10 principles of the United Nations Global Compact and the core subjects of ISO 26000.

## CSR Activities and Targets in Fiscal 2010

Field	GC10 Principles	Targets for Fiscal 2010	Results for Fiscal 2010	Evaluation
 <b>Relationship with Society</b>	Principle 1	Continue to provide information spanning treatments, preventative measures and other topics	Cooperated in courses on healthcare, and hosted Takeda Medical Treatment Seminars	○
		Continue to improve access to health and medical services in developing countries on a global level	Continued to operate the Takeda Initiative and Takeda-Plan Healthcare Access Program	○
	Principle 2	Continue to train and support the human resources who will contribute to the progress of healthcare	Held the Takeda Young Forum (on-going)	○
		Continue grant research in a wide range of fields that contribute to healthcare development	Supported research through corporate foundations such as the Takeda Science Foundation, Shoshisha, and the Institute for Fermentation, Osaka.	○
		Continue to build partnerships with NGOs and NPOs	Continued to build partnerships with the Civil Society Initiative Fund and others	○
		Continue to provide Japanese staff with opportunities to participate in volunteer activities	Developed an environment for volunteer activities	△
 <b>Relationship with the Environment</b>	Principle 7	Continue to implement policies on the environment and accident prevention	Conducted activities to protect the environment and prevent accidents based on Company's policies	○
		Principle 8	Continue to formulate the Takeda Pharmaceutical Environmental Action Plan	Formulated the Takeda Group Environmental Action Plan
	Principle 9		Continue to build the Takeda Group Environmental Management System	Checked on compliance with the Takeda Group's Standard for Environmental Protection and Accident Prevention Work at every business site
		Strengthen initiatives to promote biodiversity	Preserved rare medicinal plants at the Takeda Garden for Medicinal Plant Conservation (Kyoto)	○
	Continue to strengthen management of chemical substances and formulate guidelines	Established a framework for evaluating hazard potential and promoted measures to prevent exposure in manufacturing processes	○	
	Continue to set medium-term targets for use of water resources	Incorporated targets in the Takeda Group Environmental Action Plan	○	
 <b>Relationship with Business Partners</b>	Principles 1 to 10	Build a framework in accordance with GDP (Good Distribution Practice), and tighten the security throughout the supply chain	Implemented measures based on GDP to tighten product security in the supply chain	○
		Develop the CSR Purchasing Guideline	Finished development of the CSR Purchasing Guideline (October 2010)	○
		Continue to promote green procurement	Steady implementation based on policy	○
 <b>Relationship with Employees</b>	Principles 1 to 6	Rebuild human resources vision	Rebuilt human resources vision, aiming to become a company where employees feel a sense of worth and pride in their work. Now preparing for public disclosure	○
		Continue to run the Takeda Leadership Institute (TLI) program	Ran the 4th TLI program for 33 participants from 7 countries, including 12 Japanese participants	○
		Continue to hold the Takeda Global Awards	Held the award ceremony at the global talent development center "CLI." There were 111 recipients from 13 countries	○
		Continue to carry out the Global Employee Survey (biannually)	Carried out the Global Employee Survey at Group companies in Japan and overseas	○
		Continue to improve mental healthcare services	Introduced a recovery support program from June, strengthened support system covering from the start of sick leave to follow-up after returning to duties	○
		Continue to take steps to create workplaces that are easy to work in	Set targets for reducing overtime work throughout the Company, and took other measures to create workplaces that are even easier to work in	○

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

Up until fiscal 2010, Takeda formulated its CSR activities in the key fields of "Relationship with Society," "Relationship with Environment," "Relationship with Business Partners," and "Relationship with the Employees." From fiscal 2011, the Company will implement its CSR activities under the ISO 260000 framework of seven core subjects.

## CSR Activity Targets in Fiscal 2011

ISO 26000 Core Subjects	Targets for Fiscal 2011
<b>Organizational Governance</b>	Enhance provision of CSR information through the Company intranet and other means to raise awareness of CSR throughout internal divisions (CSR management)
	Continue to hold stakeholder dialogue (stakeholder engagement)
<b>Human Rights</b> GC Principles 1-6	Ensure strict adherence to Company rules on human rights in all operational processes, including research, development, procurement and sales
	Further promote diversity
<b>Labor Practices</b> GC Principles 3-6	Continue to hold the Takeda Global Awards
	Continue to run the Takeda Leadership Institute
	Continue to improve mental healthcare services
	Promote work-life balance
<b>The Environment</b> GC Principles 7-9	Implement the Takeda Group Environmental Action Plan
	Thoroughly implement the "Takeda Group's Standard for Environmental Protection and Accident Prevention Work"
	Bolster the Company's systems for environmental protection and accident prevention
	Promote full participation in energy-saving measures by all employees
	Develop high-level awareness of environmental protection and accident prevention, and improve education and training
<b>Fair Operating Practices</b> GC Principles 3-10	Strengthen biodiversity conservation initiatives
	Make all employees fully aware of the Takeda Global Code of Conduct
	Conduct supplier surveys based on the Guidelines for Socially Responsible Purchasing
<b>Consumer Issues</b>	Continue to promote green procurement
	Continue to implement anti-counterfeit measures
	Strengthen IT strategies for improved drug information activities
<b>Community Involvement and Development</b>	Continue providing information spanning treatments, preventative measures and other topics
	Continue to support areas affected by the Great East Japan Earthquake
	Continue to promote corporate citizenship activities in the healthcare field
	Continue to grant research assistance in a wide range of fields that contribute to healthcare development
	Continue partnerships with NGOs and NPOs
	Educate all Takeda employees about the Basic Policies on Corporate Citizenship Activities
	Formulate global donation guidelines
Continue to provide opportunities for volunteer activities to employees in Japan	

**GC** We refer to the publication of the United Nations Global Compact Secretariat, "An Introduction to Linkages between UN Global Compact Principles and ISO 26000 Core Subjects" to help us link the GC 10 Principles and the core subjects of ISO 26000.

## Feature: Becoming a Sustainable Organization

Takeda, built on a 230-year heritage of creating pharmaceutical products is to develop an open and active corporate culture in order to keep growing as a global pharmaceutical company.

Takeda is accelerating programs to develop human resources with global perspectives to realize its mission to “strive towards better health for patients worldwide through leading innovation in medicine.” We are building a sustainable organization by providing work environments in which employees can thrive and grow while cultivating a corporate culture in which our people can resolutely tackle the challenges of discovering novel drugs.

It is vital for us to create an open and active corporate culture to complete our transformation

into a new Takeda by pursuing innovation as a strategic objective under the 2011-2013 Mid-Range Plan. Urging diversity is thus a top management priority.

Takeda also considers good corporate citizenship to be of vital importance to a sustainable organization. While reinforcing governance and rigorous Group-wide compliance, we are committed to putting corporate social responsibility into action to meet the demands of a global society, passing on the legacies of our 230-year history as a company committed to improving people’s lives.



## Promoting Diversity

An organization which leverages the diversity of its workforce is able to innovate new concepts and ideas by evaluating issues from wide-ranging perspectives. Takeda recognizes that diversity is extremely valuable in the rapidly changing global business climate. Our Board of Directors and the Management and Operations Committee therefore have both Japanese and non-Japanese members to reflect more diverse views in senior management decisions.

Diversity has been one of the Takeda Values since fiscal 2010. By mutually understanding and respecting people of diverse age, gender, nationality, race, ability, and other backgrounds, we will foster a corporate culture that generates creative ideas, and reflect the values in our management.

## Recruiting and Developing Global Talent

While actively seeking to recruit diverse people of any nationality, Takeda also focuses on developing globally-effective leaders. To sustain and continue developing our business worldwide, we need employees who can overcome all kinds of differences and turn them into strengths.

We recruit diverse people by participating in a job fair in Boston. Meanwhile, in Asia, we visit the campuses of universities in Singapore and China (such as Tsinghua University). We also hire people in South Korea. Moreover, by exchanging personnel between Japan and other regions to take advantage of Group-wide diversity, we are building a framework for people development so that the leaders can perform successfully at a global level.



Job fair at the National University of Singapore

## Initiatives in Japan

In Japan, we have established a dedicated team in the Human Resources Department to attract and develop global talent, support career development for female



Women's Leadership Exchange Breakfast  
Deborah Dunsire, M.D., President & CEO of Millennium (far left)  
Nancy Joseph-Ridge, M.D., General Manager,  
Pharmaceutical Development Div. (third from left)

employees, expand the work horizons of people with disabilities, and support work-life balance. We continue to address these issues throughout the company.

In fiscal 2010, key initiatives have included the creation of our Diversity Handbook to promote and educate employees about the concept of diversity, and the establishment of a Cross-Functional Diversity Team which is meeting regularly in order to share and reapply current best practices in all departments. Furthermore, we have reinforced diversity management, enabling us to attract and retain diverse people. At the end of the day, we are creating an environment that better satisfies and motivates employees.

Regarding our plan for accelerating female leaders' growth, we are actively supporting their career development. One example of this approach is networking events that we hold with female management and employees. The goals are to increase an awareness that everyone can contribute actively to business, regardless of nationality or gender, and to help our people build their own networks. In fiscal 2010, events with Deborah Dunsire, M.D. (President & CEO, Millennium Pharmaceuticals) and Nancy Joseph-Ridge, M.D. (General Manager, Pharmaceutical Development Div.), as well as with Mary Haak-Frendscho, Ph.D. (President & CSO, Takeda San Francisco, Inc.) were held, where the participants enjoyed active exchanges of opinions.

### Associated Information

- ➔ P.24 Developing a Global Talent Base
- ➔ P.28 Work-Life Balance
- ➔ P.29 Supporting Employment of People with Disabilities

# Culture





### Continued Review of Global Policies

More than anything, Takeda has valued its strong commitment to the highest ethical standards throughout its 230 years. We consider it our mission to fulfill our social responsibilities by improving our standing as a good corporate citizen while growing as a global pharmaceutical company. We are enhancing this stance by reinforcing governance, notably by reviewing policies for the entire Takeda Group to drive further globalization.

### Takeda Global Code of Conduct

In December 2010, we instituted the Takeda Global Code of Conduct throughout the Group to provide guidance in key areas from a compliance perspective and to ensure the highest ethical standards in doing business. Each Group company promotes compliance with local laws and regulations by establishing a local Code of Conduct based on the Takeda Global Code of Conduct.

#### Takeda Global Code of Conduct

##### Items include:

- Business with Integrity and Fairness
- Protection of Assets/Information
- Company Records, Disclosures and Securities Transactions
- Workplace
- Environment
- Reporting Possible Violations of the Code

### Guidelines for Socially Responsible Purchasing

In October 2010, we formulated our Guidelines for Socially Responsible Purchasing to promote corporate social responsibility in Takeda's internal operations and throughout the entire supply chain, including our business partners. The guidelines present CSR standards that our business unit in charge of purchasing has to keep in procuring supplies for our plants and research facilities. The guidelines also present areas in which we request the cooperation of suppliers.

### Global Quality Assurance Policy

We established the Global Quality Assurance Policy in 2008 as a comprehensive guide to our stance on quality assurance initiatives, including risk and crisis management. We require all Group companies to comply with this policy.

Led by the Global Quality Assurance Department, Takeda coordinates with quality assurance departments of Group companies worldwide to create a structure that encompasses entire product life cycles. We also reinforce risk management and tackle the global problem of drug counterfeiting among other issues.

### Basic Policies on Corporate Citizenship Activities

In April 2011, we established our Basic Policies on Corporate Citizenship Activities, which define our basic stance and practical approach to corporate citizenship initiatives for the entire Group as a global pharmaceutical company. We value the viewpoints of stakeholders and endeavor to enhance our long-term, sustainable corporate citizenship activities, particularly in health-care, in which we can leverage our expertise in creating pharmaceutical products.

#### Associated Information

- ➔ P.16 Organizational Governance
- ➔ P.54 Fair Operating Practices
- ➔ P.64 Quality Assurance System
- ➔ P.70 Community Involvement and Development



# Culture Interview

## Q1 What's your assessment of your diversity initiatives?

**A1** In fiscal 2010, we included Diversity as one of the Takeda Values and launched related new Company-wide initiatives on this theme. Our efforts are steadily bearing fruit.

Takeda has rapidly become a more diverse enterprise in the past few years, with the integration of Millennium Pharmaceuticals and others, and expansion into new regions. Senior management therefore seized the opportunity to promote Company-wide diversity and reinforce our strengths as a global pharmaceutical company.

Workplaces that incorporate diverse cultures create brand new opportunities. I believe that employees have

dramatically changed their attitudes, realizing they can learn much from communicating with people with different ideas and experiences. We will engage in active discussions through cross-organizational initiatives, and share diversity issues. At the same time, we will improve the work-life balance to foster a corporate culture and working environment where employees can thrive as our organization becomes more diverse.

## Q2 Why are you putting so much effort into reinforcing governance?

**A2** Because we aim to create a structure that retains the strong sense of mission and strong commitment to the highest ethical standards that we have developed over the past 230 years. This is a fitting stance for a global pharmaceutical company.

Based on our corporate philosophy that we call Takedaism, we have always sincerely pursued innovation in pharmaceutical products. Our raison d'être is to keep developing outstanding pharmaceutical products with a strong sense of mission and commitment to the highest ethical standards. In light of rapid globalization, we decided that we need a new framework to share this philosophy throughout the entire Group and ensure compliance. So, we are currently strengthening governance by upgrading our policies for the Takeda Group.

As a part of efforts to enhance governance, in June 2011 two new directors with extensive experience and knowledge of the pharmaceutical industry, and also two non-executive directors were appointed. We believe that this move will provide beneficial stimulation and tension in management, enhancing our transparency and accelerating our transformation into a new Takeda.

Toyaji Yoshida  
Chief Administration Officer



# Takeda's 230-Year History

For 230 years, Takeda has developed its business with integrity while undergoing a process of continuous transformation. Takeda remains fully committed to transforming itself going forward, and to fulfilling its responsibility as a global pharmaceutical company through business activities based on the principles of Takeda-ism.

## 1781

### Foundation

Takeda began operations in 1781 when Chobei Takeda I started a business selling traditional Japanese and Chinese medicines in Doshomachi, Osaka. Following Japan's Meiji Restoration in the late 1860s, Takeda was one of the first companies in Japan to begin importing western medicines.



Founder: Chobei Takeda I

## 1895

### Pharmaceutical Manufacturing Business Launched

In 1895, the Company established its own factory in Osaka, thereby achieving its transformation into a pharmaceutical manufacturer.

## 1914

### Research Activities Begin with Establishment of the Takeda Research Division



A researcher performing an experiment in the laboratory (1939)

## 1950

### First multivitamin in Japan *Panvitan* Launched

## 1954

### Vitamin B1 derivative *Alinamin* Launched

## 1962

### Takeda Enters Overseas Markets

In the 1960s, Takeda, targeting the international market, began the full-scale start of operations outside Japan. Extending operations to other Asian countries came first. The Company then greatly expanded its overseas activities by entering Europe and the U.S.

## 1989

### For Prostate Cancer, Breast Cancer and Endometriosis *Leuprorelin Acetate* Launched (U.S. and Europe)

## 1991

### For Peptic Ulcer *Lansoprazole* Launched (Europe)

1700

1900

Takeda has been supplying pharmaceuticals for 230 years, during which time we have developed a strong commitment to the highest ethical standards and a strong sense of mission. We have made constant efforts to improve our relationship with society over this time. As we move forward, we will continue to pursue CSR activities befitting a global pharmaceutical company from a long-term perspective.



Kyoto Experimental Garden (1954)

## 1933

### Takeda Garden for Medicinal Plant Conservation (Kyoto)\* Established

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 more than 2,400 species of plants, including 96 endangered species.

\* When it was established, the garden was called "Kyoto Takeda Herbal Garden." In 1945, the name was changed to Kyoto Experimental Garden and changed again to its current name in 1994.

## 1944

### Institute for Fermentation, Osaka Established

For more than 60 years, the Institute for Fermentation, Osaka, has been devoted to the preservation of microorganisms to support research. Today, the institute serves as a research foundation dedicated to the advancement of microbial science.

## 1960

### Shoshisha Foundation Established

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 work.

## 1963

### Takeda Science Foundation Established

Funded with an endowment from Takeda, the Takeda Science Foundation was established to contribute to the development of scientific technologies and culture by encouraging and supporting research in relevant fields. The foundation has expanded its operations steadily each year.



*Kaitai Shinsho (Tafel Anatomie: New Text on Anatomy)*, 1774, Kyo-U Sho-Oku library

## 1997

For Hypertension  
**Candesartan Cilexetil**  
Launched (Europe)

## 1999

For Type 2 Diabetes  
**Pioglitazone Hydrochloride**  
Launched (U.S. and Japan)

## 2005

For Insomnia  
**Ramelteon** Launched (U.S.)

## 2008

U.S. Operations Restructured  
Acquired Millennium  
Pharmaceuticals, Inc

## 2009

For Acid Reflux Disease  
**DEXILANT** Launched (U.S.)  
For Gout and Hyperuricemia  
**ULORIC** Launched (U.S.)



Shonan Research Center

## 2010

For Type 2 Diabetes  
**NESINA** Launched (Japan)  
For Cancer  
**Vectibix** Launched (Japan)

## 2011

For Alzheimer's-Type Dementia  
**Reminyl** Launched (Japan)  
For Hypertension  
**EDARBI** Launched (U.S.)

### Shonan Research Center Established

The Shonan Research Center was built to be the nucleus of Takeda's global research and development network. The facility will pursue discovery of groundbreaking new drugs as a base for open innovation.

### Agreed to Acquire Nycomed (May 2011)

Through this acquisition, Takeda seeks to strengthen its operating base in Europe and emerging markets that will drive future growth of the global pharmaceutical market, thereby ensuring sustained growth.

# 230 YEARS

2000

## 1992

### "Basic Principles on the Environment" Formulated

Takeda formulated its Basic Principles on the Environment to promote global activities in response to environmental problems worldwide. The principles underpin the environmental policies of the entire Takeda Group.

## 1995

### LI Takeda Ltd. Established

Established as a special subsidiary, LI Takeda operates under the management mission of "being a friendly company for workers with disabilities." It was the first company of its kind in the Japanese pharmaceutical industry.

## 2006

### CSR Report Integrated with the Annual Report

Takeda started to publish its Annual Report in an integrated format containing both financial and non-financial information.

## 2009

### Participated in the United Nations Global Compact / Dedicated CSR Organization Established

Takeda supports the UN Global Compact's ten principles relating to "Human Rights," "Labor," "Environment" and "Anti-Corruption," and has incorporated them into every aspect of its business activities. Moreover, Takeda has enhanced its CSR activities by establishing a dedicated CSR organization.



## 2010

### "Takeda Initiative" Launched

Takeda cooperated with the Global Fund to set up an endowment program to support development of healthcare professionals in Africa.

## 2010

### Promoting Diversity and Strengthening Value Chain Management

As diversity becomes one of the Takeda Values, we have established a dedicated organization and boosted our initiatives for promoting diversity. We have also begun to develop a CSR-oriented business environment, including our business partners, by creating CSR policies for our value chain.

### Takeda Global Code of Conduct Formulated

The Takeda Global Code of Conduct serves to strengthen corporate governance and promote rigorous compliance throughout the entire Takeda Group worldwide.

## Organizational Governance Basic Policy

The international standard ISO 26000 defines organizational governance as a system to be followed when an organization makes and executes decisions in pursuit of its goals. The standard goes on to state that organizations aiming to conduct socially responsible activities should have organizational governance systems that enable their members to follow the principles of social responsibility.

Takeda's goal, as stated in its corporate mission, is to "strive toward better health for patients worldwide through leading innovation in medicine." We have been upgrading our internal control systems to achieve this end. Right now, we are strengthening our governance further, while we accelerate our business expansion as a global pharmaceutical company.

[Corporate Governance]

### Fundamental Policy and Structure

#### Policy toward Corporate Governance

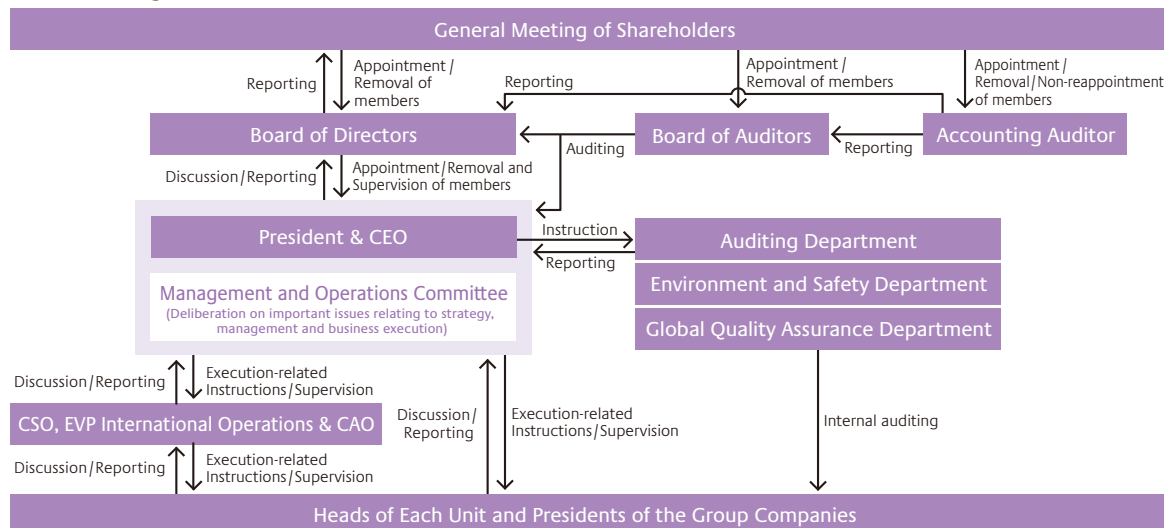


Takeda's management mission is to "strive towards better health for patients worldwide through leading innovation in medicine." In line with this mission, Takeda is working to establish a management framework befitting a world-class pharmaceutical company that operates globally. We are strengthening internal control, including rigorous compliance, 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 fundamental policies for the Takeda Group. Management and business operations are then conducted in accordance with the decisions of the Board of Directors. In order to respond swiftly and flexibly to a diversifying range of management issues and to enhance and promote global management, Takeda currently has the positions of Chief Scientific Officer (CSO), Executive Vice President (EVP) International Operations (Americas/Europe), Senior Vice President, International Operations (Asia) and Chief Administrative Officer (CAO). In addition, Takeda established the Management and Operations Committee, comprised of Takeda executives including the positions aforementioned, which holds regular meetings to discuss important management issues. These steps have facilitated greater cooperation among the different functions while improving speed and flexibility in execution of business operations, and the

#### Schematic Diagram of Internal Control Structure



new structure allows Takeda to conduct all of its business activities in a more efficient manner.

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 eight directors, and meets once per month in principle to make resolutions and receive reports on important matters regarding management.

Takeda has in the past maintained a highly efficient and transparent management framework comprising internal directors, who have a detailed understanding of Takeda's business, and corporate auditors, including external auditors. However, Takeda has decided to appoint non-executive directors as well as it moves to swiftly develop into a global enterprise and achieve sustained growth by flexibly responding to changes in the business environment. Takeda believes that actively bringing in opinions from external experts with extensive global business experience to stimulate and challenge management will drive innovation that is not bound by conventional pharmaceutical industry thinking.

Any risks we may face in the course of global business operations are managed by the personnel responsible for risk management in the key organizations 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. To ensure greater transparency of management, Takeda has appointed two external auditors (out of four auditors in total), who conduct effective audits from an external perspective. We therefore consider that we have ensured objective and impartial management oversight. In addition, KPMG AZSA & Co. serves as the accounting auditor.

## Crisis Management

### Enhancement of the Takeda Group's Crisis Management Structure

Preventing emergency situations result in considerable impact on our management, or responding precisely when they occur, is an important aspect of the Takeda Group's corporate governance. It has therefore been necessary to foster the crisis management function, 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 Takeda Group's employees and finances are safeguarded. This is a responsibility that Takeda must fulfill toward its stakeholders, who include shareholders, customers, suppliers, employees, communities and society at large. Takeda is therefore working on a Business Continuity Plan (BCP), 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 Crisis Management Guideline" and "Crisis Management Rules."

Following the Great East Japan Earthquake in March 2011, and the radiation problems caused by the subsequent nuclear power station accident, Takeda reviewed its risk assumptions and took other steps to update its BCP. We will continue to fulfill our mission of maintaining a reliable supply of our products.

### Crisis Management Guidelines

Takeda strives to ensure that all possible preventive measures are taken to avoid potential crises in accordance with the "Takeda Group Crisis Management Guideline," which comprises basic policies, rules and standards for crisis management. The guidelines also underpin systems and operation 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 Takeda Group's finances, and any effect on society at large in the event of a crisis.

#### Scope of Crises as Defined in the Guidelines

Crises denote situations in which:

- Serious damage is caused to company assets, management or business activities.
- The life, personal safety or human rights of management or employees is endangered by an incident or accident.
- The reputation of the Company or the confidence in a Company brand is seriously damaged.
- Shareholders, customers, business partners or the public are seriously affected.

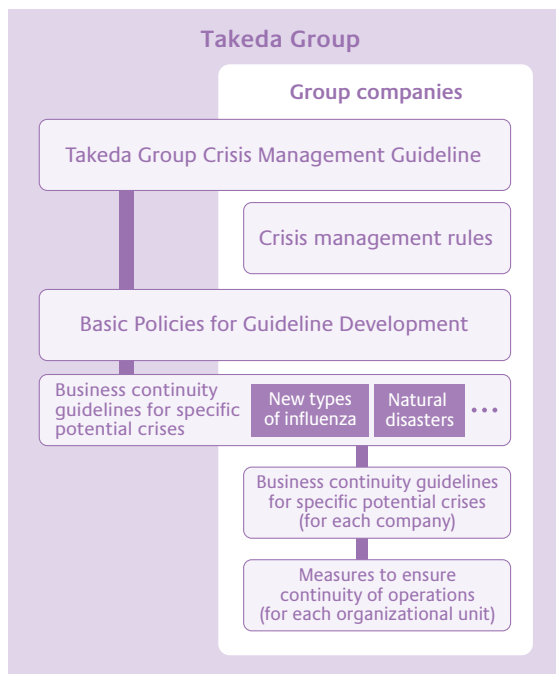


We are promoting CSR activities while encouraging collaboration among divisions responsible for quality control and global governance.

## Cooperation with Group Companies

Each division of Takeda and its Group company is responsible for establishing its own crisis management system, implementing preventive measures and taking appropriate action if a crisis occurs. In the case of a crisis that requires Group-wide action, we maintain mutual cooperation and the “Crisis Management Committee,” which has its office in the Human Resources Department of Takeda Pharmaceutical Company Limited, coordinates a joint understanding of the situation and any relevant information. The Committee provides necessary reports to top management and supports each division and Group company to take countermeasures, later following up on the implementation of the countermeasures.

### Positioning of Crisis Management Guidelines



[CSR Management]

### CSR Promotion Framework

We have established a dedicated team within the Corporate Communications Department for promoting CSR activities. The role of the organization is to raise the level of CSR activity throughout the entire Company. The team aims to achieve this by communicating closely with the departments responsible for global governance of social, environmental, human rights and procurement aspects of Takeda’s business. This is in addition to similar communication with those departments responsible for product quality and safety which are directly involved in

core pharmaceuticals business. In each case, the CSR team provides lateral support for those departments’ everyday CSR activities. The framework treats important CSR-related matters in the same way as business matters: responsible departments must make reports and proposals as necessary to the Board of Directors and at the Management and Operations Committee.

## Specifying Materiality for CSR and Setting Key Performance Indicators

Takeda is actively engaging with stakeholders in an effort to understand their expectations and demands with respect to global pharmaceutical companies. Specifically, in addition to our participation in the United Nations Global Compact and BSR\*, we promote dialogue with international organizations that evaluate CSR activities, civic groups and NGOs/NPOs. We also participate in CSR-related committees of Nippon Keidanren (Japan Business Federation) and sit on various committees of the Japan Pharmaceutical Manufacturers Association. We use the information we gain through these activities to analyze society’s expectations and demands. In addition, we refer to ISO 26000 and carefully consider the importance to Takeda when we decide on our critical activities and key performance indicators (KPI). Most of our critical activities and KPIs are shown in our CSR Data Book. KPIs are mainly set for environmental fields and are used for improving our activities.

\* BSR (Business for Social Responsibility): BSR is a global association of member companies for CSR, formed in the U.S. in 1992.

### Associated Information

- ➔ P.8 CSR Activities and Targets in Fiscal 2010
- ➔ P.9 CSR Targets in Fiscal 2011
- ➔ P.33 Takeda’s Major Environmental Protection and Accident Prevention Policies and Achievements in Fiscal 2010

[Due Diligence]

## Initiatives Relating to the Impacts of Business Activities

As a pharmaceutical company committed to improving people’s lives, Takeda is anxious to identify any impacts from its business activities on society and the environment, including potential impacts, and to take appropriate measures to counter them.

With regard to human rights, pages 74 to 77 of this data book give an overview of various aspects throughout the entire value chain, including issues and initiatives. With respect to the environment, we follow the third of the Basic Principles on the Environment listed on page 82, 3. Assessment of Environmental Impact from Products and Manufacturing Processes: “When developing new



products and processes, evaluate the impact on the environment in advance, during development, and periodically after commercialization. Consider the entire business cycle from the procurement of raw materials and supplies to the use and the final disposal of products to reduce the impact on the global environment.”

#### About 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.

#### Associated Information

- ➔ P.20 Human Rights Issues throughout the Value Chain
- ➔ P.22 Human Rights Initiatives throughout the Value Chain
- ➔ P.30 Basic Principles on the Environment

### [Stakeholder Engagement]

#### Stakeholder Engagement Based on the AA1000 Scheme

Under ISO 26000, the two basic practices underpinning social responsibility are identifying stakeholders and focusing on stakeholder engagement.

Takeda refers to the international AA1000 scheme for accountability to enhance its stakeholder engagement efforts.

#### About Stakeholder Engagement

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

#### Examples of Dialogue with Stakeholders

In fiscal 2009, Takeda and the Civil Society Initiative Fund (NPO) set up an assistance program called the “Takeda Well-Being Program” to assist with the activities of groups that provide support to children undergoing long-term treatment for diseases and to their families. To help identify future issues through direct dialogue, since fiscal 2010, we have held a series of stakeholder dialogues with organizations receiving grants, the Civil Society Initiative Fund, and various experts.



Second Stakeholder Dialogue

- First dialogue (March 18, 2010): exchange of opinions on the activities of groups receiving support, and dialogue on points for improving the Takeda Well-Being Program.
- Second dialogue (April 25, 2011): included new groups receiving assistance; discussion from various perspectives on measures to widely inform the public of the activities of each group.

#### Initiatives to Address Issues Arising from the First Stakeholder Dialogue

##### ■ Issues

1. Provide support for collaboration among NPOs
2. Promote greater involvement by Takeda employees
3. Raise social awareness of the issue of children in long-term treatment and their families

##### ■ Initiatives

#### Create a dedicated website for supporting children undergoing long-term treatment

- The website explains the Takeda Well-Being Program and fosters links among NPOs and better awareness of social issues by offering basic information about support for children in long-term treatment and introducing groups that are helping them.
- Using the Company intranet, we disseminate information on volunteer activities and encourage employees to participate.

Special website  
 “Supporting Children in Long-Term Treatment”  
<http://www.takeda.co.jp/chouki/>

#### Issues Arising from the Second Stakeholder Dialogue

1. Raise social awareness of the issue of children in long-term treatment and their families (ongoing from the previous fiscal year)
2. Examine support for strengthening the organizational base, including enhancing fundraising skills
3. Inform society of the importance of assistance for staffing and research expenses

We plan to report on our initiatives to address these issues in subsequent issues of our Annual Report and CSR Data Book.

#### Associated Information

- ➔ P.2 Our Stakeholders/Main Methods of Dialogue
- ➔ P.4 Activities for Engagement in the United Nations Global Compact
- ➔ P.72 Takeda Well-Being Program
- ➔ P.90 Community Involvement and Development Activities in Japan

## Human Rights Basic Policy

In accordance with the principles of “Takeda-ism,” Takeda places the highest priority on the high ethical standards of each individual. Our corporate activities show respect for the human rights that are fundamental to all people. Furthermore, based on our mission of “striving towards better health for patients worldwide through leading innovation in medicine,” our activities incorporate the greatest possible respect for the right of people around the world to receive the medical care they require.

Takeda participates in the United Nations Global Compact, which has 10 principles that include human rights. We are dedicated to conducting business in line with these principles. When determining our specific business goals and initiatives, we refer to the Universal Declaration of Human Rights and other guidelines. We also take into consideration how our actions will influence the entire value chain, including our business partners.

### [Human Rights Issues throughout the Value Chain]

#### Research

When performing research to create new drugs, we need to use human-derived specimens (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.

Disclosing information about potential effects, if any, of research activities on the health of people living near our research facilities is another important issue. Moreover, we also give consideration to allowing access to genetic resources and the sharing of associated future benefits when we collect genetic resources from the soil or other sources as part of our discovery research activities.

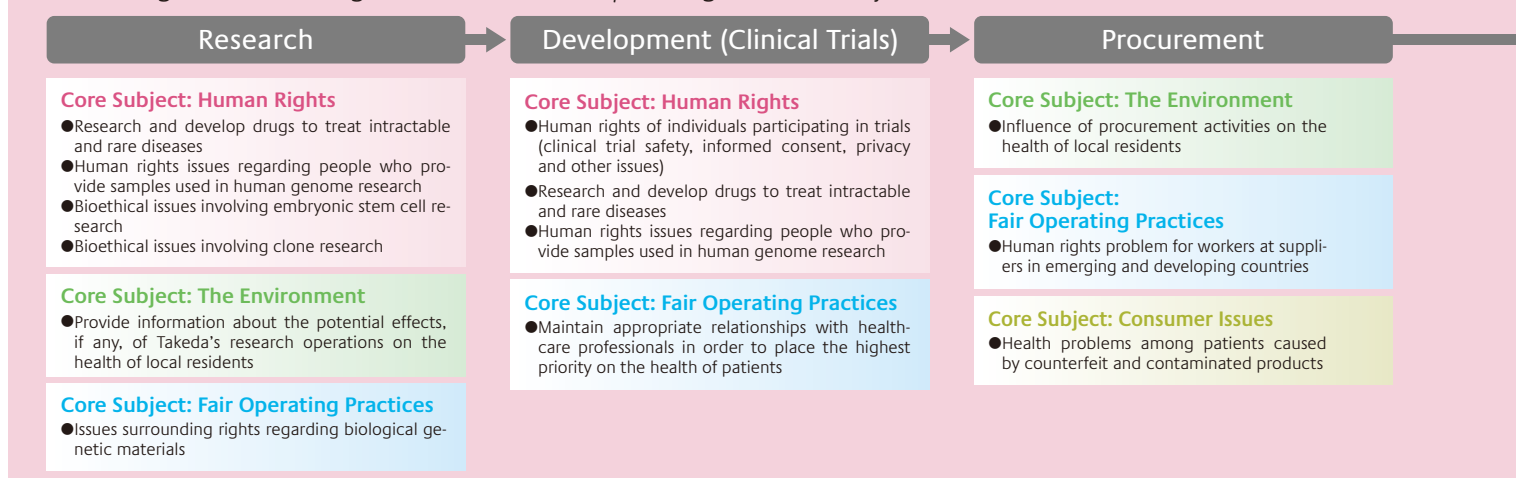
#### Development (Clinical Trials)

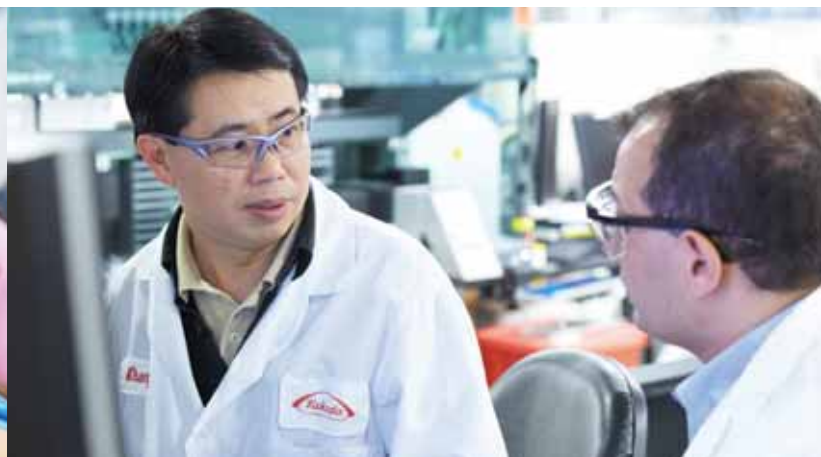
Drug development is to confirm the efficacy and safety through the clinical trials with human beings for the compounds which have demonstrated the potential as the medicine in the research stage, and the purpose of the development activities is to accumulate data enough for application for marketing and its approval. When performing clinical trials, we provide thorough explanations of expected benefits, potential side effects, items that must be observed and other aspects to the participants. We ensure that participants in these trials provide their informed consent based on a thorough understanding of these explanations.

Takeda respects the desires that participants in clinical trials have determined on their own and exercises care to ensure their safety. We also recognize the need to take all measures to protect personal information as a vital element of development activities.

Associated Information → P.54 Compliance

### Human Rights Issues throughout the Value Chain/Tackling the Core Subjects of ISO 26000





### Procurement, Production and Logistics

As a global pharmaceutical company, Takeda procures materials needed to make its products from around the world, including in emerging countries. We realize that respecting human rights, including the rights of workers, is one of our greatest responsibilities with regard to purchasing activities. To meet this obligation, we should ask our suppliers to pay sufficient attention to human rights as well when performing their own business activities.

We are also committed to fulfilling our responsibility regarding the health of people who live near our factories. We are therefore upgrading our environmental risk management programs. Meanwhile, counterfeit drugs have become a serious problem worldwide in recent years. Since these drugs can be harmful to patients, we view the entire logistics flow from procurement to production and distribution as one of our most pressing issues as countermeasure.

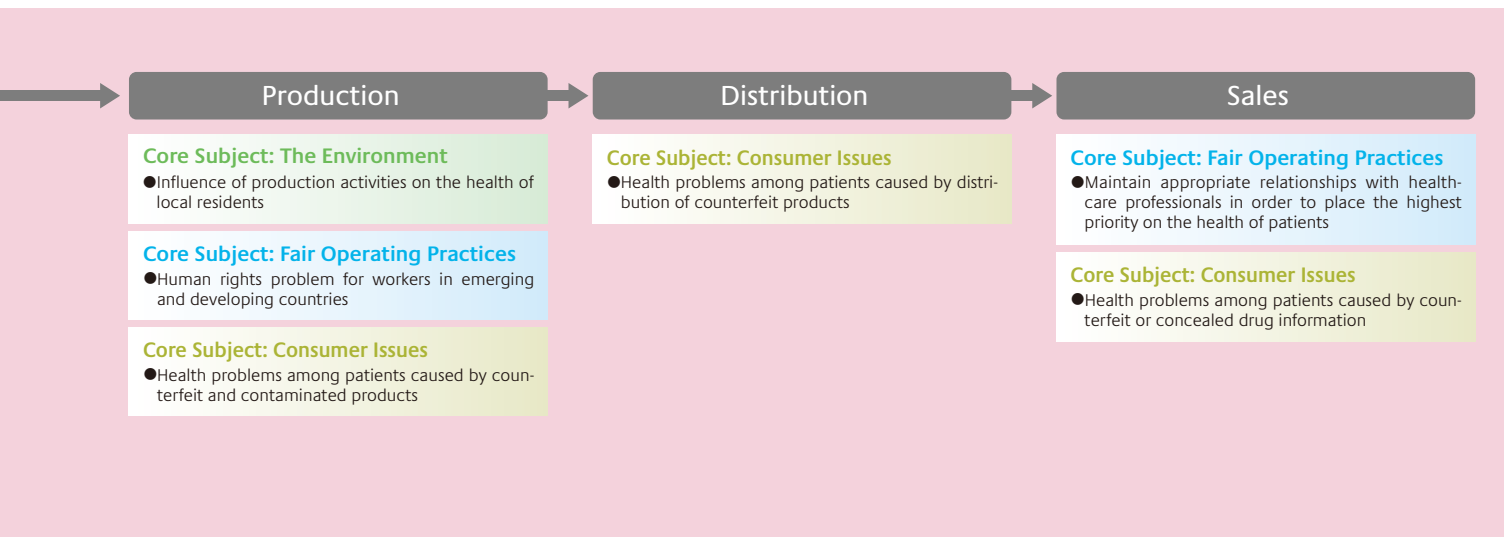
### Sales

Since pharmaceutical products are vital to maintaining health, their improper use can create serious problems for patients as well as society as a whole. Pharmaceutical companies have a fundamental obligation to prevent such problems. All companies should supply high-quality products while employing suitable methods to distribute, collect and convey drug information in an accurate and speedy manner. 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.

In overseas markets, we strictly comply with laws and regulations of all countries and supply consistent drug information on a global scale.

#### Associated Information

- ➔ P.57 Guidelines for Socially Responsible Purchasing
- ➔ P.62 Anti-Counterfeit Measures



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



[Initiatives throughout the Value Chain]

## Research

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 Pharmaceutical Research Division general manager to handle issues associated with human-derived specimens (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 the permanent members must come from outside the Takeda Group.

To reduce our environmental risk profile, we perform environmental programs constantly while adhering to the Takeda Group's Standard for Environmental Protection and Accident Prevention at Work. We also take steps to help protect biodiversity, such as reflecting biodiversity issues when using the library.

### 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

## Development (Clinical Trials)

Takeda follows International Conference on Harmonisation—Good Clinical Practice (ICH-GCP) guidelines, which are consistent with the spirit of the Declaration of Helsinki, when performing clinical trials. We always receive the informed consent of patients, follow government regulations and our internal standards, and adhere to protocols.

### DECLARATION OF HELSINKI INTRODUCTION (Extract)

1. The World Medical Association (WMA) has developed the Declaration of Helsinki as a statement of ethical principles for medical research involving human subjects, including research on identifiable human material and data. The Declaration is intended to be read as a whole and each of its constituent paragraphs should not be applied without consideration of all other relevant paragraphs.
2. Although the Declaration is addressed primarily to physicians, the WMA encourages other participants in medical research involving human subjects to adopt these principles.
3. It is the duty of the physician to promote and safeguard the health of patients, including those who are involved in medical research. The physician's knowledge and conscience are dedicated to the fulfillment of this duty.
4. The Declaration of Geneva of the WMA binds the physician with the words, "The health of my patient will be my first consideration," and the International Code of Medical Ethics declares that, "A physician shall act in the patient's best interest when providing medical care."
5. Medical progress is based on research that ultimately must include studies involving human subjects. Populations that are underrepresented in medical research should be provided appropriate access to participation in research.
6. In medical research involving human subjects, the well-being of the individual research subject must take precedence over all other interests.



In addition, we take care to protect the human rights of individuals participating in clinical studies in developing countries, trial participants who are socially underprivileged and, in other cases, requiring special attention.

### Procurement, Production and Logistics

Takeda is strengthening to keep compliance with standards for labor across the entire value chain through the establishment of the “Guidelines for Socially Responsible Purchasing” and the formulation of our own standards for conduct in 2010. In addition, we are enhancing the practice of our compliance by telling our suppliers what we expect of them and providing them with a code of conduct.

To reduce exposure to environmental risks, we established the Takeda Pharmaceutical Environmental Action Plan and are making steady progress with associated activities. To prevent the sale of counterfeit drugs, we conduct programs on a global scale while cooperating with international organizations that help fight this problem.

#### Human Rights Considerations in Guidelines for Socially Responsible Purchasing

##### ■ Code of Responsible Purchasing Standards

##### Human Rights, Discrimination

We shall respect human rights, and not be complicit in human rights abuses.

We shall respect the personalities of employees, temporary employees and all persons including business partners who are involved in the purchasing activities, and shall not discriminate or harass other employees for reasons such as nationality, race, creed, religion, sex, age, disability, disease, or social status.

##### ■ Expectations for Suppliers

##### Compliance with laws and social norms; respect for interests of stakeholders and human rights

We request suppliers to build appropriate internal control systems to comply with laws and social norms, and correct violations. We also expect them to make efforts to respect the interests of stakeholders and human rights. For this purpose, suppliers are expected to conduct fair and sincere business activities without unfair practices such as bribery, and conform to the international labor standards to respect dignity of each employee as prohibiting child labor, forced labor, and discrimination based on race, gender, and other factors. In addition, safety and health of employees and local community should be ensured.



### Sales

For sales activities, suppliers in Japan must comply with two guidelines established within the Japanese pharmaceutical industry: the Promotion Code for Prescription Drugs and the Fair Competition Code for Ethical Drug Production and Sales. Following these guidelines ensures that drugs are used properly. Takeda has its own promotion code and rules as well. These rules provide a framework for high-quality activities providing information on drugs based on high ethical standards along with respect for the human rights of patients.

#### [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.

- Associated Information → P.11 Promoting Diversity  
 → P.24 Labor Practices  
 → P.54 Compliance

## Labor Practices Basic Policy

Takeda recognizes that its employees are important stakeholders too, and has therefore promoted a range of initiatives to improve labor practices. In 2009, Takeda joined the United Nations Global Compact, based on the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We have been working to adhere to the Global Compact's principles regarding labor.

Takeda is also working to promote diversity and to attract and develop global talent as the central objectives in our human resources strategy. Other initiatives focus on work-life balance, employee health and safety, and sound industrial relations. In all of these areas, we are enhancing our efforts to foster an open and active corporate culture.

[Global Human Resources Policy]

### Implementing our Human Resources Vision Throughout the Group

To realize "Takeda's Human Resources Vision," we have drawn up a concept and basic principles for HR development within a "Global Human Resources Policy." This forms the basis for the various internal systems covering the recruitment, assignment, training and development, performance evaluation and remuneration of our employees. We are implementing specific measures in line with this policy.

#### Human Resources Vision

We aspire to develop a high-performance, results-oriented culture within our organization with motivated employees who take pride in and find a sense of accomplishment from their work.

### Takeda Leadership Institute

The Takeda Leadership Institute (TLI) is our flagship global leadership program, which has been conducted in collaboration with the globally renowned business school INSEAD since fiscal 2007. The program participants are selected from employees in the U.S., Europe, and Asia, including Japan. In fiscal 2011, the program will be held from September 2011 to March 2012 in Osaka and the state of Arizona in the U.S.

Takeda has also developed regionally targeted versions of the TLI program for Europe (the "TLI-EU" program) and Japan ("Global Leader Training" (Course A)).

	Fiscal 2008	Fiscal 2009	Fiscal 2010
TLI program participants (tot.)	28	36	33

[Developing a Global Talent Base]

### Our Fundamental Stance on Developing a Global Talent Base

Takeda has positioned attracting and developing global talent as a basic strategy in the Culture theme of its vision. Specifically, we will promote recruitment on a global level and supplement OJT programs with enhanced in-house training to develop outstanding talent throughout the Company.

We will also work steadily to globalize our operations in Japan, building a global personnel infrastructure, and foster a working environment where employees can thrive as our organization becomes more diverse.



Takeda Leadership Institute Training in fiscal 2010





### Cooperation with Academic Institutions

Starting in September 2011, Takeda is collaborating with Waseda University to run a course with the goal of developing a global talent base. Lecturers in the course include senior management from overseas Group companies. The course systematically covers not only research, development and sales strategies, but also global business activities including business management and CSR initiatives.

nication, 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.

\* 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.

### Center for Learning and Innovation "CLI"

The Center for Learning and Innovation (CLI)\* serves as Takeda's global talent development center, offering a range of training programs to nurture everyone from global leaders to new recruits. The center was established in Suita, Osaka Prefecture, in March 2010. 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 commu-



Training center (CLI)



### Takeda's Voice

I joined the Takeda Group because of its commitment to improving the lives of patients and its commitment to work/life balance.

No success at work can make up for failure at home—that's why I only considered companies like Takeda that operate with integrity toward their employees. As promised, I have felt included as a working mother. My engagement at Takeda has been enhanced by the flexibility I've been given to deal with family issues.

Now that my children are adults, my family and I are loyal to Takeda because Takeda has been steadfast in keeping its commitment to us.

**Deb Gustafson**

Assistant Director, Communications, Takeda Pharmaceuticals North America, Inc.

Takeda is committed to fostering a corporate culture from a global perspective, based on Takeda-ism, and respecting each employee's human rights.

[Takeda Global Employee Survey]

## Reflecting the Views of Employees Worldwide in Management Policy

Amid a rapidly globalizing business environment and increasingly diverse attitudes and values, Takeda believes it has become important for management plans to reflect employee feedback. Since fiscal 2008, Takeda has undertaken a global survey of all employees to determine internal attitudes toward the Company's culture. The survey asks questions on employees' awareness and understanding of our corporate philosophy, Takeda-ism, work satisfaction and working environment. The results are being used to compile an action plan on how to foster an active corporate culture.

### Survey Overview

- October 4-22, 2010
- Scope: 13,387 people in 17 countries
- 12 languages (including English, Japanese, French, German, Italian, Spanish, Chinese, Thai, and Indonesian)
- Online and paper formats
- Survey response rate 93.3% (Japan), 86.0% (Takeda Group)

### Employee Statistics (Number of people)

		FY 2008	FY 2009	FY 2010	
Takeda	Full-time employees	Male	4,557	4,703	4,761
		Female	1,567	1,631	1,710
		Total	6,124	6,334	6,471
	Contract employees		266	246	269
	Temporary employees		489	488	466
	Part-time employees		154	186	169
Takeda Group		19,362	19,585	18,498	

Note: Employees working in Takeda Pharmaceutical Company Limited and its consolidated subsidiaries. From fiscal 2010, the number is calculated on a full time equivalent basis. For fair comparison, the figures for fiscal 2009 have been restated on the same basis.

### Performance Indicators for Labor Practices

		FY 2008	FY 2009	FY 2010	
Takeda	Average age of employees	Male	40.4	39.9	39.6
		Female	37.0	36.7	36.7
		Total	39.4	39.0	38.8
	Average years of service	Male	16.6	15.8	15.2
		Female	15.3	14.6	14.3
		Total	16.1	15.5	15.0
New graduates employed		447	353	260	
Average yearly salary (thousand yen)		9,504	9,535	9,249	



[Sharing Takeda-ism]

### World Wide Takeda-ism Months (WWT-M)

The World Wide Takeda-ism Months are held each year as a time for all Takeda Group employees to deepen their understanding of Takeda-ism and its application in their everyday work. In fiscal 2010, we ran vigorous worldwide initiatives under the theme of Innovation. We also used the Company intranet as a medium for sharing best practices with respect to the World Wide Takeda-ism Months.



A workshop on Takeda-ism at Takeda Ireland Limited.

## Takeda Global Awards

Since fiscal 2006, we have held the “Takeda Global Awards,” targeting Takeda Group employees the world over. The “Takeda Global Awards” were established with the aim of developing a corporate culture where employees can feel a sense of pride, furthering the spread of our corporate philosophy, Takeda-ism, and fostering a strong sense of unity as the Takeda Group. Fiscal 2010 was the fourth year of the awards, which were presented to 111 employees from 13 countries at a ceremony held in the newly inaugurated Center for Learning and Innovation (CLI).



Ceremony for the Takeda Global Awards 2010

## Initiatives in Japan

### [Cultivating Employees]

#### Training Programs

At Takeda, we put a lot of effort into cultivating a self-reliant professional workforce. In addition to task-specific training programs aimed at developing specialist knowledge or building specific technical skills needed for each division, we hold various courses within a “stratified training program” to train and develop new employees, mid-level employees, and newly promoted managers. 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 that includes courses at universities in Japan and overseas. To study on their own, employees can use e-learning courses to acquire business skills and learn English. The Test of English for International Communication (TOEIC) is held at the company. By providing a diverse array of training programs, Takeda powerfully supports each employee’s abilities to help them achieve their career goals.

#### The Training Program System

##### Training Program on Corporate Philosophy and Strategy

- ◎Takeda-ism session  
(also part of task-specific and leadership development programs)

##### Stratified Training Program

- ◎Training for new employees   ◎J2 training
- ◎Training for new managers

##### Task-Specific Programs

- ◎Business skills development   ◎English proficiency training
- ◎Cross-cultural awareness training

##### Leadership Development Program

- ◎Selective-intake management training program
- ◎HR development programs provided at educational institutions in Japan and overseas

##### Departmental Programs

- ◎Department-funded professional education

##### Support for Self-Development

- ◎In-house TOEIC and e-learning, etc.

##### Others

- ◎Training programs relating to workplace harassment (sexual/managerial), mental health, etc.
- ◎Career development and life-planning support

Number of Participants in Training Programs	FY 2008	FY 2009	FY 2010
Stratified training	1,386	1,335	923
New employee training (part of above)	(401)	(352)	(194)
Task-specific training (business skills/English proficiency)	955	1,149	1,360
Leadership development training	76	121	119
Career development and life-planning support	274	92	77



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

## [Work-Life Balance]

### Supporting Work-life Balance as a Key Strategy for Promoting Diversity

Takeda is promoting a variety of efforts to support work-life balance, including introducing a range of work styles, such as a flextime system, and improving its employee leave system. 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. In addition, since fiscal 2009 the Pharmaceutical Marketing Division has published an in-house magazine called “Beautiful Beings” that introduces a role model for MRs to achieve a balance between job responsibilities and personal events such as marriage, the birth of a child, child care and the care of an aging parent.

Since fiscal 2009, we have designated every Wednesday as a “power-up day.” On these days employees are encouraged to work more efficiently, leave work on time, and use the day for self-improvement or spending time with their families. From July 1 to September 30, 2011 this program was extended to include Fridays as well, doubling as a way of saving electricity in response to the Great East Japan Earthquake.

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 June 2009, Takeda received its second 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 paternity leave by allowing part of such time to be paid time off, and by publicizing opinions and feedback from people who have used the paternity leave system. In fiscal 2010, 44 male employees took time off for child care, and in April 2011, we opened Takeda Kids—an onsite childcare facility at the Shonan Research Center.



Next generation accreditation mark



Onsite childcare facility at the Shonan Research Center—Takeda Kids

### 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 MRs, who are often away from the office, to receive credit for having fulfilled the required number of working hours.

#### ● Flex-time and stay home work

These systems improve productivity and efficiency for employees who have responsibilities at home, such as child or aging parent care, or who do their work while remaining in touch with overseas business sites. Employees can choose their working hours and locations.

#### ● Consecutive holidays

Employees can combine company vacation time with national holidays to take off five or more consecutive days.

#### ● Special paid leave for spouse pregnancy

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.

#### ● Senior 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).

#### ● Recruiting 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.

#### ● Philanthropy leave

Maximum of one year (with pay) for volunteer programs sponsored by a government agency, non-government organization or non-profit organization.

Utilization of Takeda’s Employee Benefit Programs		FY 2008	FY 2009	FY 2010
Paid holidays	Utilization rate	62.2%	64.7%	60.1%
	Avg. days used	11.1	11.6	10.8
Reduced working hours for child care* Employees		38	42	65
Child-care leave	Employees (female)	61	65	66
	Employees (male)	15	8	44
No overtime* Employees		2	0	2
No late-night work* Employees		2	0	2
Child nursing care* Employees		2	1	8
Reduced working hours for elderly care Employees		1	0	1
Elderly care leave Employees		5	5	5
Philanthropy leave Employees		Aggregate until FY2010: 6		

\*Until child starts elementary school

## [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 tackle their duties with a positive attitude. The company's operations support the Group's R&D and sales functions through production of pamphlets, booklets, posters and other printed materials, forwarding of direct mail, and cleaning and laundry services. We are expanding employment opportunities for LI Takeda employees as maintenance staff for the training facility CLI and its onsite accommodation facilities. We also support staff in obtaining qualifications as licensed building cleaners.

\* 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.



LI Takeda Ltd. Employees communicate using sign language while working to produce printed materials

	FY 2008	FY 2009	FY 2010
Ratio of people with disabilities employed at Takeda	1.86%	1.95%	2.03%

\* As of March 31 of each fiscal year

Associated Information → P.11 Promoting Diversity

## [Health and Safety of Employees]

### Mental Healthcare

The Takeda Total Human Safety Net (THS) is a support system for both the mental and physical health management of 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 an external employee assistance program (EAP) that gives employees in need access to consultations with specialists such as doctors and clinical psychotherapists outside

the company.

In addition, the THS supports employees who need to take long-term medical leave, ensuring their livelihood and facilitating their return to work. It also supports employees who have to leave the company due to illness or injury after a long leave of absence, helping their families as well to maintain stability in their lives.

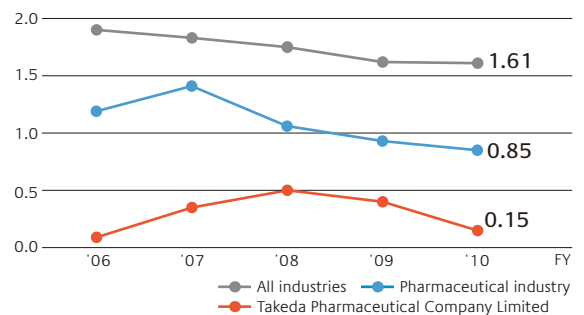
### Health and Safety

In accordance with its basic principle of upholding respect for people's lives and dignity, Takeda strives to secure the participation of all employees in ensuring health and safety. The company established Safety and Health Committees at the head office and branch offices as well as at production sites and research centers. In addition, Takeda takes steps to 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.

	FY 2008	FY 2009	FY 2010
Percentage of employees using the health check service	96%	97%	98%

### Frequency of Occupational Accidents

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



## [Relations with Workers Unions]

### Building Healthy Industrial Relations through Regular Dialogues

Takeda has established sound industrial relations by concluding a collective bargaining agreement with the Takeda Pharmaceutical Workers Union. The company holds regular dialogues with the union regarding conditions of employment, human resources practices and other matters. All the companies of the Takeda Group likewise hold discussions with their workers unions and employee representatives in accordance with the laws in each respective country.



## The Environment Basic Policy

Since establishing the Environmental Protection Measures Committee in 1970, Takeda has continued to undertake environmental protection activities from a long-term perspective. In 1992, Takeda revised the 10 Basic Principles Regarding Pollution to enact the Basic Principles on the Environment to promote the entire Takeda Group's pursuit of global activities in response to environmental concerns worldwide.

Takeda sees preserving the global environment with all of its teeming life as one of its most important missions. Our concrete actions in this regard as a pharmaceutical company include focusing on environmental risk management in R&D and production stages, and promoting our own initiatives to conserve biodiversity.

[Environmental Management]

### Basic Principles on the Environment

#### 1. Overall Policy

Give serious consideration to the impact on the environment in every aspect of corporate activities, including R&D, production, distribution, marketing, procurement and clerical works, and make the best efforts to conserve and improve the environment.

#### 2. Efficient Utilization of Resources and Minimization of Waste

Conserve energy and other resources, and actively pursue waste minimization and resource recycling.

#### 3. Assessment of Environmental Impact from Products and Manufacturing Processes

When developing new products and processes, evaluate the impact on the environment in advance, during development, and periodically after commercialization. Consider the entire business cycle from procurement of raw materials and supplies through the use and the final disposal of products to reduce the impact on the global environment.

#### 4. Development and Utilization of Environmental Technologies

Develop technologies for environmental protection and improvement, and actively pursue outside technologies when it is beneficial.

#### 5. Response to Emergencies

When an adverse effect on the environment is foreseen, exercise the best possible contingent efforts to eliminate or minimize such adverse impact.

#### 6. Clear Definition of Accountability and Responsibility

Appoint executives and managers in charge of environment-related activities and clearly define their authority.

#### 7. Cooperation with the Community and Society at Large

Actively cooperate with the environmental efforts of local communities and provide fair and unbiased information.

#### 8. Education and Training

Educate and train each employee to understand and realize the importance of environmental issues and to act accordingly in his or her daily routine.



Takeda has established the Takeda Group Environmental Action Plan and an environmental policy for the fiscal year in order to implement various environmental measures with the "Basic Principles" as its benchmark.

### ISO 14001-Certified Sites

Takeda Pharmaceutical Company Limited	•Osaka Plant •Hikari Plant
Wako Pure Chemical Industries, Ltd.	•Company-Wide
Mizusawa Industrial Chemicals, Ltd.	•Nakajo Plant •Mizusawa Plant

Daiwa Special Glass Co., Ltd.	•Company-Wide
Nihon Pharmaceutical Co., Ltd.	•Narita Plant •Osaka Plant
Takeda Healthcare Products Co., Ltd.	•Company-Wide



The near-endangered species eupatorium japonicum and a parantica sita



The endangered species pulsatilla cornua

## 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 worldwide. To

fulfill our responsibilities to society as a global pharmaceutical company, we have set concrete targets to combat global warming, reduce wastes and promote other initiatives. We will get the state of achievement annually and promote activities.

### Takeda Group Environmental Action Plan

The Takeda Group, in accordance with the "Basic Principles on the Environment," implements measures in all areas of its business with consideration to the environment. Moreover, Takeda Group formulates the Takeda Environmental Action Plan to embody the challenges and objectives related to the environment and continuously promote these activities through follow-up processes every year.

#### 1. T-EMS

##### (Takeda Group Environmental Management System)

- 1) 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.
- 2) The business offices in the Takeda Group establish their environmental management systems corresponding to their business places and scales to execute their activities.

#### 2. Countermeasures for global warming

- 1) The CO<sub>2</sub> emissions resulting from energy use are reduced in FY2015 by 18% from those in FY2005.
- 2) The use of renewable energy is promoted.

#### 3. Waste reduction

- 1) The amount of final disposal in FY2015 is decreased to the amount in FY2010 or less.
- 2) 3R activities are promoted, namely, to Reduce the generation of wastes, Reuse the wastes, and Recycle the wastes.

#### 4. Protection of water resources

- 1) Efforts are paid in endeavor to make effective use of water resources, and the amount of water use is reduced.
- 2) The recycle use of water is promoted.

#### 5. Managing chemical substances

- 1) 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.
- 2) PCB and asbestos are appropriately disposed of in a systematic manner by following regulations.

#### 6. Protection of ozone layer

- 1) The equipments used with ozone depleting substances are renewed in a systematic manner.

#### 7. Air and Water Quality Protection

- 1) Emission standards and total amount control are observed, and the reduction of NO<sub>x</sub> and SO<sub>x</sub> emissions and the reduction of COD are promoted.

#### 8. Biodiversity

- 1) The influence of business activities on biodiversity is understood, and the activities contributing to the preservation of biodiversity and the sustainable use of bioresources are promoted.
- 2) In the use of genetic resources or the like, the Convention on Biological Diversity is considered.

#### 9. Environmental activities in offices

- 1) Efforts on the reduction of the use of energy at the head office and representative offices are promoted.
- 2) The reduction of wastes and the reduction of the use of copy paper are promoted at the offices.
- 3) The green procurement of office supplies is promoted.

We have formulated policies based on the Takeda Group Environmental Action Plan, and we continue to upgrade our environmental protection and accident prevention activities.

## Interview

About the Takeda Group Environmental Action Plan

### Q1 Why did you formulate the Takeda Group Environmental Action Plan?

**A1** In 1992, we formulated “Basic Principles on the Environment” to underpin our response as an enterprise to environmental concerns worldwide. We have since promoted a range of environmental activities in line with the ‘think globally, act locally’ concept. In recent years, we have realized that we need to focus particularly on addressing increasingly major worldwide concerns such as global warming and biodiversity. At the same time, we must also consider the impact of the entire Takeda Group now that our business is expanding internationally to comprise many overseas offices and sites. We formulated the Takeda Group Environmental Action Plan to define medium- to long-term goals, to describe our stance on environmental protection from a long-term perspective, and to set out specific related action programs in detail.

### Q2 What sort of activities does Takeda plan to undertake in this area?

**A2** We grasp environmental activities and performances that cover the whole of the Takeda Group, including our offices in Japan and overseas. We will share the status of achievement to promote activities.

### Q3 Please describe Takeda’s environmental management system.

**A3** Our environmental management system defines operating policies and procedures to ensure that we follow our internal set of rules for environmental protection within Takeda. The system establishes plans for achieving the targets that we have set. We review the achievement periodically to make any necessary revisions of plans. In fact, the cycle of plan, do, check and action is a fundamental framework for Takeda’s program of environmental activities.

We adopted the globally accepted ISO 14001 standard for the environmental management systems at our production sites in Japan, notably the Hikari Plant and the Osaka Plant. Other operating sites are putting appropriate environmental management systems in place.

### Q4 Why is the Takeda Group involved in biodiversity conservation activities? Could you provide some specific examples?

**A4** The rich diversity of life on this planet is a major pillar that supports human society and the affluence we enjoy. Industry also makes use of many of the varied blessings of nature. In pharmaceuticals, we find many examples of drugs sourced from medicinal plants or made using biologically derived ingredients, or antibiotics discovered in soil microbes. We believe Takeda must treat the conservation of biodiversity as an important issue because we are a global enterprise dedicated to life.

One aspect of the biodiversity conservation program of the Takeda Group is preserving forests and wooded areas to prevent further loss of wildlife habitats. We are also trying to reduce our emissions of wastes and chemical substances to protect habitats from pollution. In addition, the Takeda Garden for Medicinal Plant Conservation (Kyoto) has been helping to preserve and cultivate many endangered botanical species for nearly 80 years.



Akihiro Tasaka, Ph.D.  
Senior Director, Environment & Safety Dept.

## Takeda's Major Environmental Protection Policies and Achievements in Fiscal 2010

Theme	Policies	Fiscal 2010 Achievements	Assessment
Fundamental measures involving environmental issues	Establish framework for legal compliance and comply with internal standards	Maintained a legal compliance framework by using periodic environmental monitoring based on internal standards, which are more stringent than those of laws and regulations	○
	Promote development of eco-friendly products/production processes by conducting environmental impact assessments (EIAs)	Conducted EIAs relating to new products (2) and zero-emission activities; formulated "Guidelines for Environmental Consideration in Capital Investments"	◎
Conserve energy and reduce greenhouse gas emissions	Achieve 40% reduction in CO <sub>2</sub> emissions by FY2010 compared to FY2005	FY2010 CO <sub>2</sub> emissions of 190,000 tons were 47% less than in FY2005	◎
Reduce amount of waste materials	Achieve 30% reduction across all Group Companies in waste for final disposal by FY2010 compared to FY2004	By promoting zero-emission and other activities, FY2010 waste for final disposal amounted to 48 tons, 84% less than in FY2004	◎
	Fulfill responsibilities as a generator of waste by confirming the proper treatment of waste at waste disposal contractors	Visited 24 waste disposal contractors and 4 new contractors to confirm the proper treatment of waste	○
Manage chemical substances properly and reduce amount released into the environment	Achieve 50% reduction in chemical substances released by FY2010 compared to FY2005	Release of PRTR (Pollutant Release and Transfer Register) chemical substances in FY2010 was 12 tons, 73% less than in FY2005	◎
Biodiversity conservation	Assess the impact of operating activities on biodiversity; undertake conservation efforts to preserve biodiversity; promote activities that help contribute to the sustainable use of biologically derived resources	Continued botanicals conservation program through the Takeda Garden for Medicinal Plant Conservation and began environmental education program; moved location for new production site building to maintain greenery	○
Conduct educational programs and awareness campaigns	Reinforce the understanding and awareness of environmental issues among all employees	Increased employees' commitment to the environment by using the employee newsletter and a Company intranet as well as by participating in the Light-Down Campaign (turning off lights at the same time in all buildings on a specific day), and screening environmental education movies, among other actions	○
Community contribution activities	Assist in protecting and improving regional environments by maintaining close communications with local governments and community residents	Promoted communications with community residents through "Environmental Monitors" program around production sites; organized volunteer clean-up program for areas near plants	○
	Make maximal efforts to prevent accidents and preserve the environment while working to gain correct community understanding	Site managers responded promptly to three noise-related complaints and immediately initiated efforts to prevent recurrence	○

Data collection: Osaka Plant, Hikari Plant, Tsukuba Research Center, Shonan Research Center (in terms of CO<sub>2</sub> emissions, Osaka Head Office and Tokyo Head Office are included.)

## Takeda's Major Accident Prevention Policies and Achievements in Fiscal 2010

Theme	Policies	Fiscal 2010 Achievements	Assessment
Improve accident prevention measures	Comply with laws and regulations concerning accident prevention	Complied with laws and regulations relating to accident prevention and safety by keeping all divisions informed and through training	○
	Prevent accidents by using the Manual for Non-Standard Operations and the Accident Prevention Manual	Improved accident prevention measures by reexamining the Manual for Non-Standard Operations and the Accident Prevention Manual to make revisions and establish new rules as necessary	○
	Upgrade manuals on manufacturing process changes in response to earthquake, typhoon or other natural disaster-related damage and other emergency situations to promote safety and prevent any secondary damage or effects	Revised internal earthquake-related accident protection manual and organized related training to promote safety and to prevent any secondary damage or effects	○
	Conduct periodic inspections and maintenance for facilities and pipes, planned replacements of aging facilities and measures to ensure the safety of unused facilities	Inspected aging and unused facilities, determined necessity for replacements, performed replacements as planned and implemented safety measures	○
Reinforce accident prevention measures	Prevent accidents through rigorous static electricity prevention measures and safety checks	Worked on preventing accidents caused by static electricity by confirming the effectiveness of measures through the periodic monitoring of grounding resistance, leakage resistance and the electric potential of charged equipment	○
	Eliminate risks associated with flammable substances and rigorously confirm safety	Improved accident prevention by performing periodic inspections of nitrogen-seal equipment and facilities to confirm the effectiveness of accident-prevention measures	○
	Improve measures for dealing with earthquakes at major facilities and buildings to prevent widespread damage following an earthquake	Rigorously implemented measures to prevent objects from falling over during an earthquake, evaluated the earthquake resistance of major facilities, and undertook planned construction to improve earthquake resistance	○
Improve education and training for accident prevention	Upgrade accident prevention skills and methods through education and drills reflecting the characteristics of each business site and plant, and pass on this knowledge to younger workers in a well-planned manner	Used the Manual for Non-Standard Operations and the Accident Prevention Manual to perform training and drills based on a plan and pass on knowledge to younger workers Conducted experience-based learning for explosion hazards as part of upgrading process safety	○
	Offer guidance to on-site partner companies to help them conduct thorough accident prevention training programs	Conducted accident prevention and safety training programs for all on-site partner companies to prevent any incidents occurring	○

Level of policy achievement: Excellent (◎) Level of policy achievement: Good (○) Level of policy achievement: Poor (△) Level of policy achievement: Negligible (×)

# The Environment

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

## Pharmaceutical Production Division Global EHS Policy and Guidelines

Takeda recognizes that measures for the environment, health and safety (EHS) are of the utmost importance in developing its business. Amid growing worldwide interest in EHS, the Pharmaceutical Production Division is adopting a higher ethical stance and a stronger sense of mission than ever before in active initiatives for the global environment, employee's occupational health and safety, and secure accident-free workplaces, as part of fulfilling its corporate social responsibility. To aid this

effort, the division has formulated the Pharmaceutical Production Division EHS Policy and a set of guidelines to provide concrete criteria for it. The policy and guidelines will be implemented globally.

### Associated Information

→ P.68 Five Basic Policies for Establishment of Our Global Supply Network

## Pharmaceutical Production Division Global EHS Policy

The Pharmaceutical Production Division of Takeda Pharmaceutical Co., Ltd. actively promotes the production, distribution and related operations within and outside of Japan with the highest ethical standards and a strong sense of mission, giving consideration to the global environment as well as occupational health and safety of employees, and disaster prevention in the local communities and production sites. In addition, we are committed to realizing corporate activities based on the corporate philosophy of Takeda, which is to "strive towards better health for patients worldwide through leading innovation in medicine" and Takeda-ism (Integrity = Fairness, honesty and perseverance), and thus fulfill our responsibility.

### Specific items include

1. Compliance with Legal and Other Requirements
2. Continuous Improvement
3. Mitigation of Risks
4. Prevention and Response to Accidents
5. Education and Awareness
6. Communication with Society

## Responsible Care Activities

Responsible Care is an international voluntary program for the sustainable industry to deal with the management of chemical substances, and it is now practiced in 54 countries and regions. 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 since 1995, when the Japan Responsible Care Council was launched.



## Takeda Group's Standard for Environmental Protection and Accident Prevention Work

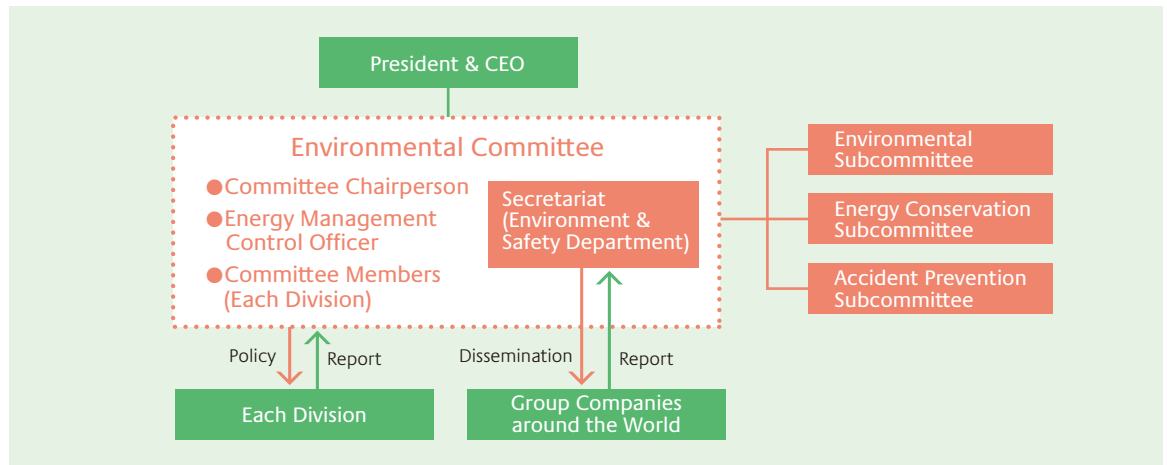
Takeda institutes the "Takeda Group's Standard for Environmental Protection and Accident Prevention Work" as a uniform standard when implementing environmental protection and accident prevention operations at worldwide Group production and research sites. The standard provides detailed operating criteria, including standards for managing chemical substances and accident prevention. It also stipulates management methods that make reference to the ISO 14001 certification—a globally accredited standard for environmental management systems. Takeda conducts an Environmental Protection and Accident Prevention Audit to verify compliance with the standard. Moreover, all production sites in Japan are currently ISO 14001 certified.



## Environment and Safety Management Structure

Takeda has established an Environmental Committee, consisting of managers in charge of environmental activities from each division, to promote our business operations based on the “Basic Principles on the Environment.” 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 managers’ level. Moreover, personnel in charge of environmental activities are appointed at manufacturing plants and research centers, promoting activities based on the medium-term implementation plan, as well as the annual environmental policies. When necessary, the matters deliberated by the Environmental Committee are relayed by the Secretariat to all Group companies around the world.



## Message from Environmental Committee Chairperson

Amid an increased focus on corporate social responsibility (CSR), actively addressing the issues of the environment, energy saving and accident prevention can often lead to growth in corporate value. The onus is on senior and divisional managers to take the initiative by promoting related CSR activities. In fiscal 2010, we revised governance aspects of the Environmental Committee and instituted the Takeda Group Environmental Action Plan as an environmental protection plan for the medium and long term. We also established numerical targets, including a goal to reduce our CO<sub>2</sub> emissions from energy sources by 18% from fiscal 2005 levels by fiscal 2015. We are highly conscious of the importance of environmental management. Going forward, we will actively promote a program of action commensurate with our position as a global pharmaceutical company.

**Toyoji Yoshida**

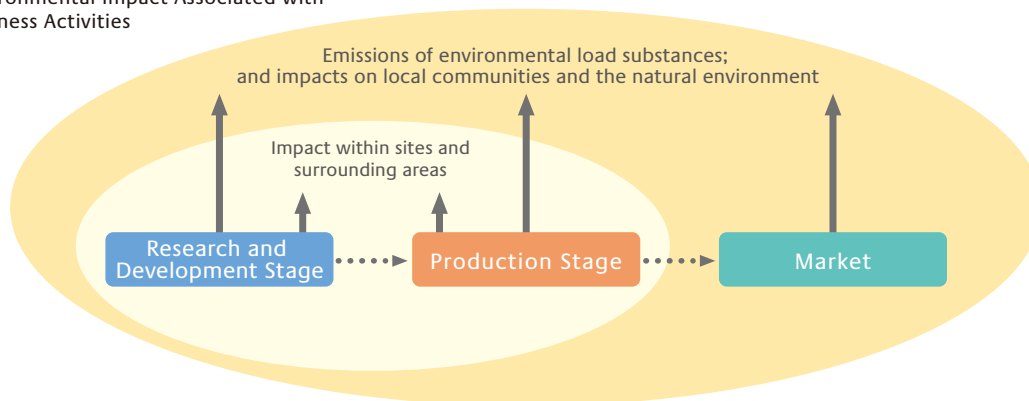
Managing Director and Chairperson of the Environmental Committee



# The Environment

Takeda has been continually implementing efforts to reduce environmental risks based on the “Takeda Group’s Standard for Environmental Protection and Accident Prevention Work.”

Environmental Impact Associated with Business Activities



[Reducing Environmental Risks]

## Fundamental Stance on Reducing Environmental Risks

Takeda is 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. Based on the “Takeda Group’s Standard for Environmental Protection and Accident Prevention Work,” we implement environmental protection and accident prevention procedures at each stage of our operations. In addition, we conduct ongoing environmental protection and accident prevention audits to fully ensure that related measures are being implemented appropriately.

	Issues Related to Environmental Risks Reduction	Measures Addressing Such Issues
Research and Development Stage	<ul style="list-style-type: none"> <li>• Volumes of materials used in pharmaceutical products are less than many consumer chemicals; meaning they are generally considered to have less environmental impacts. However, it is necessary to understand the effect that pharmaceutical products would have on the ecosystem, since they are biologically active agents and concerns about residual agents in the environment have become a significant issue highlighted by the development of analytical technology.</li> <li>• The guidelines on environmental impact assessments for drugs defined by the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA) require provision of data on environmental impact assessments for drugs as well as data concerning efficacy and safety during the new drug application process.</li> </ul>	<ul style="list-style-type: none"> <li>• When preparing to make drug manufacturing approval applications for new products, Takeda carefully follows the guidelines in each country.</li> <li>• Takeda develops new products and new production processes with consideration for the environment. Using an environmental impact assessment checklist, we evaluate the environmental impacts of these products and processes throughout the product life-cycle spanning manufacture, use, and disposal. The assessment covers energy conservation, waste generation, releases of chemical substances and prevention of natural resources depletion.</li> </ul>
Production Stage	<ul style="list-style-type: none"> <li>• The production stage requires the greatest energy consumption and also discharges the most environmentally burdensome substances of all Takeda business activities. Consequently, we focus on measures to reduce environmental risks during this stage.</li> <li>• We accurately assess environmental impacts, including energy usage and waste generation, at global production sites, and take steps to reduce those impacts based on detailed plans for each site.</li> </ul>	<ul style="list-style-type: none"> <li>• Takeda manages chemical substances by ensuring appropriate management of storage for hazardous materials and toxic substances, and maintaining its MSDS (Material Safety Data Sheets). The Company also strives to assess and reduce the amount of chemicals released into the environment. In Japan, the Company reports to the government in line with the PRTR (Pollutant Release and Transfer Register) Law.</li> <li>• To address the global warming issue, Takeda set numerical targets in its 10th Energy Conservation Program as well as promoting energy conservation, and conversion to fuels that emit fewer GHGs.</li> <li>• Formulated “Guidelines for Environmental Consideration in Capital Investments,” initiating efforts to reduce environmental impact from the facility construction stage.</li> <li>• At production bases, we are doing our utmost to control any impact on local communities and the natural environment by implementing accident prevention measures to prepare for incidents during normal operation as well as during emergencies, such as earthquakes or fires.</li> </ul>
Market	<ul style="list-style-type: none"> <li>• We promote recycling of product containers and packaging materials after their administration to patients, while also taking measures to reduce the environmental impacts of business vehicles used for sales activities.</li> </ul>	<ul style="list-style-type: none"> <li>• We strive to ensure appropriate disposal of product containers and packaging materials in accordance with relevant laws and regulations in each country, including the Containers and Packaging Recycling Law.</li> <li>• The ratio of low-emission sales vehicles reached 100% (excluding 4-wheel-drives for use in cold climates). The hybrid vehicle adoption rate was 27%.</li> </ul>

## Environmental Protection and Accident Prevention Audit

If our facilities were to cause any environmental pollution, or if a major accident were to occur, the damage to the surrounding area could be immeasurable. With this in mind, Takeda implements group-wide environmental protection and accident prevention audits, which are designed to ensure thorough risk management and risk assessment by internal specialists. Furthermore, an internal audit is conducted at all of our production/research sites to verify compatibility with the “Takeda Group’s Standard for Environmental Protection and Accident Prevention Work.”

The environmental protection and accident prevention audit is conducted over a number of days during visits to each operating site by personnel charged with the audit. Prior to the visits, they assess the standard-format questionnaires submitted by each operating site. Problems highlighted through the audit are followed up thoroughly, and a progress report providing details of countermeasures is mandatory. In addition, the audit results are detailed in the audit report, which is issued to management.

In fiscal 2010, environmental protection and accident prevention audits were implemented at five sites in Japan and four sites overseas, including affiliated companies. No critical problem was identified as a result of the audits.



Environmental protection and accident prevention audit at Takeda Ireland Limited

### Items to be audited in the environmental protection and accident prevention audit

#### 1. System audit

- Environmental protection and accident prevention management
- Compliance assessments
- Waste
- Management of chemical substances
- Soil and groundwater contamination
- Equipment maintenance
- Accident prevention measures for manufacturing processes
- Antiearthquake measures
- Education and training
- Evaluation on progress of the corrective action plans provided at the previous audit

#### 2. Process audit

- Overall
- Environmental aspect
- Accident prevention aspect

### Business sites audited in the environmental protection and accident prevention

#### ■ In Japan

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

#### ■ Outside Japan

Millennium Pharmaceuticals, Inc./Takeda San Diego, Inc./Takeda Ireland Limited (Bray and Grange Castle)

### Business sites audited in the environmental protection and accident prevention audit

#### ■ In Japan

Takeda Pharmaceutical Company Limited (Osaka Plant, Hikari Plant and Tsukuba Research Center)/Nihon Pharmaceutical Co., Ltd. (Narita Plant and Osaka Plant)/Takeda Healthcare Products Co., Ltd., Wako Pure Chemical Industries, Ltd. (Tokyo Plant, Aichi Plant, Mie Plant, Osaka Plant and Harima Plant)/Mizusawa Industrial Chemicals, Ltd. (Mizusawa Plant and Nakajo Plant)/Daiwa Special Glass Co., Ltd. (Ichijima Plant and Niitaka Plant)

#### ■ Outside Japan

Takeda San Diego, Inc./Takeda Italia Farmaceutici S.p.A/Takeda Ireland Limited (Bray and Grange Castle)/Tianjin Takeda Pharmaceuticals Co., Ltd./P.T. Takeda Indonesia/Millennium Pharmaceuticals, Inc./Takeda San Francisco, Inc.



## Takeda’s Voice

At Takeda Ireland Limited (Bray) we are committed to becoming a Best in Class pharmaceutical plant. This vision includes the elimination of all “Lost Time Accidents” by 2013 and the ongoing reduction in our carbon footprint by reducing energy consumption and waste. TIL is vigorously pursuing several programs to achieve this vision including a Behavioral Accident Prevention Process, Risk Assessment of all on-site activities, optimizing energy consumption as well as projects to reduce paper and water usage. We are demonstrating Passion and Commitment to our vision, and I am confident we can make significant progress in these areas in the coming years.

**Paul Blunnie**, Senior Director, Drug Product Operations, Takeda Ireland Limited

Preventing accidents and protecting the environment with a broad array of programs.

## Accident Prevention Initiatives

Takeda formulates its “Policies on Accident Prevention” each fiscal year. All operating sites establish an action plan based on the policies 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. Static electricity, which often builds up and discharges during the dry winter season, can create explosions and fires by igniting flammable gases and dust in facilities. This is why we are constantly working on eliminating the risks posed by static electricity in all production processes and machinery.

### Countermeasures against Static Electricity

- Earthing and bonding of facilities
- Measurement of electric 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 “Accident Prevention Manual” and upgraded our “Manual for Non-Standard Operations.” We use both manuals for training and drills. These manuals are also vital to passing on accident prevention and response techniques to younger 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 Takeda 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 determine the physical characteristics of our drugs and use manufacturing processes appropriate to those properties. For this reason, Takeda implements safety assessments of processes for manufacturing both drug substances and pharmaceutical products from the initial stages of research and development, and discusses the assessments in a Process Safety Committee to ensure complete safety.

We also conduct thorough accident and disaster prevention measures when carrying out large-scale construction work at business sites. This includes meticulous safety management and the sharing of safety information with cooperating companies.

### Risk Assessment of Candidate Compounds and Processes

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

## Earthquake Countermeasures

Protecting production equipment from earthquakes is another priority. When a tremor above a certain magnitude occurs, sensors on key machineries transmit a signal that activates emergency shut-off valves. By stopping the supply of gas, oil and other fuels, this system prevents fires and other secondary disasters following an earthquake.

## Impact of the Great East Japan Earthquake and Takeda’s Response

Since Takeda’s main plants in Japan are located in Yamaguchi and Osaka prefectures in western Japan, they were not directly damaged by the Great East Japan Earthquake. At the Tsukuba Research Center, some buildings and laboratory equipment were damaged, but there was no impact on the surrounding environment. The Shonan Research Center was built using the latest earthquake-proof and seismic-isolation technologies to withstand an earthquake that has been predicted for the Tokai region. As a result, there was no impact on the environment around the Shonan Research Center either.

The Takeda Group makes continued efforts on earthquake countermeasures. We are now reviewing our disaster preparedness measures, including those for tsunamis, to reflect the lessons learned in the recent disaster.

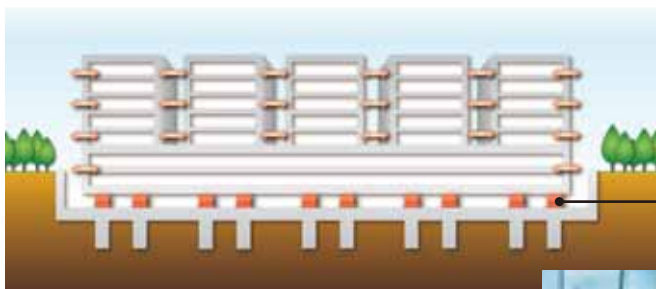


Joint disaster drills at the Hikari Plant with the Hikari Fire Department

## Accident prevention and safety measures at the Shonan Research Center

Completed in February 2011, the Shonan Research Center was designed to be kind to both human health and the environment. An environmental impact assessment (EIA) was conducted during construction in accordance with Kanagawa Prefecture's EIA regulations.

Based on a full risk assessment, the accident prevention and safety plan for the facility includes appropriate preventive steps and a range of specific risk-mitigation measures to deal with circumstances relating to building and equipment defects, human error, earthquake damage and other potential risks. Plans call for appropriate site disaster prevention and safety systems to be instituted in consultation with local fire and police departments, as well as training for employees and installation of safety equipment. An objective system to evaluate safety of the facility and operations, including an independent third-party review, is being considered.



Seismic Isolation Structure



Seismic Isolator

For detailed information about the Shonan Research Center, see the following website:

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

### Basic policy on preventive safety measures (facilities and equipment)

- The building complex employs a seismic isolation structure with pile foundations driven into the basal sandstone rock. This robust structural design ensures the facility can withstand earthquakes of up to 7 on the seven-point Japanese seismic intensity scale.
- The laboratory equipment and facilities at the center are safety-tested to ensure that they are suitable for any anticipated hazards from research-related materials and equipment and machinery.

### Basic policy on preventive safety measures (systems and rules)

- Rules and standard operating procedures (SOPs) have been created for all laboratory functions in compliance with the relevant health and safety laws and regulations, and tested.
- Researchers working at the center must first receive safety training based on the level of projected hazards from operating equipment or working in the laboratories to ensure safety.

### Basic policy on accident and emergency measures

- Takeda has instituted internal rules relating to accident and emergency safety response measures in line with the relevant laws and regulations governing research facilities that handle live animals, radioactive isotopes and biological materials. These rules also specify measures to prevent any damage or leakage from spreading beyond the original location.



## Takeda's Voice

The group formed to oversee environmental and occupational health and safety issues for the Shonan Research Center aims to manage these thoroughly and appropriately to protect the state-of-the-art equipment and facilities as well as the systems and rules. By maintaining and upgrading facilities and equipment, and raising awareness of the environment and occupational health and safety among site researchers, we pursue to reduce environmental impact and prevent research stoppages due to accidents or disasters. This will help to make our drug-discovery research more efficient.

**Shohei Hashiguchi, Ph.D.**

Director, Environment, Health & Safety, Research Administration Dept.,  
Pharmaceutical Research Div.



# The Environment

Since 1974 Takeda has systematically implemented energy conservation measures that help reduce CO<sub>2</sub> emissions. We 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 more than three decades 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\*, and other means.

\* The Carbon Disclosure Project (CDP) requires companies around the world to publicize their strategies for dealing with climate change and their GHG emissions.

## Setting Medium-Term Targets

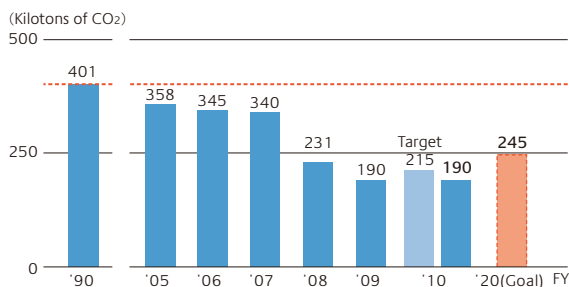
The Takeda Group Environmental Action Plan sets the following numerical targets for the Group production and research sites worldwide.

- Reduce CO<sub>2</sub> emissions from energy sources by 18% from fiscal 2005 levels by fiscal 2015  
For Takeda, the parent company, the plan's numerical targets are as follows:
- Reduce CO<sub>2</sub> emissions from energy sources by 30% from fiscal 1990 levels by fiscal 2015
- Reduce CO<sub>2</sub> emissions from energy sources by 40% from fiscal 1990 levels by fiscal 2020

Takeda Group's CO<sub>2</sub> Emissions in Fiscal 2010

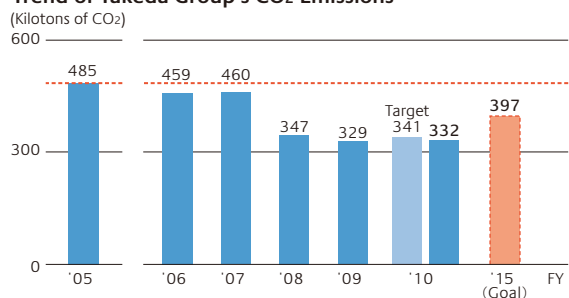
**332 kilotons**  
(31.6% down from fiscal 2005 level)

## Trend of Takeda's CO<sub>2</sub> Emissions



Data collection sites: Osaka Plant, Hikari Plant, Tsukuba Research Center, Osaka Head Office and Tokyo Head Office

## Trend of Takeda Group's CO<sub>2</sub> Emissions



Data collection sites: global production and research sites of the Takeda Group

## Calculation Method

### CO<sub>2</sub> emissions

CO<sub>2</sub> emissions refer to direct emissions generated by combustion of fossil fuels and indirect emissions from electricity use.

### CO<sub>2</sub> emissions factor

Japanese records are calculated based on the "Law Concerning the Rational Use of Energy," and the CO<sub>2</sub> emissions factor for purchased electricity is (0.000555 t-CO<sub>2</sub>/kWh)—the default value for 2005 when the 9th Energy Conservation Program was formulated. The CO<sub>2</sub> emissions factor for electricity purchased outside Japan is based on country-specific factors stipulated in the GHG Protocol.



## Results for Fiscal 2010

In fiscal 2010, the final year of Takeda's "9th Energy Conservation Program," the Company's CO<sub>2</sub> emissions were 190 kilotons. This represents a 47% reduction from fiscal 2005 levels, surpassing the 40% reduction target in the program. For the Group as a whole, CO<sub>2</sub> emissions were 332 kilotons, a 32% reduction from fiscal 2005 levels. Here again, we beat our target of a 30% reduction. Takeda has formulated a "10th Energy Conservation Program" to cover fiscal 2010 through fiscal 2012, and is already working to achieve its new targets. Looking ahead, plans call for operations at the Shonan Research Center to move into full swing and bolstering facilities at plants, which will invariably lead to an increase in energy usage. However, by promoting energy-saving activities in which all employees participate, we will work to limit the increase in energy usage as much as possible.

## GHG Emission Verification

In fiscal 2010, CO<sub>2</sub> emissions at our Osaka Plant were verified by a third party to confirm the correctness of our method for calculating emissions. We have also had a third party verify emissions at our Hikari Plant, and we have accurately ascertained our CO<sub>2</sub> emissions here and at other business sites where we use the same calculation method.

## Use of alternative fuels and renewable energy sources at production sites

Takeda's Hikari Plant has made a substantial reduction in CO<sub>2</sub> emissions since switching from fuel oil to town gas in fiscal 2008. This achievement gained the site an excellence award for global warming countermeasures from Yamaguchi Prefecture in fiscal 2010. Tianjin Takeda Pharmaceuticals Co., Ltd. switched fuels from coal to town gas at its production site in fiscal 2009. Takeda Italia Farmaceutici S.p.A. installed solar power generation facilities at the Cerano Plant in fiscal 2009.

## 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 the "Cool Biz" 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), and in fiscal 2009 we purchased 50 electric vehicles for use in sales activities in the Tokyo and Kanagawa areas. We are now also reducing the ratio of gasoline vehicles by replacing them with hybrid vehicles. The hybrid vehicle adoption rate was 27%.

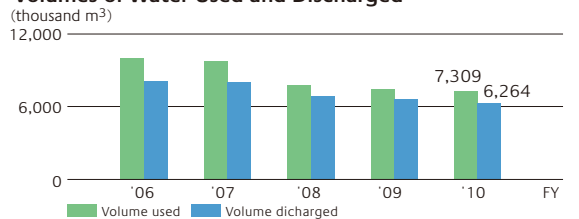
Various technologies to curb CO<sub>2</sub> emissions were utilized at the Shonan Research Center that was completed in February 2011. The Ministry of Land, Infrastructure, Transport and Tourism selected it as a Model Project for Promoting CO<sub>2</sub> Reduction in Residential and Other Buildings.

## [Water Resources Conservation Initiatives]

### Reducing Water Use

All Takeda Group production and research facilities in Japan and other countries are taking steps to reduce water consumption, including the introduction of equipment using recycled water. While we do not see water scarcity as a serious risk at any Takeda Group business site, we do recognize that Tianjin Takeda Pharmaceuticals Co., Ltd. operates in an area where there is a potential risk of water scarcity.

### Volumes of Water Used and Discharged



Data collection sites: Takeda Group production and research sites worldwide



## Takeda's Voice

At Takeda, we believe that it is our duty as a global corporate citizen to try to reduce GHG emissions at all stages of our operations from materials procurement and manufacturing to distribution and disposal. We are working towards goals of emission reduction by the parent company relative to fiscal 1990 levels of 30% by fiscal 2015 and of 40% by fiscal 2020. This means promoting the installation of new, highly energy-efficient equipment and consistently upgrading our program of energy-saving measures.

**Kazunori Watanabe**

Chairperson Energy Conservation Subcommittee/Senior Director,  
Environment, Health, Safety & Utility Supply Dept., Pharmaceutical Production Div.

# The Environment

Takeda has long focused on biodiversity conservation and contributed in many ways over the years.

## [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, which include the international regime on Access and Benefit-Sharing (ABS)\* for genetic resources.

\* ABS is an international framework to ensure that the benefits from using genetic resources of plants and microorganisms to develop drugs and health food products are shared fairly and in a balanced way among countries that supply the genetic resources.

### Initiatives for Sustainable Use of Biological Resources

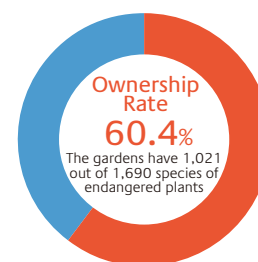
Takeda uses biological resources as ingredients for products and indirectly utilizes these resources in its R&D activities. They are used as ingredients in Chinese and other herbal medicines, which are over-the-counter drugs. Most of these ingredients are from cultivated plants but some are sourced from wild plants. We are currently studying the feasibility of switching to cultivated plants in order to ensure stable procurement, which should help protect biodiversity. When using genetic resources in R&D activities we conduct activities with sufficient consideration given to the Convention on Biological Diversity. We will continue to conduct our operations in a sincere manner that reflects concern for biodiversity issues while deepening cooperative relationships with partners on a global scale.

Sources of Herbal Drugs	FY2008	FY2009	FY2010
Percentage of Wild Plants (based on volume)	21.0%	20.8%	20.3%

### Takeda Garden for Medicinal Plant Conservation (Kyoto)

For over 75 years, the garden has continued to research plants with medicinal properties, and helped to preserve endangered species.

Since its establishment in 1933, 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 more than 2,400 species of rare plants. The garden also stores over 500 varieties of seed at low temperatures (-10 to +5°C) for use in future research.



**Ownership Rate for Endangered Plant Species at Japanese Botanical Gardens (Fiscal 2010)**

In 2002, the Sixth Conference of the Parties to the Convention on Biological Diversity (CBD/COP6) set a 2010 target of protecting 60% of threatened plant species in accessible ex situ collections, preferably in the country of origin. In response, the World Botanic Gardens Congress established the goal of holding 50% of endangered plant species at botanical gardens in the each plant's country of origin by 2010. The Japan Association of Botanic Gardens addressed this issue by establishing a network of botanical garden centers to protect botanical diversity. By fiscal 2010, this association had 60.4%, or 1,021, of the endangered plant species in Japan.

As part of this network of botanical garden centers, Takeda Garden for Medicinal Plant Conservation (Kyoto)

### Objectives of the Convention on Biological Diversity

- ① Conservation of biological diversity
- ② Sustainable use of the components of biological diversity
- ③ Fair and equitable sharing of benefits from the utilization of genetic resources (ABS)

### Takeda's Policy for Biodiversity (Environmental Policy)

#### Biodiversity Activities at Takeda

Research and development	Reflect biodiversity issues when using the library
Procurement	Include biodiversity in the Guidelines for Socially Responsible Purchasing Consider raising the proportion of cultivated ingredients used in herbal drugs
Production	Reduce environmental burden from production activities
Takeda Garden for Medicinal Plant Conservation (Kyoto)	Preserve threatened plant species with emphasis on herbal plants



**Examples of endangered plants preserved at Takeda Garden for Medicinal Plant Conservation (Kyoto)**



Lithospermum erythrorhizon



Euyale ferox

has contributed to these activities. The garden currently has 96 endangered plant species, including 65 varieties of herbal plants. Activities to collect more endangered species continue with the goal of increasing the number to 100. In fiscal 2009, the garden led a project to complete a list of rare plant species at all herbal gardens in Japan. This list allows botanical gardens to share their rare plant species and collaborate in other ways too.

**Supporting Environmental Education**

Upgrading work started at the Takeda Garden for Medicinal Plant Conservation (Kyoto) in its 75th anniversary year. New administrative and research buildings were completed in October 2010 to support the preservation of medicinal plant species and related education programs. Pharmacy-related internship programs are now being designed and established.

As a new activity, we are promoting measures in support of environmental education for children. In April 2011, Takeda Garden for Medicinal Plant Conservation (Kyoto) launched a Fun with Nature Program for students of a local elementary school and their guardians. We plan to run this activity six times through to December 2011, allowing participants to try raising and harvesting cotton or sesame, and various other programs.



Fun with Nature Program

**Selected for the 100 cases of green space of enterprise to contribute to biodiversity**

Takeda Garden for Medicinal Plant Conservation (Kyoto) was selected for the 100 cases of green space of enterprise to contribute to biodiversity, which was created by the Urban Green Space Development Foundation. This award recognizes outstanding examples of corporate efforts to protect, create and use plants in their immediate surroundings. It was awarded on May 22, 2010, which is the International Day for Biological Diversity.



Central Garden



Office and conference wings at Takeda Garden for Medicinal Plant Conservation (Kyoto)



The conference room built using environmentally-conscious materials

For detailed information about the Takeda Garden for Medicinal Plant Conservation (Kyoto), see the following website:

<http://www.takeda.co.jp/kyoto/english/>

We are working actively to reduce waste to create a recycling society.

## [Waste Reduction]

### Fundamental Stance Regarding Waste Reduction

The fundamental stance of the Takeda Group 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 operating sites and promoting off-site recycling. We aim to contribute to creating a sound material-cycle society through such efforts.

### Start of the 5th Waste-Reduction Program



Campaign to re-use office supplies (Osaka Plant)

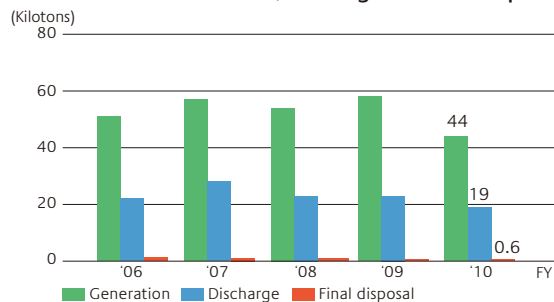
Takeda has been continually promoting waste-reduction activities since fiscal 1993. The 4th Waste-Reduction Program, which commenced in fiscal 2006, aimed to reduce the amount of industrial (hazardous) and general (non-hazardous) waste for final disposal by 30% (20% at Group production and research sites in Japan) compared to the fiscal 2004 level by fiscal 2010. Takeda achieved this target two years ahead of schedule in fiscal 2008.

Takeda's amount of waste for final disposal in fiscal 2010 came to 48 tons, an 84% decrease from fiscal 2004, and the amount for final disposal for the Takeda Group in Japan was 523 tons, down 51% compared with fiscal 2004. Under the 5th Waste-Reduction Program, our new target from fiscal 2011 is to keep our amount of waste for final disposal in fiscal 2015 at or below the fiscal 2010 level.

#### Takeda's Achievement on Waste Reduction in Fiscal 2010

**84% decrease** compared to the fiscal 2004 level (amount of waste for final disposal: 48 tons)

#### Trends in Waste Generation, Discharge and Final Disposal



Data collection sites: Global production and research sites of the Takeda Group

Waste: The total sum of industrial (hazardous) and general (non-hazardous) waste and valuable resources

### We aim to expand our Reuse activities through the use of "Net Sharing System (The EARTH)."

Net Sharing System (The EARTH) is a system for facilitating intranet-based sharing within the Takeda organization of consumables such as office supplies and fixtures, and equipment used in production and analysis to help minimize related inventory levels. It was introduced in June 2010 to help promote Reuse activities. During the period to March 2011, the system enabled the reuse of more than 5,000 items such as work uniforms, filing cabinets and office consumables through 686 transactions. Points were awarded for each transaction and converted into a monetary value, a portion of which was donated to the Disaster Relief Volunteer & NPO Support Fund of Red Feather Central Community Chest of Japan, a fund supporting NPO voluntary activities for the benefit of Great East Japan Earthquake recovery efforts.



### Takeda Receives the Health, Labour and Welfare Minister's Award for Achievement in Promoting "Reduce, Reuse, Recycle" Activities for Fiscal 2010

This award was established by the 3R Promotion Association in 1992 with the aim of advancing the creation of a resource-recycling society. Takeda received the award in recognition of the zero-emission activities it has implemented since fiscal 2007 at the Osaka and Hikari plants. Both plants attained their targets in fiscal 2009, one year ahead of the schedule. Takeda will continue to promote 3R (reduce, reuse, recycle) activities in its operations.

	Fiscal 2010 target	Fiscal 2010 result
Percentage sent for final disposal in landfill	0.5% or less	0.05%
Amount sent directly to landfill	0	0
Percentage recycled	90% or more	92.5%
Recycling rate*	99% or more	99.9%

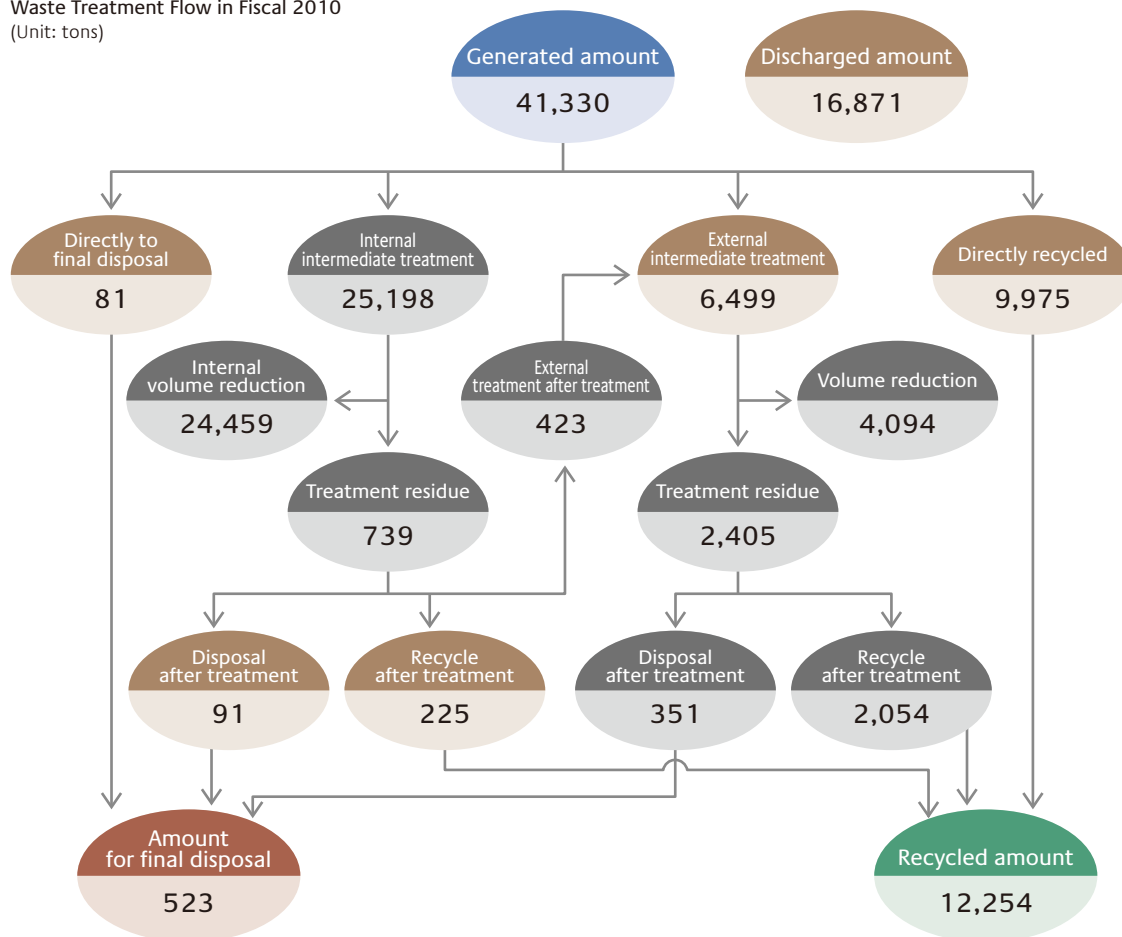
\* Recycling rate = Recycled waste / (Final amount sent to landfills + Recycled waste)



Award ceremony for achievement in promoting reduce, reuse and recycle (3R) activities



Waste Treatment Flow in Fiscal 2010  
(Unit: tons)



Waste Product Breakdown and Amounts

(Unit: tons)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Sludge	12,029	17,119	24,189	28,224	21,513
Waste oil	7,258	9,594	9,609	10,905	5,337
Waste acid/waste alkali	24,539	22,239	12,313	10,875	9,970
Waste plastics	582	776	694	690	754
Metal scrap	737	738	746	708	645
Glass and ceramics	990	990	1,162	923	875
Other industrial waste	1,947	1,906	1,792	1,698	1,636
General waste	1,250	1,043	872	741	600
<b>Total</b>	<b>49,332</b>	<b>54,406</b>	<b>51,378</b>	<b>54,763</b>	<b>41,330</b>

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

# The Environment

We are working to reduce releases of chemical substances and taking steps to protect the quality of air and water across the Group.

[Reduction in Releases of Chemical Substances]

## Fundamental Stance Regarding Management of Chemical Substances

Takeda aims to reduce releases of the substances subject to the Pollutant Release and Transfer Register (PRTR) scheme into the atmosphere by 50% in fiscal 2010, compared to fiscal 2005. We have been working to appropriately manage chemical substances, which we use in relatively large amounts, prioritizing them in our release-reduction efforts.

We are also 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 aim to remove materials properly and systematically in full compliance with laws and regulations.

## Emissions and Moved Volumes of PRTR-Designated Substances

In fiscal 2010, Takeda handled 10 substances subject to notification under the PRTR scheme. Releases into the atmosphere came to 12 tons, a 73% decrease from 44 tons in fiscal 2005 that met our target. Overall, the

Reduction in Releases of PRTR Substances in Fiscal 2010  
(Takeda Group)

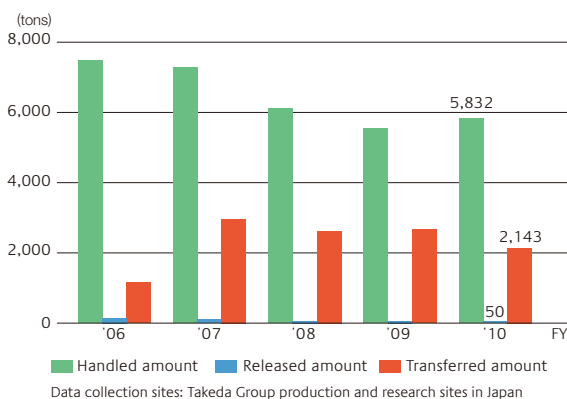
**6% down** from fiscal 2009 level  
(PRTR substance releases: 50 tons)

Takeda Group in Japan handled 78 PRTR-regulated substances, with emissions of 50 tons, a year-on-year reduction of 6%; 48 tons were released into the atmosphere, a year-on-year reduction of 6%. Takeda will continue to take steps to reduce environmental risks posed by chemical substances, based on risk assessments.

## Reducing Formaldehyde

Formaldehyde is used as a fumigant at drug formulation facilities. To mitigate the environmental and occupational health and safety risks at our plants, we are working to reduce formaldehyde use through the adoption of alternatives.

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



Totals for PRTR-Designated Substance Data (April 2010 to March 2011)

(Unit: tons)

Substance	Releases				Transfers		
	Air emission	Water bodies	Land	Total	POTWs	Waste	Total
Toluene	18.4	0.0	0.0	18.4	0.0	112	112
1,2-Dichloroethane	8.6	0.0	0.0	8.6	0.0	1.2	1.2
Dichloromethane	7.9	0.0	0.0	7.9	0.0	49.9	49.9
Acetonitrile	6.2	0.0	0.0	6.2	0.07	112	112
n-Hexane	2.7	0.0	0.0	2.7	0.05	55.3	55.4
Formaldehyde	1.2	0.2	0.0	1.5	0.0	0.0	0.0
Triethylamine	1.4	0.0	0.0	1.4	0.0	30.6	30.6
Zinc compound(water-soluble)	0.0	1.2	0.0	1.2	0.0	0.0	0.0

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

## [Air, Water, and Soil Quality Protection]

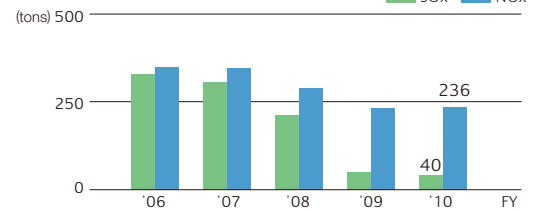
### Fundamental Stance Regarding Air, Water, and Soil Quality Protection

At each of its Group company operating sites around the world, Takeda has established in-house standards more stringent than those required by laws, local government regulations, and regional agreements, in an effort to reduce NOx, SOx, and dust emissions, and COD discharges. When a measurement exceeding the level of the in-house standard emerges in regular monitoring, we immediately determine and rectify the causes to prevent any problem occurring in line with the Takeda Group's Standard for Environmental Protection and Accident Prevention Work. We also regularly check for excessive noise and unpleasant odors, and work to ensure that our activities do not impact on the lives of our neighbors or the surrounding environment.

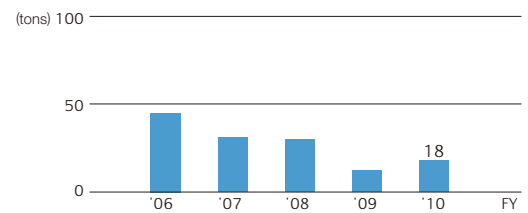
### Measures to Prevent Pollution

Based on our "Countermeasure Guidelines for Soil and Groundwater Contamination," we are working to prevent contamination of soil and groundwater at Takeda Group sites. Groundwater monitoring is conducted at all sites periodically and we have confirmed no problems. Some soil contamination was detected at the Hikari Plant in fiscal 2010, but it was determined not to pose a threat to surrounding areas. Soil remediation measures were duly conducted in accordance with internal policy guidelines.

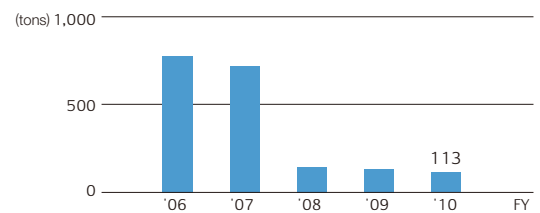
### SOx Emissions / NOx Emissions



### Dust Emissions



### COD Discharges



The Hikari Plant uses a sophisticated management system to protect water and air quality, ensuring harmony with the beautiful nature of the nearby Setonaikai National Park.

# The Environment

We are working to protect the environment around production and research facilities, as well as promoting interaction with local residents.

[Environmental Communication]

## Activities in Japan

### ■ Osaka Plant

The Osaka Plant is proactive in running clean-up activities, and also participated in the Clean Osaka 2010 campaign 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. Furthermore, we are conducting various measures to promote greater environmental awareness among employees, including showing movies with environmental protection themes.

### ■ Hikari Plant

The Hikari Plant conducts ongoing volunteer clean-up activities around the plant. Furthermore, in fiscal 2010 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 discuss matters of mutual interests.

### ■ Shonan Research Center

Located between Fujisawa and Kamakura in Kanagawa Prefecture, the Shonan Research Center was completed in February 2011 in line with the design concept of “a laboratory nestled in a forest.” The site features rich greenery and varied CO<sub>2</sub> emissions-reduction installations. Clean-up volunteer programs within the local area have also been initiated.

Regular community forums are being held



Pamphlet introducing the Shonan Research Center

to gain the understanding of local residents and to exchange opinions on local environmental needs. Takeda has actively disclosed a range of information about the facility via company pamphlets and its corporate website.



We participated in the Clean Osaka 2010 campaign (Osaka Plant)



Volunteer clean-up (Osaka Plant)



The Summer Evening Party is an opportunity for local residents and employees to mix (Osaka Plant)



Screening of an environment-related movie (Osaka Plant)



The Takeda Summer Festival (Hikari Plant)



Employee volunteers clean up around the plant (Hikari Plant)



Employee volunteers clean up around the facility (Shonan Research Center)





## Programs in Other Countries

### ■ Takeda Ireland Limited (TIL)

On May 22 (World Biodiversity Day), TIL organized an exhibition with a range of visual images to highlight the importance of the biodiversity that supports human existence and industrial activity on our planet.



This activity educated people about biodiversity (Takeda Ireland Limited)

### ■ Takeda San Diego, Inc. (TSD)

On June 5 (World Environment Day), TSD used this UN-designated day for a range of environmental beautification activities, including voluntary clean-up activities in the vicinity and tree planting in local parklands.



Environmental beautification activities were held on World Environment Day (Takeda San Diego, Inc.)

### [Environmental Monitors]

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



Takeda runs plant tours for Environmental Monitors (Osaka Plant)

### [Environmental Accounting]

Takeda has been monitoring and supervising environmental protection investments and expenditures since fiscal 1980. The table on the right shows the costs in business areas for the Takeda Group in Japan, upstream and downstream costs, and the cost of administrative activities. In fiscal 2010, environmental protection investments totaled ¥729 million and expenditures were ¥2,644 million. Upgrading and replacing aging environmental protection equipment accounted for the majority of the investments. In addition, there were about ¥2,400 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 ¥102 million.

#### Environmental Protection Costs

Category	(Million yen)	
	Investments	Expenditures
Business area costs	Pollution prevention	380 805
	Environmental protection	92 149
	Resources recycling	244 1,042
Upstream and downstream costs	—	32
Administrative costs	13	616
<b>Total</b>	<b>729</b>	<b>2,644</b>

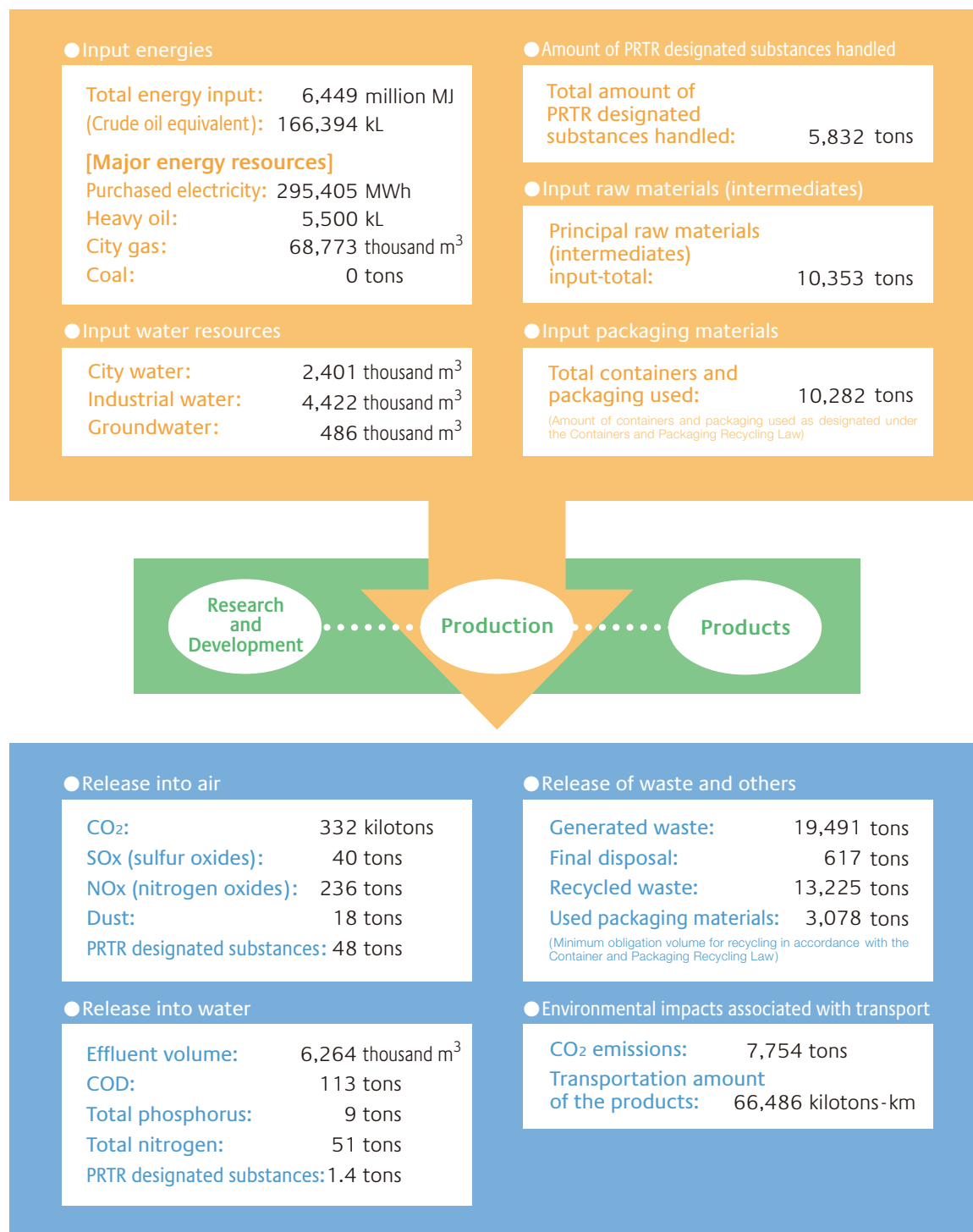
- Data collection period: April 1, 2010 to March 31, 2011
- Data collection sites: Takeda Group production and research sites in Japan
- Reference guidelines: The Ministry of the Environment's 2005 Environmental Accounting Guidelines, The Japan Chemical Industry Association's Environmental Accounting Guidelines for Chemical Companies



# The Environment

We prioritize controlling environmental impacts during the production process, 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, 2010 to March 31, 2011

Data collection sites: Global production and research sites. However, in regard to the PRTR designated substances, total phosphorus, total nitrogen and environmental impacts associated with transport, production and research sites in Japan only. Input raw materials (intermediates) refers to Takeda's production sites.

[Message from the Sites]

## Takeda's Voice

### ■ Millennium Pharmaceuticals, Inc.



Millennium is located in the heart of Cambridge, Massachusetts, not far from the Charles River, and surrounded by many neighborhood parks. The natural environment around our campus has been developed to reflect the marshlands that were here many centuries ago; indigenous trees, tall grasses, and various shrubs remind us every day of how important it is for us to do all that we can to minimize our environmental impact. At Millennium, we do this through strict adherence to handling procedures that help reduce our air and water emissions, active waste and natural resource minimization efforts around the company, and our Sustainability Initiative, called "Evergreen," which has championed alternative employee transportation options, improved energy conservation, and a robust recycling effort.

**Cathy Guise**  
Sr. Director, Environmental Health and Safety Department

### ■ Takeda Italia Farmaceutici S.p.A



The Takeda Italia Farmaceutici factory in Cerano stands at the edge of the Ticino Valley Natural Park, an area of almost 100,000 hectares that contains protected species of plants and animals. We have always been committed to preserving this area. Over the last few years, the factory's considerable growth in production has always been matched by a desire to respect the environment, in order to guarantee a cleaner world for future generations.

We seek to reduce energy consumption by working on the production plants, using electrical energy produced by our photovoltaic plant, and, for the electricity we have to purchase from the market, using energy obtained exclusively from renewable sources. We undertake to minimize the amount of waste produced by seeking to recycle as much as possible, and by creating a greater awareness among all of our staff.

**Pierfelice Ferrari**  
Plant Director, Cerano Plant

### ■ P.T. Takeda Indonesia



Water is very important for our lives, and of course for our earth. As we know, the human body consists mostly of water.

As industry increases, availability of ground water is decreasing in our environment. This not only makes it difficult for humans to get ground water, but it can make salt water from the sea come into the land, and this of course will be a major problem for humans and the environment in the future.

In order to reduce water usage, here in our plant (P.T. Takeda Indonesia) we plan to reuse water ejected from our Purified Water Plant (PW) for general purposes such as, in the pantry, toilet, and so forth. This measure will save around 400 liters of water consumption every hour.

**Sulaiman**  
Engineering Manager

# The Environment

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

[Site Data]

## Totals for Production and Research Sites of Takeda Pharmaceutical Company Limited

Amount of Resources Used			Environmental Impacts			
Total energy input	3,681	million MJ	CO <sub>2</sub> emissions	186,363 tons	Dust	5 tons
[Main energy resources]			Waste generation	8,724 tons	COD	89 tons
Purchased electricity	142,256	MWh	Waste discharge	5,233 tons	Total phosphorus	7 tons
Heavy oil	1,788	kL	Final disposal	48 tons	Total nitrogen	49 tons
City gas	48,592	thousand m <sup>3</sup>	SOx	7 tons		
Coal	0	tons	NOx	123 tons		
Water	4,712	thousand m <sup>3</sup>				

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

Amount of Resources Used			Environmental Impacts			
Total energy input	1,702	million MJ	CO <sub>2</sub> emissions	89,314 tons	Dust	12 tons
[Main energy resources]			Waste generation	32,606 tons	COD	13 tons
Purchased electricity	85,656	MWh	Waste discharge	11,638 tons	Total phosphorus	1 tons
Heavy oil	3,712	kL	Final disposal	475 tons	Total nitrogen	2 tons
City gas	11,208	thousand m <sup>3</sup>	SOx	31 tons		
Coal	0	tons	NOx	98 tons		
Water	2,320	thousand m <sup>3</sup>				

## Totals for Takeda Group Production and Research Sites Outside of Japan

Amount of Resources Used			Environmental Impacts			
Total energy input	1,066	million MJ	CO <sub>2</sub> emissions	56,211 tons	Dust	1 tons
[Main energy resources]			Waste generation	2,620 tons	COD	11 tons
Purchased electricity	67,493	MWh	Waste discharge	2,620 tons		
Heavy oil	0	kL	Final disposal	94 tons		
City gas	8,932	thousand m <sup>3</sup>	SOx	2 tons		
Coal	0	tons	NOx	15 tons		
Water	278	thousand m <sup>3</sup>				

## Site Data for Takeda Pharmaceutical Company Limited

### ■Osaka Plant

Amount of Resources Used			Environmental Impacts			
Total energy input	1,599	million MJ	CO <sub>2</sub> emissions	84,743 tons	Dust	0.3 tons
[Main energy resources]			Waste generation	1,875 tons	COD	26 tons
Purchased electricity	98,921	MWh	Waste discharge	1,810 tons	BOD	46 tons
Heavy oil	0	kL	Final disposal	20 tons	Total phosphorus	2 tons
City gas	13,877	thousand m <sup>3</sup>	SOx	0.2 tons	Total nitrogen	9 tons
Coal	0	tons	NOx	17 tons		
Water	1,506	thousand m <sup>3</sup>				

PRTR Data (Unit: tons)	Releases				Transfers		
	Air emission	Water bodies	Land	Total	POTWs	Waste	Total
Acetonitrile	0.31	0	0	0.31	0.048	20	20
Dichloromethane	0.021	0	0	0.021	0.0001	1.0	1.0
Toluene	0.044	0	0	0.044	0	4.4	4.4
n-Hexane	0.49	0	0	0.49	0	32	32
Dioxins (mg-TEQ)	0.0011	0	0	0.0011	0	0.59	0.59

## ■ Hikari Plant

### Amount of Resources Used

<b>Total energy input</b>	<b>1,717</b>	<b>million MJ</b>
[Main energy resources]		
Purchased electricity	27,675	MWh
Heavy oil	1,761	kL
City gas	29,960	thousand m <sup>3</sup>
Coal	0	tons
Water	3,086	thousand m <sup>3</sup>

### Environmental Impacts

CO <sub>2</sub> emissions	82,626 tons	Dust	4 tons
Waste generation	6,618 tons	COD	63 tons
Waste discharge	3,196 tons	Total phosphorus	5 tons
Final disposal	0.1 tons	Total nitrogen	40 tons
SO <sub>x</sub>	7 tons		
NO <sub>x</sub>	101 tons		

PRTR Data (Unit: tons)	Releases				Transfers		
	Air emission	Water bodies	Land	Total	POTWs	Waste	Total
Acetonitrile	0.50	0	0	0.50	0	1.9	1.9
Dichloromethane	7.1	0	0	7.1	0	26	26
N,N-dimethylacetamide	0	0	0	0	0	0	0
N,N-dimethylformamide	0	0	0	0	0	0	0
Triethylamine	0.0046	0	0	0.0046	0	0.16	0.16
Toluene	2.2	0	0	2.2	0	0	0
Formaldehyde	1.2	0.21	0	1.4	0	0.040	0.040
1-Methyl-1-phenylethyl=hydroperoxide	0	0	0	0	0	0	0
Dioxins (mg-TEQ)	0.000014	0.00020	0	0.00021	0	4.0	4.0

## ■ Tsukuba Research Center

### Amount of Resources Used

<b>Total energy input</b>	<b>216</b>	<b>million MJ</b>
[Main energy resources]		
Purchased electricity	9,655	MWh
Heavy oil	0	kL
City gas	2,745	thousand m <sup>3</sup>
Coal	0	tons
Water	95	thousand m <sup>3</sup>

### Environmental Impacts

CO <sub>2</sub> emissions	11,073 tons	Dust	0 tons
Waste generation	228 tons	COD	0.4 tons
Waste discharge	224 tons	Total phosphorus	0 tons
Final disposal	28 tons	Total nitrogen	0 tons
SO <sub>x</sub>	0 tons		
NO <sub>x</sub>	4 tons		

PRTR Data (Unit: tons)	Releases				Transfers		
	Air emission	Water bodies	Land	Total	POTWs	Waste	Total
Acetonitrile	0	0	0	0	0.022	1.4	1.4
n-Hexane	0.005	0	0	0.005	0.049	3.6	3.6

## Views of an Independent Expert on Takeda Group Environmental Activities

The pharmaceutical industry is characterized by the need for strict quality controls as well as environmental protection measures for production processes that can be difficult to implement. My impression of the Takeda Group's activities in this area is of a solid, consistent approach. A management system that incorporates basic principles into daily activities plus a history of environmental and accident prevention audits both in Japan and overseas suggests a suitably rigorous stance on environmental protection. Formulation in 2010 of the Takeda Group Environmental Action Plan and the Pharmaceutical Production Division Global EHS Policy point to Takeda's efforts to expand the scope of this program internationally. Moreover, the inclusion of years of data on the usage of wild plants in drug production indicates that this is a pharmaceutical firm that takes the issue of biodiversity conservation seriously.

The Takeda Group Environmental Action Plan contains quantitative targets for fiscal 2015. Although setting long-term targets for the environment is a commendable trend, I am interested in the content of Takeda's environmental management, including the 10th Energy Conservation Program, that operates in tandem with the three-year span of the 2011-2013 Mid-Range Plan. I hope to see even more disclosure, such as a detailed analysis of factors influencing changes in environmental impact in recent years.



**Mr. Takashi Fukushima**  
President,  
Sustainability Accounting Co., Ltd.



## Fair Operating Practices Basic Policy

For a company such as Takeda that is committed to improving people's lives, fair operating practices mean more than just complying with laws, regulations, industry guidelines or sets of internal rules. Our corporate philosophy of "Takeda-ism" requires all employees to uphold high ethical standards and act with fairness and honesty at all times. We recognize that compli-

ance is fundamentally related to our raison d'être as a company.

Takeda seeks to uphold compliance standards relating to fair competition within the global market, anti-corruption and respect for intellectual property. We are also strengthening our CSR initiatives throughout the value chain.

[Compliance]

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

In order to fulfill social expectations and trust, and to achieve recognition for its value to society, Takeda believes that, in addition to complying with the laws and regulations, it is essential for Takeda Group employees and executives to conduct business from a high ethical and moral standards 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 Takeda Group companies to help promote an integrated approach to compliance issues across Takeda operations worldwide.

To promote compliance worldwide, Takeda has appointed a Global Compliance Officer and established the Global Compliance Committee. The Global Compliance Office, which is at Legal Department of Takeda Pharmaceutical Company Limited, supports them in their efforts to promote compliance.

### Promotion of Compliance at Takeda Group Companies

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

The Global Compliance Office works with the compliance functions of Takeda Group companies when a coordinated global approach is required for manage certain compliance issues.

### Promoting Compliance at Takeda Pharmaceutical

Takeda Pharmaceutical instituted the Takeda Compliance Program in April 1999, appointing its Compliance Officer and establishing the Compliance Promotion Committee. Takeda Pharmaceutical has instituted the Takeda Pharma-

ceutical Company Code of Conduct that all executives and employees are expected to follow, which is based on the Takeda Global Code of Conduct.

Takeda Pharmaceutical raises compliance awareness among, and provides compliance training to, executives and employees, through various training courses, discussion seminars at each business unit, and other programs.

At Takeda Pharmaceutical, 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. Takeda deals with all such report submitted via e-mail, mail and other means appropriately while giving due consideration of the privacy of good-faith reporters and prohibiting any retaliatory actions against them.



### Promotion of Compliance in Research

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

When conducting experiments with animals, which are essential to the research and development of new drugs, we observe laws and regulations, including the Act on Welfare and Management of Animals, and we make every effort to practice the 3Rs\*, the fundamental ethical and scientific principles for respecting life and caring for animals.

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

\* 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).

[Toward Fair Operating Practices]

### Promotion of Fair Operating Practices across the Takeda Group

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

This section, which explicitly defines patient safety as Takeda's highest priority, demands full compliance with laws and regulations in research, development, manufacture, 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 marketing codes, anti-corruption and anti-bribery, and competition and anti-trust.

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

#### Associated Information

- ➔ P.60 Intellectual Property
- ➔ P.64 Quality Assurance System



### Business with Integrity and Fairness from the Takeda Global Code of Conduct (Extract)

1. Product safety and quality/ drug laws and regulations
2. Advertisements/promotion
3. Relationship with healthcare professionals
4. Anti-corruption/anti-bribery
5. Competition and anti-trust laws

[Initiatives in the Industry]

### Global Industry Cooperation to Promote Fair Operating Practices

Serving as the chair of the Quality & Technology Committee of the JPMA (Japan Pharmaceutical Manufacturers Association), Takeda is working to promote fair operating practices across the industry. Takeda is also a member of Business for Social Responsibility (BSR), an international corporate membership organization with a special focus on CSR activities. In addition, Takeda participates in the Healthcare Working Group of the BSR comprising global renowned pharmaceutical companies. The group is promoting collaborative projects involving global pharmaceutical companies.

Since 2011, Takeda has also been a member of the United Nations Global Compact LEAD Program. The program aims to lead corporate efforts worldwide to implement and disseminate the 10 principles of the Compact relating to areas such as human rights, labor standards, environment and anti-corruption.

#### Associated Information

- ➔ P.4 Initiatives for the United Nations Global Compact

# Fair Operating Practices

## Taking a Highly Ethical Perspective to Promotion Activities, and Instilling CSR Throughout the Value Chain



[Fair Promotion Activities]

**The Takeda Group conducts transactions based on fair competition, observing applicable laws and regulations of every country**

Since pharmaceuticals have a deep connection to people's lives, companies that manufacture, sell and provide information about them are required to have a strong sense of ethical self-awareness. The International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) has therefore set out the "IFPMA Code of Pharmaceutical Marketing Practices" (IFPMA Code) as an international standard for self-regulation of the ethical promotion of pharmaceutical products to people in the healthcare industry. In Japan, the Japan Pharmaceutical Manufacturers Association (JPMA) responded in 1993 by establishing the JPMA Promotion Code for Prescription Drugs, which complies with the IFPMA Code. Since the JPMA also requires drug companies to formulate their own codes for specific implementation of the JPMA Promotion Code for Prescription Drugs, Takeda created its own code, the Takeda Promotion Code for Prescription Drugs. This code forms the standard governing the Company's activities to promote prescription drugs.

Takeda's activities are also governed by the Takeda Global Code of Conduct, which includes clear guidelines on fair promotion activities at Group companies. In this way, we are ensuring strict adherence to laws relating to the pharmaceutical business in each country, and to the IFPMA Code.

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.

#### 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.

#### Anti-corruption/anti-bribery

We will comply with all applicable laws and regulations prohibiting bribery of government officials as well as all applicable laws and regulations prohibiting bribery of foreign government officials.

[Anti-Corruption]

**Following the Takeda Global Code of Conduct, 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.

[Social Responsibility in the Value Chain]

**Promoting CSR Initiatives throughout the Value Chain, Including Business Partners**

Takeda strives to implement CSR activities not only internally but also across the supply chain, including suppliers of raw materials and finished products as well as contract manufacturers. In October 2010, Takeda formulated the “Guidelines for Socially Responsible Purchasing” to solve social and environmental issues in the course of procurement. These guidelines include the “Code of Responsible Purchasing Standards” that Takeda’s General Purchasing Department goes with when sourcing materials for use in manufacturing plant and research laboratory. The guidelines also cover two important elements which are “Continuous Relationship with Suppliers” and implementation of “Code of Conduct for Suppliers.”

Takeda’s “Code of Responsible Purchasing Standards” covers seven basic items (described below) that must be observed in purchasing activities.

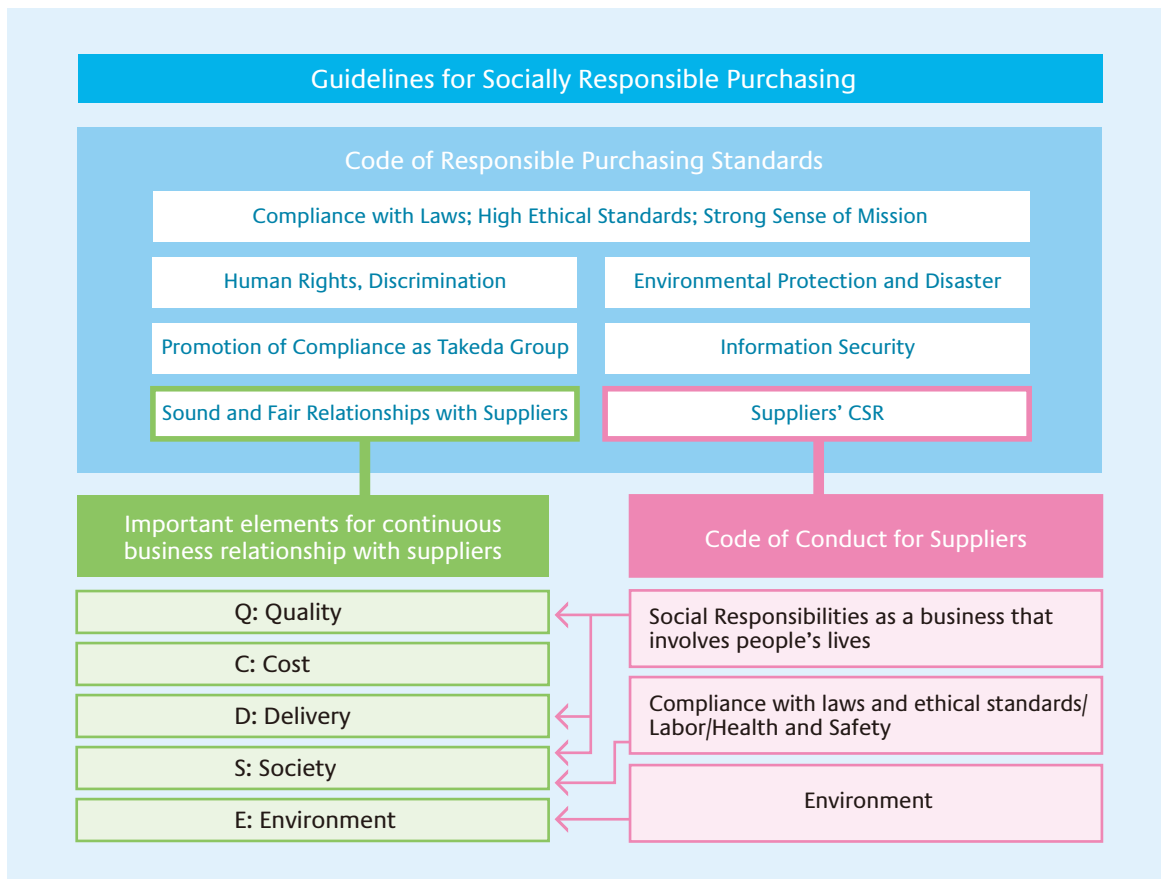


Osaka Plant: Storage building for raw materials and supplies

Hikari Plant: Boiler facility

In important elements for enhancing “Continuous Relationship with Suppliers,” the guidelines focus more on social and environmental aspects in addition to the conventional criteria of quality, cost and delivery.

In the “Code of Conduct for Suppliers,” the guidelines include a section on “Corporate social responsibilities related to human life.” This section stipulates, “Production of materials to supply excellent pharmaceutical products in efficacy and safety,” “Efforts for stable supply,” and “Anti-counterfeit measures.”





# Fair Operating Practices

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.

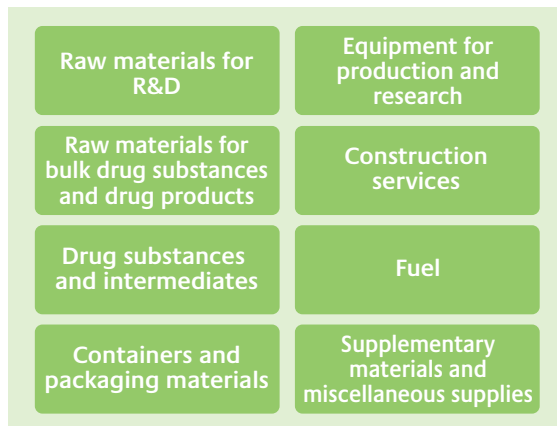
From this standpoint, the members of the General Purchasing Department, which is responsible for procuring materials and equipment for R&D and manufacturing, have established sound and fair relationships with suppliers in line with the Basic Purchasing Policy, which takes CSR priorities into consideration. 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.

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.

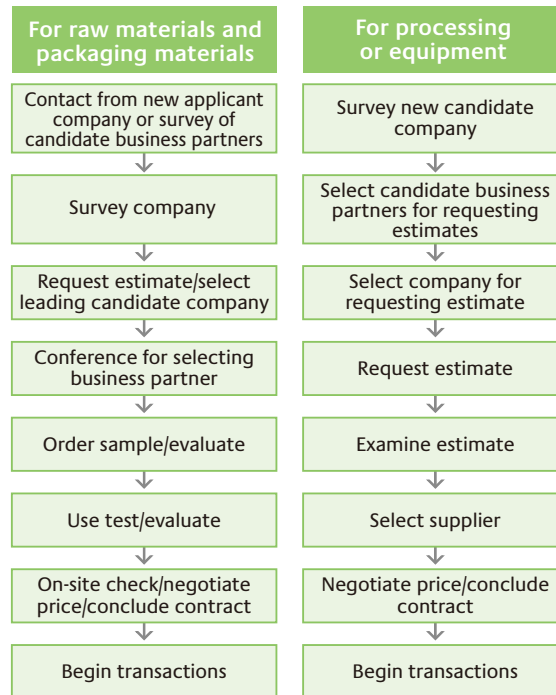
**Associated Information**

➔ **P.57** Guidelines for Socially Responsible Purchasing

Major Categories of Items Procured



Response to Applications for New Accounts



**Assessment of Business Partners**

As part of its CSR procurement activities, Takeda annually asks business partners to complete questionnaires. We use the responses to conduct a comprehensive annual business partner assessment. Evaluations cover management systems, such as systems for quality assurance, good manufacturing practices and delivery schedules, as well as the business continuity plans, CSR programs and other activities. Business partners receive the results of these studies as feedback for use in self-improvement programs. Sometimes business partners contact us for information about our stance on CSR, the environment and employees. These CSR questionnaires allow us to gain a thorough understanding of our business partners’ policies and build even stronger partnerships. This is why we provide sincere responses to CSR inquiries while drawing on the cooperation of all associated departments as required.

[Employee Compliance Program]

**Compliance Training**

Takeda has prepared two sets of rules based on the “Takeda Compliance Program for Globalization”: The “Company-Wide Guidance for Purchasing Affairs” apply to activities throughout the company. The “Departmental Purchasing Criteria” are established specifically for

## Global Purchasing Policy (Extract)

### <Objective>

We, Takeda Group, aim to fulfill our mission to “strive towards better health for patients 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 pur-

chasing 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.

the purchasing activities of individual business units. Our goal is to prevent any purchasing activity from violating internal controls and applicable laws and regulations, including laws for preventing monopolies and late payments etc. to subcontractors.

The General Purchasing Department has prepared several manuals to assist employees with proper compliance. Examples include the “Purchasing Ethics Manual,” “Anti-Monopoly Law Compliance Manual” and “Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors Compliance Manual.” The departments also conduct ongoing staff education. We also have a program for individuals in each department who are responsible for negotiating prices and other purchasing terms with business partners. These individuals are registered as negotiators and undergo special training that includes courses taught by instructors from outside the Takeda Group.

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 enable purchasing activities that will earn the trust of business partners.

### Training Programs Run in FY2010

General Purchasing Department Compliance Training	At least 6 times per year per person
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### [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.

#### Associated Information

➔ P.31 Takeda Group Environmental Action Plan

# Fair Operating Practices

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

## Intellectual Property Underpinning Takeda's Business

The pharmaceuticals that are the cornerstone of Takeda's business are the product of ideas applied in research, development and marketing, with the goal of delivering quality pharmaceuticals to people all over the world. The way we protect the fruits of these accumulated ideas is by using intellectual property rights.

Intellectual property rights include patents, trademarks and other rights; patents are the main way of protecting technologies in our pharmaceutical business, while trademarks protect our brands. Well over 10 years is needed for the R&D process that extends from drug discovery to final approval of a new pharmaceutical product. Furthermore, despite the enormous expenditures required for research and development, only a very small percentage of compounds reach the market. We therefore protect the pharmaceuticals that are created through this process by patents and re-invest the proceeds into further R&D—this is the fundamental cycle for a succeeding pharmaceutical business.

The patents that protect pharmaceuticals include substance patents that cover the active ingredients, and related patents covering the usage, manufacturing process and formulation of drugs, among other things. Such variety of patents generally provides comprehensive protection for the business that is formed around a drug. The substance patent is extremely important as a base patent, and its status can impact on the viability of a business.

The duration of a patent right expires generally after a period of 20 years from the filing date of the patent application. The duration of the patent right for pharmaceuticals may be extended for up to five years, depending on the time spent for the drug approval process.

## Transformation into a New Takeda

In order to achieve transformation into a new Takeda, we have developed a corporate vision based on the key themes of "Innovation," "Culture," and "Growth."

Takeda aims to achieve this vision through its business activities, including R&D, alliances and marketing. The Intellectual Property Department supports these business activities through its efforts in four central themes.

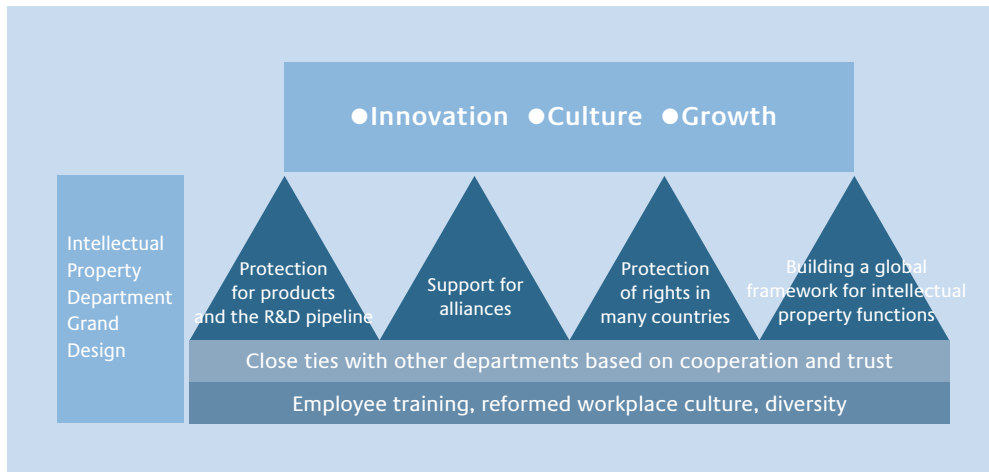


Yoichi Okumura  
General Manager,  
Intellectual Property Dept.

- 1) Protection for products and the R&D pipeline
- 2) Support for alliances
- 3) Protection of rights in many countries
- 4) Building a global framework for intellectual property functions

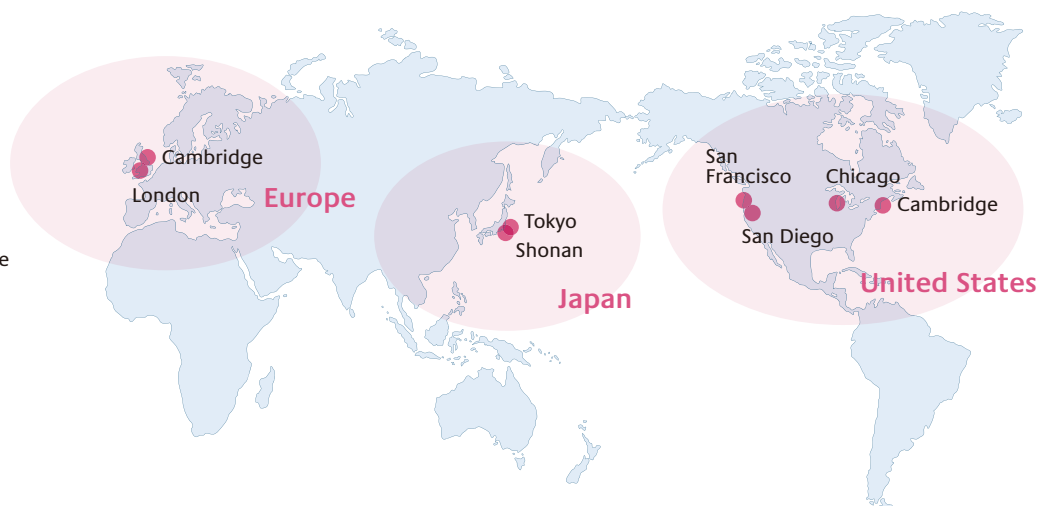
Key challenges in our transformation into a new Takeda include strengthening our R&D pipeline, expanding into more areas, and growing our business in emerging markets as well as markets we have newly entered. Takeda has established the position of Chief Scientific Officer to oversee global R&D and intellectual property. A major benefit of this reorganization is greater collaboration among the Intellectual Property Department, Pharmaceutical Research Division, Chemistry, Manufacturing and Controls (CMC) Center and Pharmaceutical Development Division. We believe that the resulting ability to perform R&D programs more effectively will make the pipeline even stronger. Meanwhile, we are enhancing our intellectual property services to support our business activities in China and the Asia region as we expand further into new regions. Our Intellectual Property Department works to support businesses by protecting the technologies we develop in our R&D activities. These technologies include not only biologics such as antibody and nucleic acid medicines, but also innovations for future drug discovery such as preventative and tailor-made medicines, and regenerative medicine.

## The Four Central Themes of Intellectual Property Activities



## The Global Intellectual Property Network

- Intellectual property bases in Japan, the U.S. and Europe



### Potential Risks Involving Intellectual Property Rights

Infringement of our intellectual property rights by others poses the risk of loss of expected earnings derived from these rights. To protect our earnings, therefore, we have instituted a program to appropriately manage patents and other intellectual property. This program includes a high level of vigilance for patent infringements and other illegal actions by others. We also exercise care to confirm that our products and other activities do not violate the intellectual property rights of others. We perform thorough studies starting from the R&D stage to be certain that our operations respect all such rights. Through these activities we ensure not only the continued growth of our businesses, but also the stable supply of Takeda products to patients in countries all over the world.

The factors such as penetration of generic versions of our products following the expiry of its patents, and also the launch of OTC version of competitors are making the competition further fierce in the worldwide markets, particularly in the U.S. In this context, Takeda works continuously to supply patients with more beneficial options, including the adding of indications, and changing formulations. The Intellectual Property Department plays a part in this effort, by properly protecting Takeda's various technologies for the above beneficial options by seeking the best practice from the IP perspective. For example, previously in Japan a Patent Term Extension (PTE) could not be granted for a drug, which has the same active ingredient and indication and usage as an existing drug, even if it brings a new value by adopting an improved formulation technology such as Drug Delivery System (DDS). Takeda has challenged the above status quo before the courts with regard to our important products such as "Leuplin SR" and "Pacif Capsules 30mg" and finally succeeded in achieving an epoch-making supreme court decision in Japan, opening up the possibility of PTE to various types of patent e.g. our DDS

patents (Decision Number Heisei-21-(Gyo-Hi)-326/April 28, 2011). By properly protecting these technologies, alongside new drugs themselves, the Intellectual Property Department contributes to extend the product lifecycle and manage sustainable growth of its business activities.

### The Global Intellectual Property Network

As part of measures to achieve sustained growth, Takeda has overseas intellectual property operations in the U.S. (Chicago, San Diego, San Francisco and Cambridge) and Europe (London and Cambridge). The U.S. and Europe account for approximately 40% and approximately 30% of the global pharmaceuticals market, respectively. With intellectual property bases in these two regions and Japan, we can respond to competition from both competitors and generic drugs from a global perspective. We have the flexibility to take preventive, offensive or defensive measures as required. Moreover, our activities involve more than just protecting our own products; we are also active in licensing our intellectual property to third parties and other avenues for effectively utilizing these assets.

### Progress in Research and Development in the Life Sciences Field

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. In addition, we participate in activities of the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) and other multinational organizations in order to help solve intellectual property issues at the global level.



## Consumer Issues Basic Policy

While rapidly expanding its international operations, Takeda is firmly committed to the Global Quality Assurance Policy for Takeda Products and to ensuring the quality of all processes throughout a product's lifecycle including research, development, production and sales. In particular, Takeda is stepping up its efforts to tackle issues with social implications such as

drug counterfeiting.

Takeda also regards high quality drug information and promotional activities as one of its key commitments. Global marketing activities include the disclosure of a wide range of information about products on Takeda's website and through other channels.

### [Anti-Counterfeit Measures]

#### Promotion of Global Anti-Counterfeiting Measures to Ensure Patient Safety

Incidents in which the health of patients has been harmed due to counterfeit drugs have become a big issue worldwide in recent years. Some estimate as much as 10% of the drugs in distribution are counterfeit, a scale similar to the size of the entire pharmaceutical market in Japan (¥8 trillion).

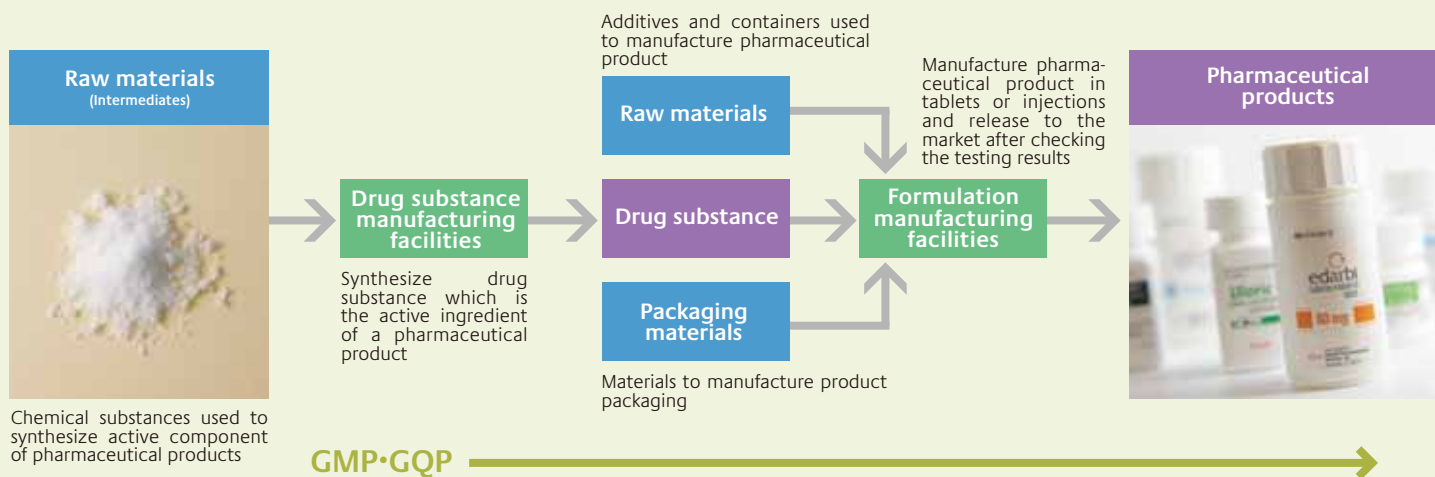
In light of these trends, Takeda gives top priority to the safety of patients when selecting business partners. Specifically, the Company carefully assesses potential partners with respect to quality assurance. On top of that, Takeda regularly audits its suppliers of raw materi-

als, contract manufacturers and packagers, logistic centers, and other entities involved in its operations. Furthermore, Takeda has introduced a new quality assurance framework known as GDP (Good Distribution Practice), under which it takes proactive measures to minimize the infiltration of counterfeit products and prevent tampering, etc.

Takeda is gathering and investigating information regarding counterfeit medicines on a global scale in collaboration with international organizations such as the WHO and ICPO (International Criminal Police Organization). Furthermore, Takeda is supporting relevant governments, judicial authorities, and police to

### Quality Assurance Systems within the Value Chain

●: Procurement of raw materials ●: Procurement of manufacturing equipment ●: Supply of product



### Anti-Counterfeit Measures

crack down and expose the counterfeit medicines by reporting internal investigation results and performing analyses of seized drug samples. In addition, Takeda is ensuring product quality by introducing anti-counterfeit and anti-tampering technologies, and developing analytical methods to distinguish counterfeit products.

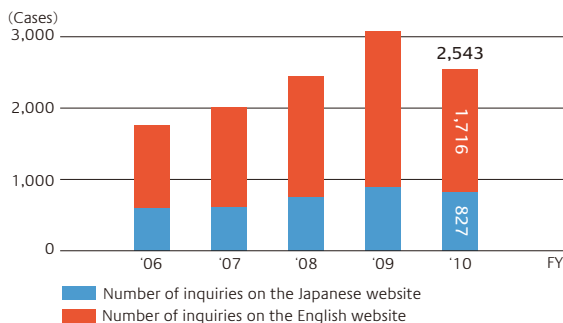
Takeda is establishing a framework to develop and promote the above activities globally, and has deployed dedicated personnel responsible for investigating and implementing countermeasures for counterfeits in Asia, the Middle East, Europe, and the Americas. The personnel in each region works to detect and prevent the distribution of counterfeit drugs in cooperation with Takeda Group companies, mainly quality assurance and intellectual property departments, as part of a comprehensive effort to protect patient safety.

#### [Supplying Information]

#### Providing Drug-Related Information of a High Standard

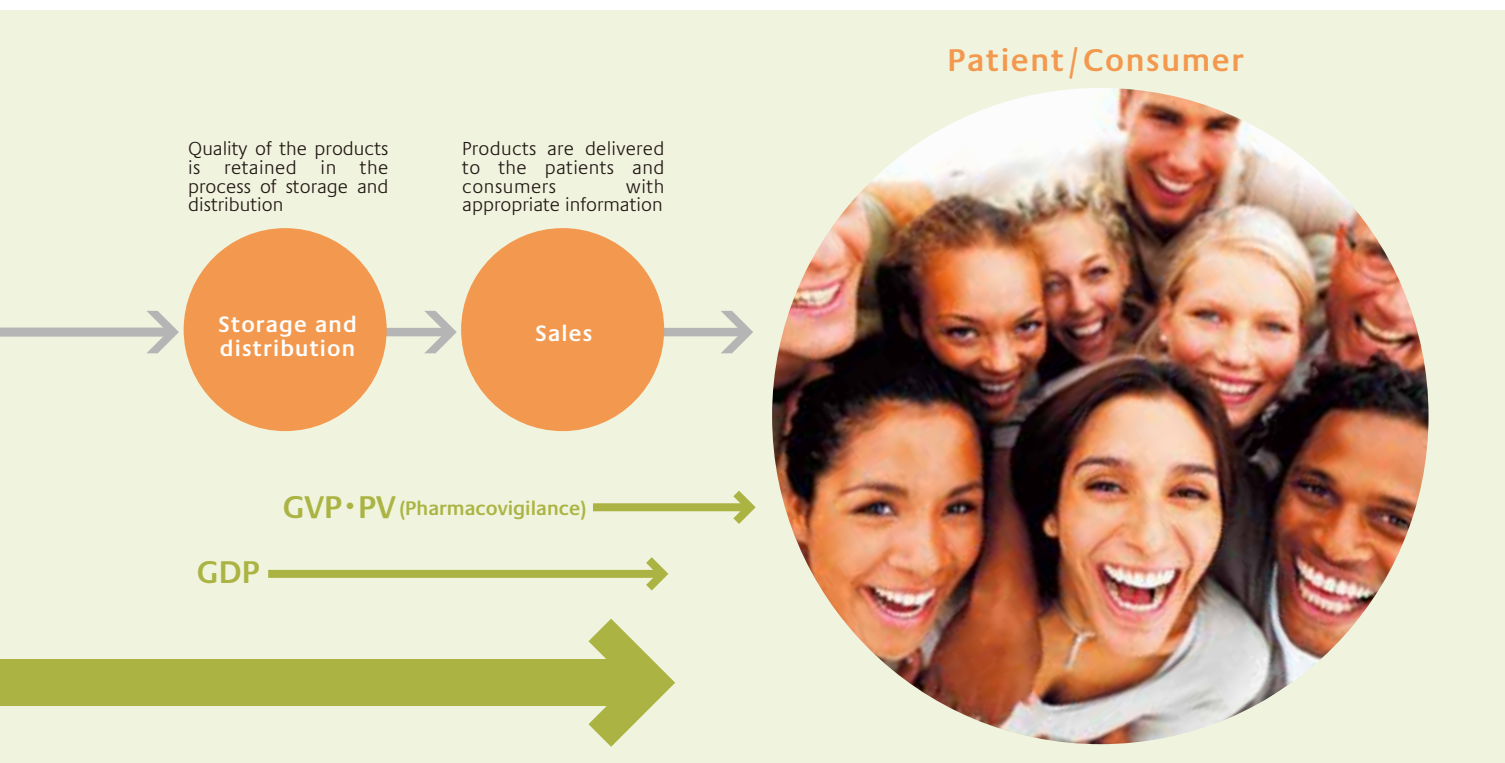
Takeda undertakes its promotional activities around the world based on a philosophy of providing every medical professional and patient with the best possible pharmaceutical products and related information. Information distribution by medical representatives (MRs) is based

Number of Inquiries Received through Our Website



on face-to-face communication with medical professionals. Takeda also uses its website and other communication channels to supply information on products to medical professionals and consumers to meet a wide range of needs. Takeda aims to upgrade MR training and IT strategies on an ongoing basis to build a good reputation for the quality of its promotional activities.

Takeda developed the capability to accept feedback and inquiries by email from outside the company through its website. The total number of inquiries in fiscal 2010 reached 827 on the Japanese website (down by 67 inquiries from the previous fiscal year) and 1,716 on the English website (down by 458 cases from the previous fiscal year).



Supplying superior pharmaceuticals of outstanding quality. Takeda is establishing a comprehensive quality assurance system to meet the requirements and expectations of a global pharmaceutical company, taking into account various factors including counterfeit drug issues as well as cultural and religious differences.

[Quality Assurance 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 Takeda 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.



Yasutaka Igari, Ph.D.  
Senior Director, Global Quality Assurance Dept.

### Global Quality Assurance Policy

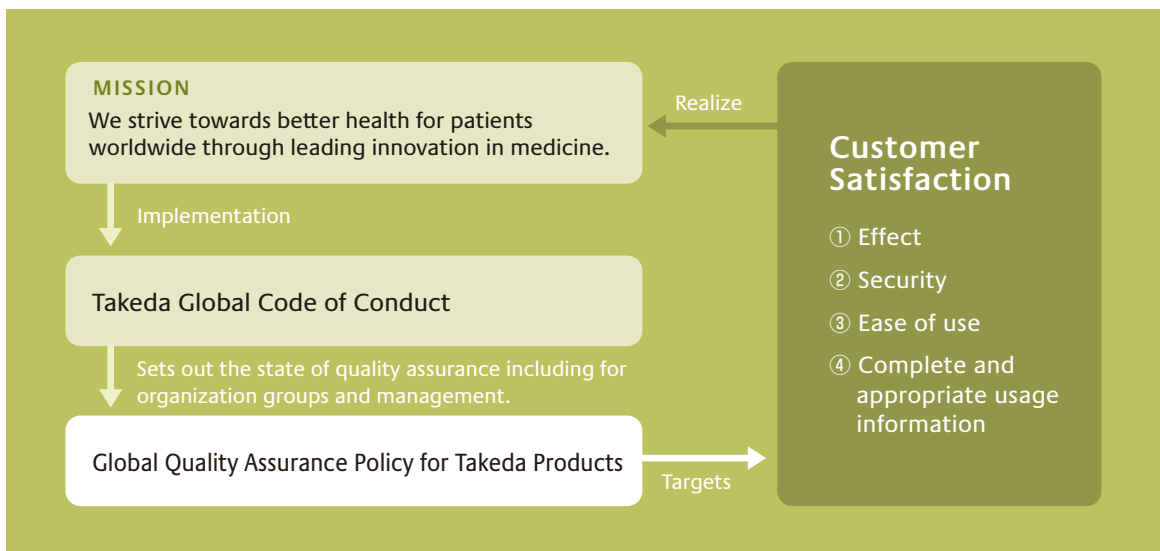
Takeda established the “Global Quality Assurance Policy for Takeda Products” in 2008 as a Company policy indicating the appropriate attitude in comprehensive quality assurance activities including risk management and crisis management. All Takeda Group companies around the world are required to comply with this policy.

As a pivot of Takeda Group’s quality assurance, the Global Quality Assurance Department promotes the establishment of a quality assurance system expected of a global pharmaceutical company by creating and disseminating global policy and related guidelines to all Takeda Group companies.

#### “Quality” that Takeda Pursues

- 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

### Quality Assurance Cycle for Achieving Customer Satisfaction



## Quality Assurance Spanning the Entire Product Life-Cycle

### ■ Research and Non-Clinical Studies

Takeda stringently manages studies and maintains data integrity and also strictly follows each country's 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 the Japanese, European, and U.S. International Conference on Harmonization-Good Clinical Practice (**ICH-GCP**), in addition to national and regional regulations as well as the Takeda Group's own standard operating procedures and protocols.

### ■ Manufacture of IMP and Pharmaceutical Products

Takeda complies with **GMP** (Good Manufacturing Practice), a set of regulations for the manufacture and quality control of pharmaceuticals, and keeps up to date with the latest revisions to these regulations. We also apply our own quality standards to assure that Takeda pharmaceutical products meet international requirements for quality regardless of where they are manufactured.

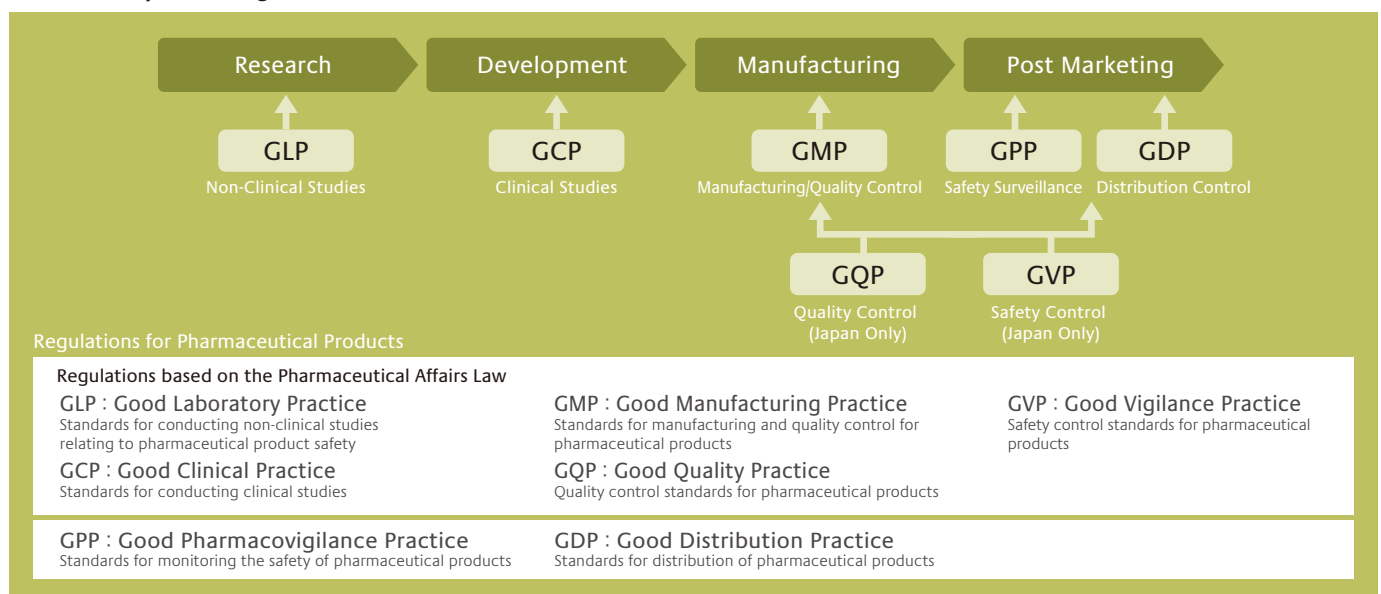
### ■ Post-Marketing Quality Control

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. Examining and evaluating the information obtained allows us to detect potential quality issues at an early point and make continuous improvements in quality control. In Japan, Takeda follows the **GQP** (Good Quality Practice) regulations for quality control of pharmaceutical products.

### ■ Safety Surveillance of Pharmaceutical Products

Takeda implements **pharmacovigilance** activities to provide medical institutions and marketing companies with the latest safety information and information on the appropriate use of Takeda products in correct and timely fashion, by collecting information from patients and healthcare service providers from the development phase and continuously even after their launch, and examining and evaluating such information. In Japan, Takeda follows the **GVP** (Good Vigilance Practice) regulations for safety control of pharmaceutical products.

## Product Life Cycle and Regulations



Strengthening the network around the Global Quality Assurance Department as a keystone to creating a globally aligned system for risk and crisis management.



### ■ Preventing Drug-Induced Suffering

A lack of appropriate and timely safety monitoring of drugs led to a number of drug-induced suffering. During the 1960s, Takeda was one of the companies involved in the SMON (Subacute Myelo-Optico-Neuropathy) accident that affected over 10,000 people, for which the Company has been paying compensation today. In its final statement released in April 2010 by “an investigative committee on the state of pharmaceutical administration for investigation of a drug-induced hepatitis accident and measures to prevent reoccurrence”, which is a working group of experts under the Ministry of Health, Labour and Welfare, the committee called for pharmaceutical companies to implement education about drug-induced suffering to prevent them from recurring. At Takeda, we are taking steps to ensure that the tragedy of drug-induced suffering, the agony of patients who fall victim to drug-induced suffering, and the weight of social responsibility of companies are never forgotten. For that reason, we

have set forward a training program about drug-induced suffering targeting all departments involved in safety monitoring activities. The program will be extended to cover all employees going forward.

### Initiatives to Prevent a Reoccurrence of Drug-Induced Suffering

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

### Risk Management and Crisis Management

Even under the most stringent quality and safety control, unforeseen product defects or adverse drug reactions may occur. Takeda makes the utmost effort to minimize the likelihood and mitigate the risk of these by gathering and analyzing risk-related information appropriately on a global scale to prevent injury to health by Takeda products.

### ■ Council for Risk Evaluation and Mitigation

Takeda is accelerating the globalization of its operations to realize its corporate mission of providing superior products worldwide to contribute to the health of as many patients as possible. As our operations become more global, we need to take into account a wider range of conditions than ever before in our risk management.

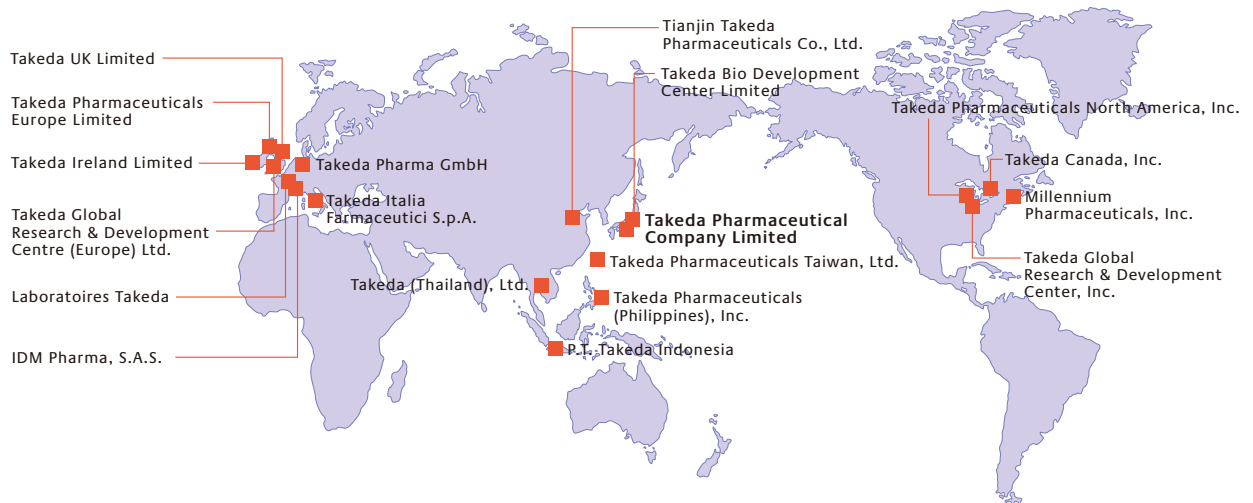
For example, there is a risk that we might create a product using an ingredient considered to be tabooed by some cultures or religions due to lack of knowledge; the consequences of such a blunder could be serious. Another area that has become a pressing problem around the world in recent years is the health hazard

### Concept of Risk Management





## Quality Assurance System Global Network



caused by counterfeit drugs as well as counterfeit and adulterated raw materials. Pharmaceutical companies with global operations are being asked to take responsible action on these issues.

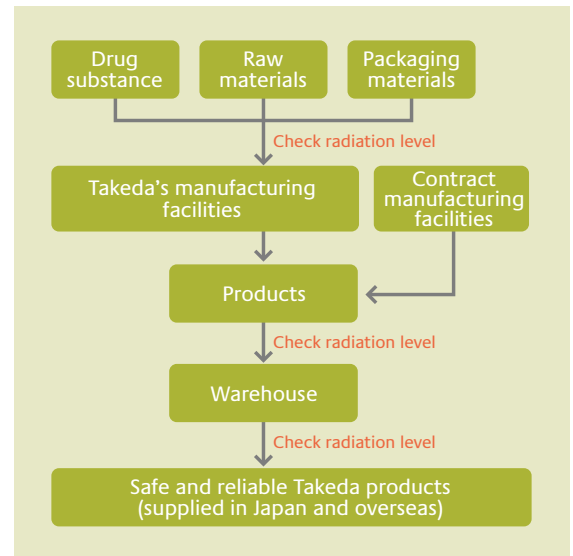
Having expanded into new countries and regions, Takeda needs to grasp the situations peculiar to each country with respect to differences in culture and religion; political, economic, and social environments; and counterfeit pharmaceutical products. We must also take measures against any risks that are envisaged. To this end, we have set up a Council for Risk Evaluation And Mitigation (CREAM) hosted by the Global Quality Assurance Department. CREAM is charged with formulating and carrying out measures to mitigate and avoid 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 monitor the levels of environmental radiation announced by Japan's Ministry of Education, Culture, Sports, Science and Technology, and 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 also check the radiation levels of products manufactured by contractors, to ensure a safe, stable supply of products.

### Conceptual Scheme for Protecting Takeda Products from Radioactive Contamination



Associated Information → P.62 Anti-Counterfeit Measures

# Consumer Issues

We will continue establishing a global supply network and ensuring stable supply of high-quality pharmaceutical products at low cost to patients and physicians worldwide.

## Takeda's Production Bases



[Supplying High-Quality Pharmaceutical Products]

### Five Basic Policies for Establishment of Our Global Supply Network

In tandem with rapid international expansion of its sales network, Takeda is establishing a global supply network based on the following five policies:

- 1 Establish a global supply network and quality assurance system to meet the needs deriving from the geographic expansion of business
- 2 Promote technology-driven cost reduction
- 3 Succession and innovation of production technologies at domestic and overseas plants
- 4 Develop human resources to support globalization, technology succession and diversity
- 5 Promote environmental sustainability



Takashi Inkyo, Senior Vice President, Pharmaceutical Production Div.

Takeda's global production system, which forms the core of the developing global supply network, comprises three key production facilities in Japan (at Osaka and Hikari) and Ireland (Takeda Ireland Limited: TIL). These sites will support the smooth launch of new drugs. We are continuing our efforts to construct a global supply network through enhancement and integration of a system of global purchase and distribution.



Takeda Ireland plant (drug product plant)



Osaka plant



Tianjin Takeda plant

## Close UP

# Social Responsibility as a Global Pharmaceutical Company: Vaccine Business

## Pursuing Better Pediatric Vaccines

### Development of Quadruple Combination Vaccine

In March 2008, the Japan Poliomyelitis Research Institute (JPRI) shared seed viruses for the Sabin-inactivated poliovirus vaccine (S-IPV) with Takeda. Prophylactic polio vaccination in Japan currently uses a live oral form of the vaccine that causes one in several million recipients to develop vaccine-associated paralytic poliomyelitis (VAPP). An inactivated vaccine could help to eliminate this problem. Takeda is accelerating development work on a safer quadruple combination vaccine\* that contains S-IPV to join in the World Health Organization Global Polio Eradication Initiative.

\* A vaccine combining the triple-combination diphtheria-tetanus-acellular pertussis (DTaP) vaccine already produced and marketed by Takeda along with an S-IPV polio vaccine.

### Development of Hib Vaccine TAK-816

TAK-816 is a vaccine for the prevention of infections caused by Haemophilus influenzae type B\* (Hib) that Takeda in-licensed in May 2009 from Novartis AG. The vaccine entered Phase III clinical trials in Japan in June 2011. Vaccination is important because infection with Hib in newborns or infants can cause meningitis that is often either fatal or results in serious after-effects. Takeda is progressing steadily with the development of TAK-816 to facilitate early supply of this product as part of fulfilling its social responsibilities as a pharmaceutical company

\* Haemophilus Influenzae type B, is a bacterium that is a major cause of bacterial meningitis in infants. It is completely different to the diseases commonly referred to as "influenza," which are viruses.

## Prevention of Cervical Cancer

### Introduction of Human Papillomavirus (HPV) Vaccine

In October 2010, Takeda obtained exclusive worldwide patent rights to the Kanda HPV Vaccine through a license agreement with the Japan Health Sciences Foundation. This vaccine has the potential to be

effective against all 15 types of high-risk HPV that are carrying a high risk of causing cervical cancer. HPV prophylaxis with this vaccine has already been demonstrated for six types of high-risk HPV.

## Countering Pandemic Influenza Strains

### Commercialization of vaccines for new influenza strains using latest cell culture-based technology

In December 2010, Takeda concluded a license agreement with Baxter International Inc. for exclusive rights to use Baxter International's Vero cell-based influenza vaccine cell culture and manufacturing technology in Japan. Takeda plans to use this technology to commercialize vaccines against pandemic influenza strains. Preparations for vaccine development and production are currently underway.

#### Vero cell-culture technology

This technology produces influenza vaccines using cell-culture techniques rather than traditional techniques using embryonated chicken eggs. The new method can cut manufacturing times by up to 50%.



## Community Involvement and Development Basic Policy

Takeda recognizes that both economic and social development are vital for the advancement of communities. One of our strategies for realizing sustainable growth, a basic policy of the 2011-2013 Mid-Range Plan, is to achieve market growth in emerging markets, including developing nations. Takeda seeks not only to contribute to economic development in these places through steady business activities, but also to make a contribution to social development by providing superior pharmaceutical

products, maintaining and strengthening sound business processes, and playing an active role as a corporate citizen.

As a responsible corporate citizen, the entire Takeda Group will undertake initiatives centered on health-care, seeking to create an impact on society from a long-term perspective. We will base these initiatives on the United Nations Millennium Development Goals and other global principles and guidelines.

**Associated Information** → **P.69** Social Responsibility as a Global Pharmaceutical Company: Vaccine Business

[Policy for Corporate Citizenship Activities]

### Basic Policies on Corporate Citizenship Activities

As part of its CSR activities, Takeda carries out corporate citizenship activities, with a particular focus on solutions to social problems. In 2011, Takeda set out its Basic Policies on Corporate Citizenship Activities as a global pharmaceutical company. These are a set of common basic principles shared by all Group companies.

Takeda focuses its corporate citizenship activities in the field of health and medicine, where it has developed its strength for over 230 years as a pharmaceutical manufacturer. Our activities also reflect our efforts to balance global and local perspectives; we tackle issues that confront global society at our head office, while Group companies outside of Japan focus efforts on issues in their respective regions.

### Value Chain for Corporate Citizenship Activities

Takeda's corporate citizenship activities take on various forms. They include donating cash or products to citizens' groups, making company facilities available to local residents, sponsoring events that benefit the community, providing support for corporate foundations, and employee volunteer activities.

In all of these endeavors, Takeda creates a different added value for each process. In other words, rather than using a value chain framework to evaluate each activity from a corporate perspective—such as the amount of business resources invested (input) and the number of people covered by the activity (output), we think it is important to appraise each activity from a stakeholder perspective. This entails assessing whether an activity has benefited recipients (outcome), and whether it has had positive spin-off effects across society as a whole (impact).

### Basic Principles on Corporate Citizenship Activities

1. Corporate citizenship activities will have an emphasis on health and medicine so that we can offer the benefits of Takeda's expertise in this field.
2. Corporate citizenship activities will reflect the needs of global and local communities.
3. We will give due consideration to ideas for collaboration and cooperation with a broad range of stakeholders, including NGOs and NPOs, citizens' groups, governments and international agencies.
4. Takeda will provide assistance for voluntary community participation by employees.
5. Takeda will appropriately disclose its activities to stakeholders.

## Long-Term Ongoing Corporate Citizenship Activities through Links with NGOs and NPOs

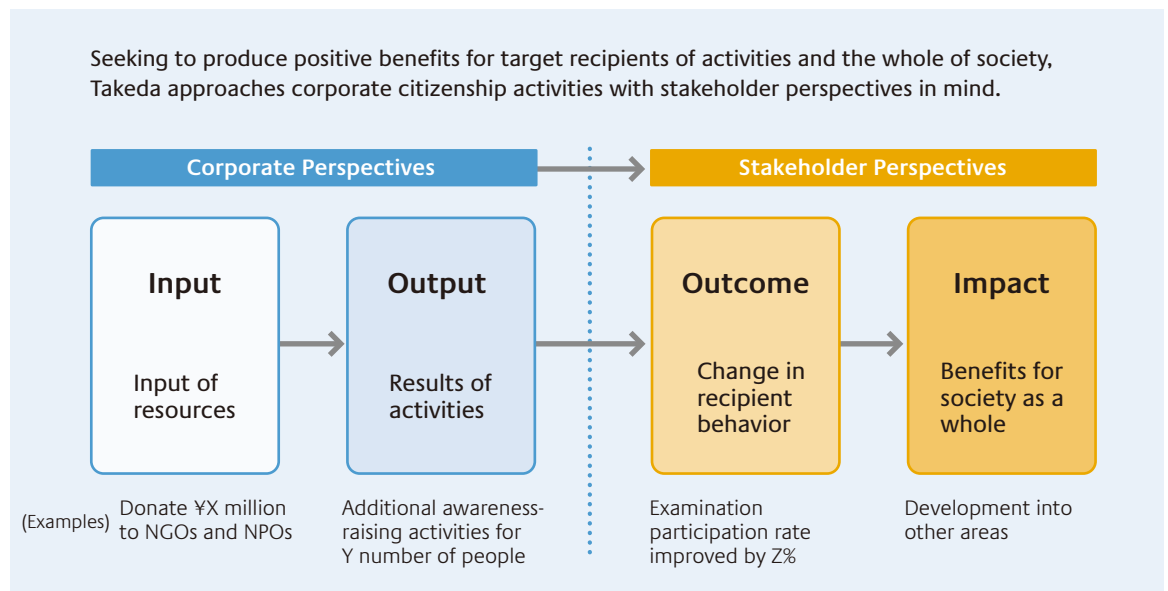
Since social issues in the field of health and medicine are fundamentally involved with the lives of people, one of the important things that corporations working in this field must tackle is establishing a framework for long-term, ongoing support. Takeda has developed links with NGOs and NPOs who have a deep understanding of frontline social issues. Based on these links, we estimate the time needed to improve each situation and create an ongoing support program to help tackle it.



Takeda's Main Corporate Citizenship Activities and Their Timeframes

Program Name	Overview (Partner Organization)	Started	Timeframe
<b>Takeda Initiative</b>	Support fight against HIV/AIDS, TB and malaria in Africa (The Global Fund to Fight AIDS, Tuberculosis and Malaria)	2010	10 years
<b>Takeda-Plan Healthcare Access Program</b>	Support efforts to improve access to healthcare for children in Asia (Plan Japan)	2009	5 years
<b>Takeda Well-Being Program</b>	Support Japanese children in long-term treatment and their families (Civil Society Initiative Fund)	2009	5 years
<b>"Support for Japan's Vitality and Recovery" Program</b>	Donate part of the revenue from our Alinamin lineup of products to support Great East Japan Earthquake recovery efforts (Japan NPO Center, etc.)	2011	Several years

Corporate Citizenship Activities Value Chain and Takeda's Focus





# Community Involvement and Development

Takeda is promoting activities in cooperation with external groups, while continuously working to create basic infrastructure for healthcare development.

[Partnership with NGOs and NPOs]

## Takeda Well-Being Program

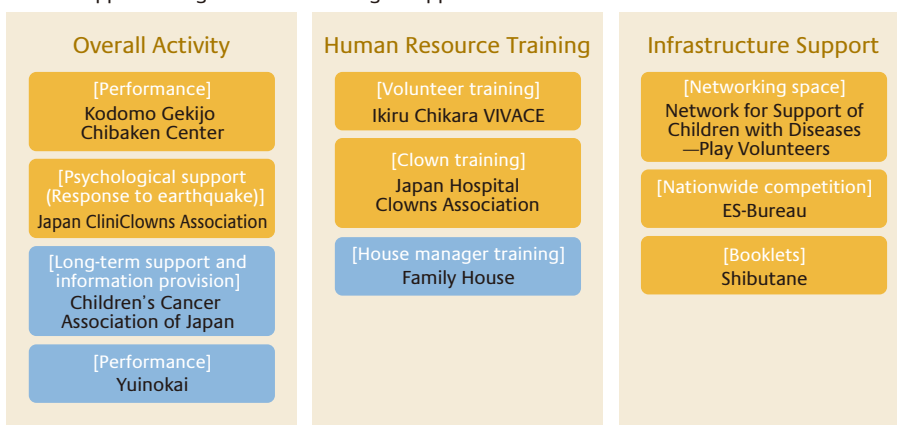
The Takeda Well-Being Program was set up in conjunction with the Civil Society Initiative Fund (CSIF) to support the activities of groups that provide support to children undergoing long-term treatment for diseases, as well as support for their families.

In fiscal 2009, the program's first year, after seeking advice from experts, four groups were selected to

receive grants. They were "Network for Support of Children with Disease—Play Volunteers," "ES-Bureau," "Shibutane (Siblings Support Seeding Project)," and "Japan Hospital Clowns Association." In fiscal 2010, the second year of the program, in addition to continuing support for Network for Support of "Network for Support of Children with Disease—Play Volunteers"

and "Shibutane," we gave support to two new organizations: "Chiba Community Art Center for Children" and "VIVACE." In fiscal 2011, the program is supporting the activities of "ES-Bureau" and "Japan CliniClowns Association."

Takeda-Supported Organizations and Target Support Fields



Items in square brackets [ ] are fields of support, and items in bold are organization names.

: Organizations Supported by the Takeda Well-Being Program

For further details about activities, please see our website <http://www.takeda.co.jp/chouki/>

[Corporate Foundations]

## Takeda Science Foundation

The Takeda Science Foundation was established on September 30, 1963 with an endowment from Takeda. Major activities of the foundation and results for fiscal 2010 (in brackets) are as follows:

1. Research Grants for research centers and research scientists involved in scientific technology projects throughout Japan (446 grants totaling ¥2,201 million);
2. International Fellowship Program for foreign medical doctors and researchers conducting research in Japan (41 persons received a total of ¥109 million)
3. The Takeda Prize for Medical Science, which recognizes outstanding achievements in scientific research (Dr. Eisuke Nishida, Professor, Kyoto University; Dr. Hiroyuki Mano, Professor, Jichi Medical University, Professor, University of Tokyo);
4. Holding of the 16th Takeda Science Foundation Symposia on Bioscience/PharmaScience; (2010 in Tokyo, Multidimensional approach for imaging the molecules of life);
5. Publication of literature promoting scientific technologies; and
6. Storage, preservation 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 <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. Since its establishment through fiscal 2010, the foundation has granted a total of 573 scholarships.

For further details about activities, please see the following website <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 and preserved 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 microbial science. In fiscal 2010, the Institute issued grants totaling ¥442.8 million.

For further details about activities, please see the following website <http://www.ifo.or.jp/>

[Support for Areas Affected by the Great East Japan Earthquake]

**The Takeda Group will provide ongoing assistance for people affected by the Great East Japan Earthquake under a three-phase program consisting of “emergency relief,” “recovery,” and “restoration” measures.**

**■Emergency Relief Measures**

The Company made a donation of ¥300 million for disaster relief through the Japanese Red Cross Society. In addition, to fulfill our responsibility as a pharmaceutical company, we gifted ethical drugs and over-the-counter drugs in collaboration with the Japan Pharmaceutical Manufacturers Association and the Japan Self-Medication Industry. Overseas Group affiliates have also made donations with a total value of approximately ¥100 million through the Red Cross Society in their respective countries.

**■Recovery Measures**

In cooperation with the Takeda Worker’s Union, the Company called for contributions from employees. The Company then matched these employee donations, raising a total of around ¥76 million, which was donated to Japan Platform, a non-profit organization. We also established a scheme that offers support to employees who have expressed a wish to work as volunteers and help recovery efforts. Under the scheme, employees are granted special paid leave to work as volunteers, and the Company also provides insurance cover while they participate in volunteer relief activities.

**■Restoration Measures**

Recognizing that the restoration of areas affected by the Great East Japan Earthquake will require ongoing, long-term support, Takeda has decided to donate some of the revenue from its Alinamin products for a number of years. Our aim is to help people in affected areas to regain their vitality and recover as soon as possible. As part of this assistance, we will donate ¥800 million to the Japan NPO Center. In a separate initiative, we donated ¥20 million to the Japan Earthquake Local NPO Support Fund to support NPOs working in devastated area with long-term restoration efforts.

Regions affected by the disaster have not only sustained physical damage, but also been greatly affected by rumors concerning the safety of products made in those regions. Therefore, in order to help restore the consumption of such products, we have established an ongoing “In-House Marketplace,” which sells produce and items made in the Tohoku and Kanto regions to our employees. Takeda will continue to flexibly develop schemes for meeting the needs of affected regions as they change over time.

**Workers Union Activities**

The Takeda Pharmaceutical Workers Union and the Company have called for union members and employees to make monetary contributions to support relief and recovery efforts in regions affected by the Great East Japan Earthquake. An enormously positive response from employees raised approximately ¥38 million. The Company matched this amount, and the total amount was donated to Japan Platform.

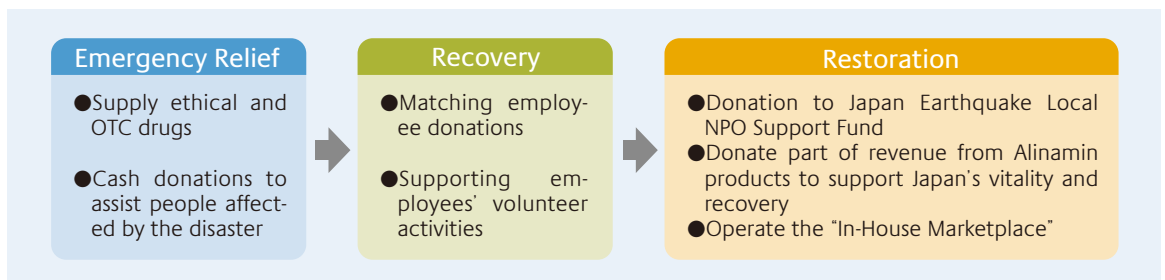
The Takeda Pharmaceutical Workers Union has also been active for the past 14 years in an ongoing program in Mongolia based on the concept of “from hand to hand.” Under the program, the union donates stationery, hygiene products, and other supplies to local schools. The program also promotes communication of the heart through cultural exchanges with children.

The Takeda Pharmaceutical Workers Union will actively continue its social contribution activities, including volunteer activities, disaster relief activities, and various support campaigns.



Takeda matched donations from employees and donated the total amount to Japan Platform

Specific Approaches and Initiatives for Supporting People in Affected Areas



# Community Involvement and Development

In line with the United Nations Millennium Development Goals (MDGs), Takeda continues to focus on preventing the spread of HIV/AIDS, tuberculosis and malaria, and on other problems affecting developing nations.

[Healthcare Support for Developing Countries]

## Takeda Initiative

Targeted MDG: Goal 6



In 2010, we launched the “Takeda Initiative,” an endowment program to help prevent the spread of HIV/AIDS, tuberculosis and malaria, which is one of the key MDGs. Takeda Initiative aims to develop and strengthen the capacity of healthcare workers in Africa in collaboration with the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund).

Under the Takeda Initiative, we have committed ¥100 million annually over the period of 10 years from 2010 to 2019: currently supporting healthcare programs fighting HIV/AIDS, tuberculosis and malaria in Nigeria, Senegal and Tanzania, respectively. In May 2011, a representative from Takeda visited Tanzania to observe the malaria programs and held stakeholder dialogues with government officials, healthcare professionals, business leaders, NGOs and aid organizations. The use of all contributions made through the Global Fund is monitored and verified by external professional organizations such as audit agencies, ensuring all programs to maintain the highest level of transparency.



A healthcare worker in Tanzania explains how to use an insecticide-treated mosquito net for malaria prevention.



Activities in Thailand  
Prevention of spreading of HIV/AIDS among young people

Targeted MDG: Goal 6



Activities in the Philippines  
Healthcare support for children

Targeted MDGs: Goals 2 and 8



Activities in Indonesia  
Community-led total sanitation to create open defecation-free villages

Targeted MDGs: Goals 4 and 7



Activities in China  
More nutritious diets for children

Targeted MDGs: Goals 1 and 2

Photograph: Plan Japan

## The Takeda-Plan Healthcare Access Program



In 2009, we established the Takeda-Plan Healthcare Access Program in collaboration with Plan Japan. The program aims to support detailed initiatives to improve access to healthcare services for children in four Asian countries: China, Indonesia, the Philippines, and Thailand. In fiscal 2010, the second year of the program, the plan achieved steady progress with expansion of geographical coverage and an increase in the total number of children who gained access to healthcare. In February 2010, a representative from Takeda visited one of the program site in the Philippines. There, they engaged in dialogue with medical professionals and healthcare volunteers to find ways to improve the program.

## Stakeholder's Voice

HIV, tuberculosis and malaria remain major health challenges in many countries. Takeda Initiative, a partnership between Takeda and the Global Fund, is an important investment in order to tackle these problems. I also sincerely appreciate Takeda's efforts to inspire other corporations to support the mission of the Global Fund.

**Professor Michel Kazatchkine**  
Executive Director of the Global Fund



For further details about these activities, please see our website  
<http://www.takeda.com/access/>

[Initiatives at Takeda Group Companies]

### Activities in Europe

Takeda Group companies in Europe work to deepen ties with NGOs, patient groups and many other groups as they conduct corporate citizenship activities. Many employees are active participants in volunteer activities.



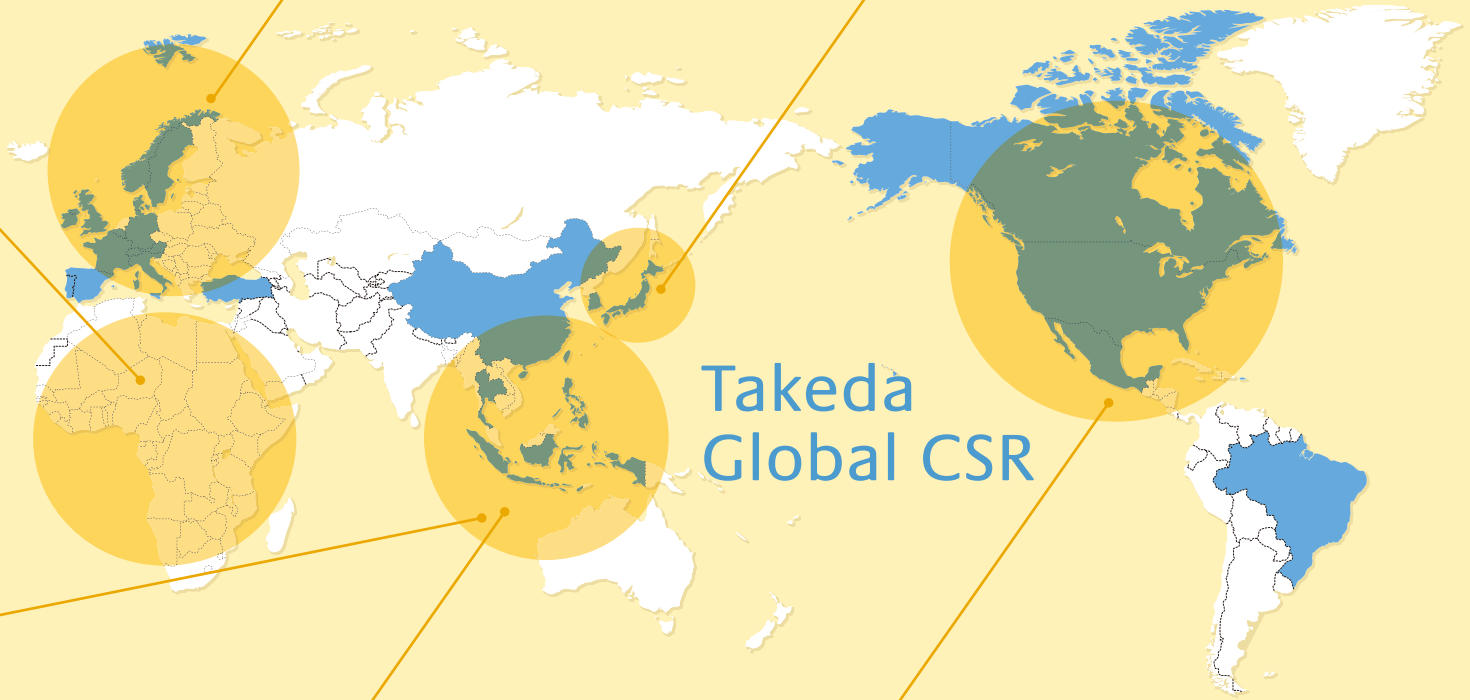
Supporting the Amputee Football Association (The UK)

### Activities in Japan

Among a wide range of corporate citizenship programs, we support a citizens' group whose activities help to empower children in long-term medical care for everyday life.



Supporting children in long-term treatment



### Activities in Asia

Takeda's subsidiaries in Asia each undertake CSR activities in line with the actual situation in each country. Activities focus on improving healthcare, the education environment, and other areas.



Internships in Taiwan

### Activities in the U.S.

In the U.S., Takeda participates in projects to restore residential and educational facilities, and activities in support of cancer patients.



Employees volunteer to help out at a local school



# Community Involvement and Development

Sincere efforts for a bright, prosperous future  
—Takeda’s global activities focus on promoting health in mind and body.

## CSR Activity in the U.S.

### Supporting AmeriCares

AmeriCares is a nonprofit disaster relief and humanitarian aid organization that provides immediate response to emergency medical needs and supports long-term humanitarian assistance programs. Takeda Pharmaceuticals North America (TPNA) has donated products to AmeriCares for several years.

In October 2010, two TPNA employees attended the AmeriCares 23rd Airlift to El Salvador where they were able to witness firsthand the difference that Takeda products make in the lives of patients.

During their journey, they had the opportunity to visit three different sites—an open air clinic, a hospital, and an orphanage. Even patients who had traveled great distances and been obliged to wait in lines greeted the employees with applause, demonstrating their gratitude for AmeriCares aid.



Patients waiting for services and products provided by AmeriCares aid

### Stakeholder’s Voice

This trip illustrates only a fraction of the work that AmeriCares does. It is through partnerships that AmeriCares is allowed to bring help to those in need around the world. I am proud that Takeda is a partner of AmeriCares and through this partnership I have been inspired and empowered to see firsthand the work that our industry does and know that it makes a difference in the world.

**Kristi Lengyel**  
Assistant Director, External Affairs, TPNA



Kristi Lengyel interacting with a young patient



## CSR Activity in the U.S.

### Increasing opportunities for employees to volunteer

Giving back to the community is an integral and vital part of the culture at Millennium Pharmaceuticals (Millennium). Community Service Day provides Millennium employees and their families with an opportunity to spend the day volunteering and giving back at local social services agencies. Some help at homeless shelters, others help with disadvantaged children, or with hunger prevention agencies. Millennium also assists environmental organizations to help clean and maintain public parks, recreational areas and reservations throughout New England.

Community Service Day has become an excellent team building event at Millennium. Participants find the experience to be very rewarding and many individuals continue to serve in volunteer activities throughout the year. Year over year volunteer numbers have increased, and on average 450+ individuals volunteer to give back on Community Service Day each year at Millennium.



Cleaning up a local school

### Stakeholder's Voice

This school is very appreciative of the hard work and efforts of the dedicated volunteers from Millennium Pharmaceuticals who help to maintain classrooms and playgrounds in preparation for the school session.

Millennium is an exemplary organization that partners with the Timilty on Community Service Day and throughout the school year volunteering to serve as science fair judges and mentors for students.

**Ms. Valeria Lowe-Barehmi**  
Principal, The Timilty Middle School



A team of Millennium employees and their families taking part in Community Service Day

# Community Involvement and Development

Working to contribute to society as a responsible corporate citizen in the local community.

## CSR Activity in the U.S.

### Supporting breast cancer fundraising group “Susan G. Komen for the Cure”

In October 2010, 192 Takeda San Diego (TSD) and area company workers, and 30 of their canine companions, supported Susan G. Komen for the Cure by collectively walking over 1,000 miles to raise \$15,000 for breast cancer research and awareness. The walk took place on Science Center Drive outside TSD where a sea of pink t-shirted employees and their canine companions in matching bandanas marched in the annual charity walk against cancer. Susan G. Komen for the Cure is the world’s largest grassroots network of breast cancer survivors and activists fighting to save lives, empower people, ensure quality care for all and energize science to find the cures. Funds generated by events like TSD’s charity walk allow Komen to invest in breast cancer research, education and health services in San Diego.



Canine Companions Aiding in the Walk

### Stakeholder’s Voice

The TSD walk held in October to raise funds for the local affiliate of Susan G. Komen for the Cure was the affiliate’s third largest third-party fundraiser for the 2010-2011 fiscal year. The combined passion of employees, their families and the TSD leadership team made this a fun filled morning with an amazing turn out of dogs, babies and the entire TSD family. I can’t say enough about the passion of this local corporate leader who recognizes the importance of giving back to their local community.

**Ms. Sandy Rabourne**  
Director of Development  
and Marketing Communications  
Susan G. Komen for the Cure



TSD Employees Walking to Raise Funds and Awareness for Breast Cancer



## CSR Activity in the U.S.

### Fundraising for the Great East Japan Earthquake Relief and Reconstruction

On May 20, 2011, the 70 employees of Takeda San Francisco (TSF) held their second annual fundraising barbecue lunch, with a goal this year to aid the disaster victims greatly affected by the March 11, 2011 tsunami and earthquake that devastated northeastern Japan. TSF hosted a barbecue lunch and raffle for employees, family, friends and colleagues from neighboring industrial parks. The event raised more than \$7,000 for non-governmental organizations.

TSF employees deeply committed to this cause also made individual contributions exceeding \$3,500. The employee contributions were matched by TSF for a total donation of over \$14,000 to Give2Asia. Ninety-five percent of funds raised for Give2Asia go to local Japanese organizations working to help disaster survivors.



Mixing with people from neighboring industrial parks

### Stakeholder's Voice

Since the disaster in Japan began on March 11, Give2Asia has worked with a handful of passionate companies and communities in the US mobilizing to support those affected. We were thrilled to be part of the TSF event on May 20, and were amazed by the commitment and generosity of those involved. As you know, a lunch fundraiser is always a great way to casually bring colleagues together, and we found it to be very effective in raising support for relief and recovery projects now underway in Japan. The TSF event was a great success, and it was a wonderful example of humanity and compassion uniting people in times of crisis.

**Mr. Barnett F. Baron**  
President & CEO, Give2Asia



TSF employees preparing for the BBQ lunch

# Community Involvement and Development

Supporting a range of activities to contribute to the future of health and healthcare.

## CSR Activity in the U.S.

Opening doors for students and the scientific innovation of tomorrow

For over 60 years, the Chicago Public Schools Student Science Fair has showcased students and their discoveries in science, technology, engineering, and mathematics. This year, Takeda Global Research and Development Center, Inc.



Chicago Public Schools Student Science Fair 2011

(TGRD) supported some of these students by providing scholarships to seven graduating high school seniors who will be pursuing degrees in the health sciences. This support will help encourage the students to continue leading the way in advancements towards better health. TGRD awarded \$30,000 in scholarships in fiscal 2010.

Scholarship recipients participated at the Chicago Public Schools Student Science Fair in late March 2011 and earned scholarships based on a variety of rigorous criteria.

## Stakeholder's Voice

Without the support of organizations like TGRD, many of these students may not have been able to pursue their interest in the sciences. TGRD is helping us open doors for these students—and the scientific innovation of tomorrow.

**Ms. Angela Dumas**  
High School Science Specialist for  
Chicago Public Schools



Chicago Public Schools Student Science Fair Website  
<http://cpsscifair.org/>



A scholarship recipient with a TGRD employee

## CSR Activity in the U.S.

### Supporting graduate students who will create the future of health and medicine

For more than eight years, Takeda has partnered with the Achievement Rewards for College Scientists Foundation (ARCS), the largest science scholarship program in the United States, to recognize Chicago-area graduate students pursuing advanced degrees in science.



Award recipients with a Takeda employee

In 2010, Pharmaceutical Development Division Headquarters awarded six post-graduate students a combined \$60,000 in scholarships, giving each student the opportunity to advance their research in biochemistry, biology, cell and molecular biology, chemistry, immunology and medicine. Award recipients were selected from a competitive pool of post-graduate students recommended by faculty at prestigious universities including Northwestern University, University of Chicago and Illinois Institute of Technology.

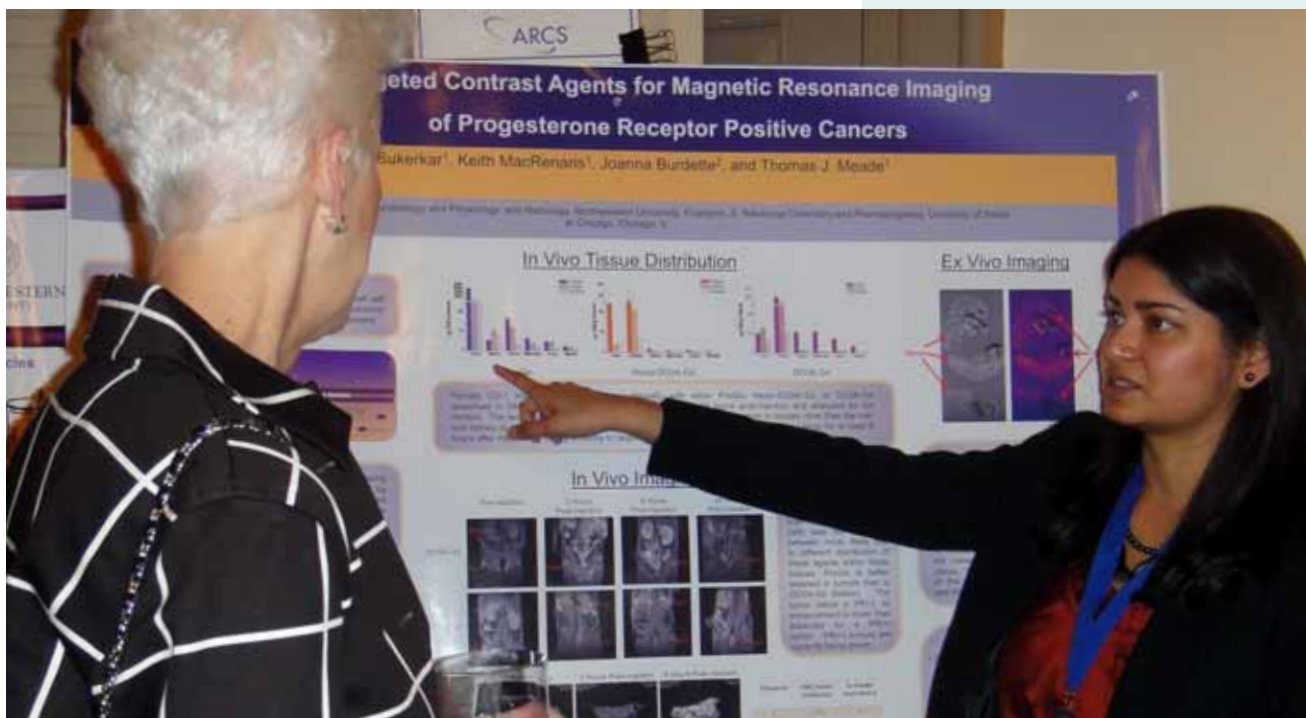
### Stakeholder's Voice

Improving lives starts with these promising scientists. We are thankful for the support we receive from Takeda. To foster a student's interest is to invest in both their future and the future of science and medicine.

**Ms. Donna Spivey**  
ARCS Chicago Chapter



ARCS Website  
<http://www.arcsfoundation.org/>



An award recipient talks about her research



Takeda continues to promote initiatives based on the Takeda-ism corporate philosophy in countries around the world.

## CSR Activity in Germany

### Supporting treatment for urological disorders in Ghana

With only ten urologists available for a population of 22 million, Ghana is experiencing a severe shortage in its provision of medical care. The university clinic in Accra trains only one specialist every few years. But medical supplies are also desperately needed. "Doctors for Africa," a non-profit-organization founded in 2007, has initiated and supports several projects to alleviate this situation.

Takeda Pharma (TP) entered a partnership with "Doctors for Africa" in 2010. As a supporting member, the company raised €8,000 in a fundraising quiz at the DGU congress in Düsseldorf and sends medical staff to the country. Additionally, it secured an alliance with the urological clinic of RWTH Aachen to ensure the continued success of the organization's activities.



Dr. Gerd Engel with African colleagues in Ghana

### Stakeholder's Voice

People in rural areas have almost no access to urological medical care. I know colleagues from Africa who returned to Ghana after completing their training as urologists in Germany. Today, they often lead urological departments in local hospitals, but are painfully aware of the lack of professional staff, suitable facilities and medical equipment. Securing cooperation with a global player like TP has been very valuable for us. With TP's support we can improve professional standards for urological care and provide people with the treatments they need.

**Dr. Gerd Engel**  
Urologist, founder of "Doctors for Africa"



Dr. Gerd Engel: meeting before doctor's ward round in the morning in Ghana

## CSR Activity in France

### Ongoing support for patients battling rare diseases, and for their families

For the eighth consecutive year, Laboratoires Takeda (LT) provided support to the French Association of Friedreich's Ataxia (AFAF), a national patient association. Friedreich's Ataxia is a rare, progressive, genetic neurological disease. It affects one in 50,000 people in France and often begins in adolescence.

We are supporting them through three main activities: The first is a program where we help them create information tools, such as their newsletter for health professionals. This year's edition was devoted to sources of reliable information on Friedreich's Ataxia. The second activity is an information sheet for patients. The third is a volunteer program for providing assistance during the two days of the general meeting of the association, assisting patients and families by sharing with patients, and helping them in life with simple activities such as eating and moving.



An Information sheet for patients

### Stakeholder's Voice

With the help of Laboratoires Takeda, we were able to produce and edit a new edition of our newsletter for health professionals once again this year, and a new information sheet for patients and their families to complete the workbook "Living with Friedreich's Ataxia."

Moreover, a large team of Takeda volunteers wearing orange t-shirts came again to help us at our general meeting in April 2011. A big thanks to them.

**Ms. Juliette Dieusaert**  
Head of the French Association of  
Friedreich's Ataxia



A Friedreich's Ataxia patient, the AFAF staff and LT employees

# Community Involvement and Development

We take the standpoint of stakeholders to engage in activities that produce positive benefits for society as a whole.

## CSR Activity in Italy

### Supporting NGO Amicus Onlus in its activities in a Ghana

Takeda Italia Farmaceutici (TIF) and Amicus Onlus, a non-profit association for humanitarian aid and education development, have established a fruitful cooperation in supporting the medical programs of Baobab Medical Centre (BMC), a multipurpose clinic located in Biriwa, in the District of the Central Region.



Women waiting for a visit at the Baobab Medical Centre

The management of the BMC facilities and outpatient services is undertaken by local medical personnel with the support of volunteer Italian doctors.

The BMC provides the local population with some essential sanitary services and runs prevention campaigns together with education and updates for the local sanitary personnel. Many individuals and communities have benefited from the center's services.

This result is possible thanks to the collaboration and the financial aid offered by TIF over the past seven years.

## Stakeholder's Voice

Every time I enter the clinic, I hear the patients singing praises before the visit. This year, every day a huge crowd attended—babies with malaria, old ladies with a grateful smile. I also ride with the ambulance in the remote jungle villages to reach, educate and treat people in courtyards and below corrugated iron ceilings. I work with local nurses, all friends all over these years, and I admire their skill. BMC has enhanced its capabilities, and is well known in the region. Here, I always feel at home.

**Alessandro Silva, M.D.**  
General Practitioner and Internal Doctor  
at the Policlinico di Milano



Dr. Silva during a visit in a village—the outreach program



## CSR Activity in the UK

### Supporting the England Amputee Football Association

Limb loss is an area of particular interest to Takeda UK (TUK) as Britain has one of the highest amputee rates in Europe, and both diabetes and bone cancer can result in amputations. TUK embarked on a program to publicize and support inspirational examples of people overcoming the challenges of losing a limb, while at the same time promoting the value of exercise. The program centered on supporting the England Amputee Football Association. TUK donated £5,000 towards the cost of sending the team to Argentina to contest the Amputee Football World Cup.



England Amputee Football Association Information Pack

The company subsequently endowed the Takeda Cup Final, an international amputee football match, to raise the profile of amputee sport. Attended by a capacity audience of TUK employees, influential media personalities, local and national politicians and a large cohort of supporters, the match attracted substantial media attention.

### Stakeholder's Voice

I am delighted with the support from TUK. The sponsorship has been invaluable. It enabled us to host this friendly international event, which has helped to raise our profile, attract new players and raise additional funds to send the team to the World Cup. The coverage surrounding the event was phenomenal and has shown you can still have an active life after an amputation.

**Mr. Dave Tweed**  
Football development office  
and player of the England Amputee  
Football Association



Yasuhiro Fukutomi, Managing Director, TUK with the England Amputee Football Association



# Community Involvement and Development

Supporting activities deeply rooted in communities and regions to serve as a responsible corporate citizen.

## CSR Activity in Ireland

### Re-using Employees' Books Raises Money for People with Intellectual Disabilities

As part of Takeda Ireland (TIL) CSR Committee's inaugural event, staff donated hundred's of books to an internal book bank to raise funds for a local charity, St. Michael's House. The books were displayed in the canteen allowing staff to browse and buy books. This event was a great opportunity for TIL staff to re-use and recycle books as well as helping the local community. A diverse range of books were bought and sold, from cookery books to sports books. Thanks to the diversity of our workforce we also sold books in a wide range of languages.

St. Michael's House is a voluntary body that develops and provides community-based services for people with intellectual disabilities. The organization provides services to 1,602 children and adults in over 170 centers.



A TIL employee selling books

### Stakeholder's Voice

Funds raised went towards expanding our Early Services Programs so that we can respond to all new referrals. On average, St. Michael's House receives 7 new referrals a month from children's and maternity hospitals. Without Takeda's support many of these children would have to be placed on a waiting list.

**Ms. Fran Baker**  
Fundraising Department, St. Michael's House

The donations of books flooded in and the volunteers helped to sort the books into areas of interest such as children's, adventure and so forth. It was a great opportunity to recycle used books and donate to a good cause.

**Miriam Farrelly**  
Takeda Ireland



Donations made to the book bank by TIL employees

## CSR Activity in China

### Supporting science research students with scholarships

Located in the Nankai district of Tianjin City, Nankai University is one of China's National Key Universities. The institution has a proud history of more than 90 years as one of the finest universities in China, and has been alma mater to a host of distinguished figures, including Premier Zhou Enlai.

Beginning from 1996, Takeda Pharmaceutical (China) (Takeda China) has continued its program of donations to Nankai University for 14 years. Takeda China is dedicated to supporting excellent students from low-income backgrounds who major in life science or chemistry. We provide RMB1,500 each to four students in each academic year. To date, Tianjin Takeda has donated a cumulative total of RMB64,000.



Nankai University, Tianjin

### Stakeholder's Voice

We are pleased to provide financial support to Nankai University students. Nankai University is a high-ranking university in China, especially in Tianjin. Since Takeda established a factory in Tianjin, we have supported nearly 60 students over the years.

We believe that this CSR activity helps to strengthen the positive reputation of Takeda in Tianjin. Our persistence with this project also shows the long-term commitment of Takeda in China.

**Wang Guanyu**  
Training Supervisor,  
Takeda China



Takeda China HR employees

# Community Involvement and Development

Widening the scope of activities to support healthy lifestyles for the people of Asia.

## CSR Activity in Taiwan

Providing summer internship opportunities to college students

Takeda Pharmaceuticals Taiwan (Takeda Taiwan) provides a one-month intern opportunity to university students majoring in pharmacology. The program has been run during summer vacation for five consecutive years from 2006 to help students understand the operation of the company and convey the spirit of Takeda-ism to all the participants.



Stanley Lee, President & General Manager of Takeda Taiwan, awarded Intern Certificates to the student

Through the summer intern program, potential leaders of society learn how a company is organized and how it operates, the fundamental concepts of sales and marketing, the essential principles of medicine, and the spirit of Takeda-ism. All interns are required to give a presentation on what they have learned at the end of the program. The results of our intern satisfaction survey show that the program is seen as demonstrating a strong commitment to society.

## Stakeholder's Voice

The Summer Intern Program builds a connection to younger generations and also establishes strong relationships between schools and Takeda Taiwan.

Through ongoing efforts in day to day training and on field visits, we have made a continued contribution to young people and also engaged with students. These actions help Takeda Taiwan to establish a positive image in society.

**Lawrence Lin**  
Sales Effectiveness Manager,  
Takeda Taiwan



Stanley Lee, President & General Manager, and Grace Wang, HR & GA Manager of Takeda Taiwan with interns 2011 from Kaohsiung Medical University



## CSR Activity in the Philippines

### Supporting healthcare for disadvantaged people in the Philippines

PHAPCares Foundation Inc. is a non-profit, non-private stock organization established by a group of pharmaceutical and healthcare companies who are members of Pharmaceutical and Healthcare Association of the Philippines. Incorporated in 2003, PHAPCares is mandated to become the social development and philanthropic arm of PHAP with the responsibility of setting up and managing the association's integrated medicine donation program for indigent and other disadvantaged Filipinos.

This year, Takeda Pharmaceuticals (Philippines) donated PHP3.3 million worth of the insomnia treatment Rozerem (generic name: ramelteon). Patients who benefit from Rozerem are those who need medication to correct their sleep cycle from the onset of sleep.



Schistosomiasis Control and Research Hospital

### Stakeholder's Voice

We received a delivery of Rozerem on June 30, 2011 and greatly appreciated the donation by Takeda Pharmaceuticals (Philippines) to our institution. Since then, our psychiatrist, Dr. Benjamin Go, has introduced the medicine to our indigent inpatients and outpatients who experience problems sleeping.

We hope you can continue giving us quality medicines for our indigent patients.

**Dr. Charlemagne N. Escape**  
Chief of Hospital,  
Schistosomiasis Control and  
Research Hospital



People who receive healthcare support through the PHAPCares Foundation



# Community Involvement and Development

Takeda continues efforts to address the issues facing developing countries.

## CSR Activity in Thailand

### Supporting for the victims of the disaster in Japan

Now, more than ever, The Japanese people need help and support to get through the crisis they face following the March 11, earthquake and tsunami. Takeda (Thailand) has created many ways to raise funds for to support victims of the disaster in Japan. Takeda (Thailand) joined The Emporium Shopping Complex together with the Bangkok Metropolitan Administration, Punky Runners, Japanese Community Volunteer, Japanese Government Scholarship Alumni (JGSA), in a charity “Run for Japan” on Sunday March 27th. Thais and foreigners participated in the run together. All proceeds and donations will go toward the Japan relief effort via the Foreign Affairs Ministry. The routes of the run were around Sukhumvit areas near the Japanese community. We donated THB50,000 and joined the 3 km run.



Takeda Thailand employees participate in the Run for Japan

Takeda (Thailand) employees joined The Nations Groups donations program called “Pray for Japan,” bought T-Shirts and donated money to help people affected by the earthquake.

## Stakeholder's Voice

While the devastating Great East Japan Earthquake and the ensuing tsunami have passed, the processes of recovery and mourning have just begun.

We sincerely express our sympathy for the losses people in Japan have suffered, and we truly respect how the Japanese have handled the situation and admire them for their courage to in the face of this disaster.

We all pray for Japan, and hope for a speedy recovery for the hearts of the Japanese people, and for a brighter future.

Takeda (Thailand)—Employees



“Pray for Japan” T-Shirts produced by The Nations Groups

## CSR Activity in Indonesia

### Supporting health education in schools

Takeda Indonesia is taking part in a program for promoting healthy lifestyles in schools. The program provides information about healthy habits such as washing hands using soap before eating, or as frequently as possible, and



Takeda Indonesia employees distribute lunch boxes as presents for the children

keeping school areas clean. The program also encourages children to bring their meals from home rather than buying unhealthy food. As an initial step our objective was to promote healthy eating. As a gesture to promote this Takeda Indonesia provided 150 lunch boxes to children at a local school. The school is located around 3 km from our factory and most of the students came from families with low income.

Also, we sent a message to the students, parents and teachers on how important it is to implement healthy habits in daily life, wherever we are.

### Stakeholder's Voice

Healthy children are happier and safer, they find learning easier and they carry good health habits into adult life.

We really appreciate what Takeda Indonesia did to promote healthy habits to children at our school. This has given me inspiration to communicate and remind them about healthy lifestyles in our school during our morning briefing every Monday so that they will always remember and implement healthy habits not only at school but also at home.

**Ms. Hj. Nining M., S.Pd**  
Principal, SD Negeri Margahayu 23



Children learning about the importance of healthy habits

# Community Involvement and Development

Continuing to support communities through partnerships with NPOs and NGOs

## CSR Activity in Japan

### Supporting activities to empower children in long-term medical care for everyday life

Working in conjunction with the NPO Civil Society Initiative Fund (CSIF), we established the “Takeda Well-Being Program” in fiscal 2009 to support the activities of groups which provide support to children undergoing long-term treatment for diseases and to their families. The program uses a method called “planned support” to promote links and cooperation between various stakeholders. In fiscal 2010, the program set up a special website to raise awareness about the social needs of “support for cooperation between NPOs” and “children undergoing long-term treatment and their families.”

#### Planned Support

Planned support is a method for helping to create and execute better projects by engaging in dialogue with groups that work with a target issue. Key advantages of the system include the ability to develop programs in line with the philosophy of the supported groups, and to provide support to suit the current status of a target NGO in a timely way. The system also makes it easy to achieve support for themes that are generally difficult to acquire funding for.

Associated Information → P.19 Stakeholder Engagement

### Stakeholder's Voice

This program was launched from a desire to empower children undergoing long-term care in hospital, and to help them lead rich daily lives. The program is now in its third year. A stakeholder dialogue between supported groups that was planned for March 2011 was postponed due to the Great East Japan Earthquake, but was eventually held in May. The dialogue served to highlight many initiatives for children in treatment and their families that are quietly being carried out in areas that are seldom noticed. Some activities have also started in the disaster-hit regions of eastern Japan, and we expect these to develop going forward.



Prof. Yoshinori Yamaoka  
Management Committee Chairman,  
Civil Society Initiative Fund

For the activities of supported groups, please see our website.

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



The website provides a simple explanation of the key issues in supporting children undergoing long-term treatment and their families and the group's current activities.

The website also features basic information about the supported groups and their philosophies and activities. There are also links to contact points, and the groups' official websites.



## Other Activities in Japan

### NPO Family House

When children from remote areas who suffer from cancer or other severe diseases have to travel to Tokyo to visit specialist hospitals, the NPO Family House supports them and their families by offering accommodation. Since fiscal 2004, Takeda has supported Family House with an annual cash donation and with a supply of drinks. Since 2010, Takeda has been a joint participant in a new project to train specialist managers for Family House facilities.



©Yuriko Yamawaki 2006



Volunteers cleaning up "Fish House"

In fiscal 2010, 28 Takeda employees took part in a volunteer effort to do a full clean-up of 2 of the facilities, known as "Fish House" and "Kangaroo House."

#### Clean-Up Volunteers—Voices of Participants

"I'm glad I was able to do something to help patients. I feel it is important to take part in activities that bring me closer to them."

"It was a valuable day for thinking about what I can contribute as a person, and as an employee of a pharmaceutical company involved with people's lives."

### Prevention of Cervical Cancer in Thailand

Peoples' Hope Japan (PH-Japan) is an authorized non-profit organization dedicated to helping particularly developing countries in Asia to improve their healthcare environments by supporting them in helping themselves. Takeda has been providing support since fiscal 2005 for a PH-Japan cervical cancer prevention program in Thailand.



Takeda supported cervical cancer prevention and awareness-raising activities in Thailand

We made annual donations of ¥3 million starting in fiscal 2007 to expand the project to the Mae Tang and Mae Rim districts of Chiang Mai province, and in fiscal 2010 the

3-year cervical cancer prevention education program came to an end. The original target was to get 50% of women in targeted areas (20,265 women) to undergo a PAP test for cervical cancer. In the end, the program helped 62.5% (25,350 women) to get tested.

The program also promoted education for trainers of nurses and district health station staff, and village health volunteers, as well as providing medical equipment and other supplies. These efforts were praised by local health authorities.

#### Comment from the Chiang Mai Health Office Supervisor

"PH-Japan Thailand worked closely with health station staff, village health volunteers, and doctors and nurses at local hospitals to establish excellent practices with the support of the entire community for treating cancer patients and including by providing mental health care."

### Sponsor of "Relay for Life in Tokyo 2010"

Takeda was a special sponsor for the "Relay for Life in Tokyo 2010" event held in Shiokaze Park, Tokyo, from October 9 to 10, 2010. Relay for Life is a 24-hour charity walking event to support people fighting cancer, as well as their families and supporters. The event started in the U.S. in 1985, and is currently held in 20 countries around the world.

On the day of the relay, 48 employee volunteers came together to form "Team Takeda," walking around the event ground in a relay, holding the team flag. Other activities included distributing pamphlets to raise awareness about diseases from a special booth.



Employee volunteers came together to form "Team Takeda"



# Community Involvement and Development

Takeda is developing a range of initiatives on a global scale, building a relationship with society founded on sincerity.

## Other Activities by Country

### The U.S.

Takeda Pharmaceuticals North America, Inc.	Takeda Pharmaceuticals North America (TPNA) donated funds to the Moses E. Cheeks basketball summer camp for children with diabetes. The camp gives children an opportunity to learn about the importance of exercise and healthy eating, while fostering their sense of independence.
	Getting behind the activities of the NPO Rebuilding Together, TPNA provided funds to cover restoration expenses for three houses in the South Chicago area while employee volunteers provided the elbow grease. This initiative takes place every year.
	Employees took part in volunteer activities to support the victims of the earthquake in Haiti. Along with helping out with activities at a medical camp, Takeda volunteers got involved with setting up a pharmacy to help dispense medicine to patients.
Millennium Pharmaceuticals, Inc.	Millennium Pharmaceuticals (Millennium) is a National Sponsor of the annual Walk/Run Race for Research to benefit the Multiple Myeloma Research Foundation (MMRF). Last year, over 300 Millennium staff participated in the race and raised over \$1,000 for the MMRF.
	Millennium holds what we call a "Green Day." This activity features various initiatives to protect the environment. This year, for example, the Millennium staff donated over 300 pairs of sneakers and shoes which are then recycled into material to build playgrounds for inner city youth.
	Millennium hosted a Biotechnology Job Shadow Day to support career education for local high school students. Twenty students received a presentation on career opportunities in biotechnology, and spent a day experiencing firsthand our unique work environment and culture.
Takeda San Diego, Inc.	Employee volunteers planted 180 trees in a designated habitat protection area in a park in San Diego. They also held a Tour de Takeda, raising \$4,800 for the American Diabetes Association.
	Employees spent the morning planting more than 160 trees as part of a restoration activity at the Mission Valley Preserve in San Diego in honor of World Environment Day. The preserve had been damaged by wildfires in 2009.
	For the eighth consecutive year, employees warmed the hearts of children battling serious illnesses at the San Diego Center for Children, throwing a holiday party for them and giving them presents.
Takeda San Francisco, Inc.	In 2010, Takeda San Francisco (TSF) joined with Millennium in supporting Light The Night Walk, collecting \$32,350 in donations for this charity walk event held by The Leukemia & Lymphoma Society.
	TSF is a Masterpiece Sponsor for Camp Okizu. TSF employees also donated over \$3,000 to support the activities of the NPO Okizu, which assists children affected by cancer and their families through kid's camp programs and other initiatives.
Takeda Global Research & Development Center, Inc.	Takeda Global Research & Development Center sponsored the University of Illinois at Chicago College of Pharmacy Research Days. Organized by the Graduate Student Committee, the event promotes education and research in pharmacology.
Takeda Pharmaceutical Development Division	Pharmaceutical Development Division (PDD) was a part sponsor of the Illinois Biotechnology Industry Organization Institute's iCON Awards Dinner. The event presents awards to people who have supported education in the life sciences in Illinois.
	PDD participated in two holiday giving programs, providing a donation to community-based support programs for underprivileged people in Chicago, and to a child welfare program that supports sick and abused children in the Philippines.
	PDD sponsored the University of Illinois at Chicago's Walter Payton Center Guild Gala. The event aims to raise awareness of gastroenterological diseases and disorders. PDD supports this program on an ongoing basis.

### France

Laboratoires Takeda	On April 10, 2011 one of Laboratoires Takeda's (LT) employees ran alongside 40,000 other participants in the Paris Marathon. The marathon was to express condolences to the victims of the Great East Japan Earthquake, and encourage those living in affected areas.
	Twenty-one employees participated in Odyssea, France's first charity race for fighting breast cancer. The race raised €400,000, which was donated to local associations fighting against breast cancer.
	LT donated €8,000 to support "Maison du diabète" ("Diabetes Homes"). These are places where patients and health professionals can exchange information about diabetes. Nurses and nutritionists are also available to give patients advice.

## Germany

Takeda Pharma GmbH	Takeda Pharma (TP) has supported the Aachen Charity Run marathon every year since 2000. In 2010 the proceeds were donated to help provide homeless people with free meals, free access to washing and shower-facilities, and other amenities.
	TP is a sponsor of the organizing body for all athletic programs at the Aachen University. For example, we sponsored a local 5-km run for participants of all ages.

## Italy

Takeda Italia Farmaceutici S.p.A.	Takeda Italia Farmaceutici (TIF) supported an innovative variety and talk-show style seminar for building public awareness of diabetes. Drawing together diabetes specialists, general practitioners, patients' associations and representatives of healthcare management, and moderated by a popular local journalist, the show was conducted in 15 locations across Italy.
	TIF supported a project called "Emergency Cold" for providing shelter against the winter cold to some of the homeless people living in Rome, where the Head Office is located.
	TIF ran a program called "Takeda Check Heart" providing a free check-up by a cardiologist to patients visiting 41 medical clinics nationwide.

## The UK

Takeda UK Limited	To support people in areas affected by the Great East Japan Earthquake, Takeda UK made a donation of £10,000, and held a charity raffle to raise a further £3,005 that was also donated.
	To support the annual awareness week organized by the Bone Cancer Research Trust, employees baked homemade cakes for an internal raffle. An interactive presentation on osteosarcoma was also given to raise internal awareness around the disease.

## Ireland

Takeda Ireland Limited	Takeda Ireland (TIL) helped raise awareness of cancers that affect men, such as prostate cancer, by holding various events and fundraising drives in conjunction with the Blue September campaign held in September 2011.
	TIL hosted an observation visit for secondary school chemistry graduates from the Holy Family Community School in Dublin. This provided students with an opportunity to gain a first-hand understanding of the role of pharmaceutical companies, and what it is like to work in one.

## Taiwan

Takeda Pharmaceuticals Taiwan, Ltd.	Takeda Taiwan supports hospitals in providing free cancer pre-screening services to local communities and schools upon request. This initiative has been running for several years now.
	In other activities, Takeda Taiwan is also active in volunteering to help clean up beaches in northern Taiwan, and provides support to T.F.C.F. (Taiwan Fund for Children and Families), one of Taiwan's few organizations with over 60 year's experience in helping children.

## Thailand

Takeda (Thailand), Ltd.	Takeda Thailand supports the D Ambassador Project in collaboration with the Thai Ministry of Culture, Thai Health Promotion Foundation Office, and several private enterprises. The project aims to promote social contribution activities by Thailand's young generation.
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## Indonesia

P.T. Takeda Indonesia	Every Friday is "Environment Clean Day," and employees in the factory clean the area around the factory, picking up garbage and cleaning nearby drainage ditches. By doing so, we encourage the community to keep our environment clean.
	Takeda Indonesia employees sent relief funds and provided other support for victims of the 2006 Yogyakarta earthquake and 2010 Mentawai island earthquake.
	Employees donate food, clothing, books and other items to people in the local community who need them.

## Corporate Information

As of March 31, 2011

**Company Name:** Takeda Pharmaceutical Company Limited

**Founded:** June 12, 1781

**Incorporated:** January 29, 1925

**Paid-In Capital:** ¥63,541 million

**Representative:** Yasuchika Hasegawa, President & CEO

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

**Number of Employees:** 18,498 (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

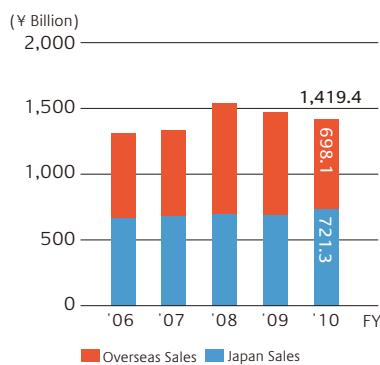
**Tokyo Head Office:**

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

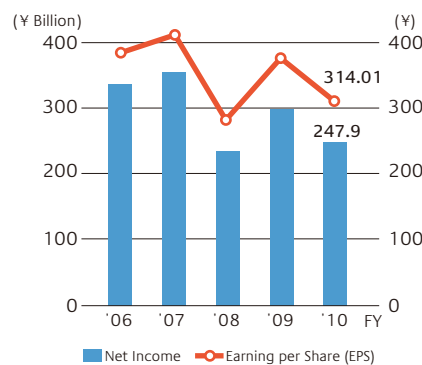
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Fax: +81-3-3278-2000

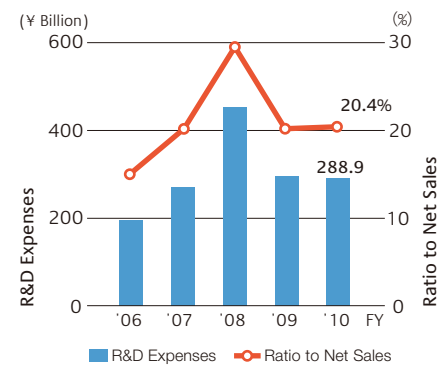
### Net Sales



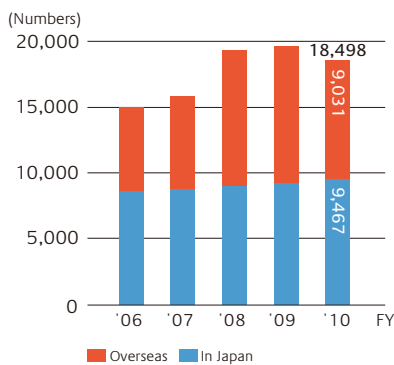
### Net Income/Earnings per Share (EPS)



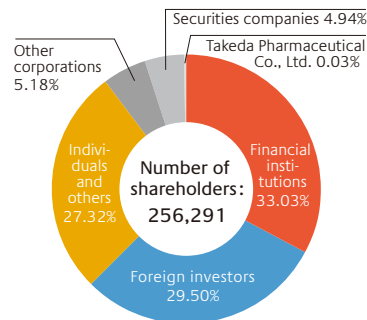
### R&D Expenses/Ratio to Net Sales



### Number of Employees



### Proportion of Shareholders



## Key Social Responsibility Indices

Labor Practices		2011	2010	2009
Number of employees*	Total	18,498	19,585	19,362
	Japan	9,467	9,305	9,072
	Overseas	9,031	10,280	10,290
	Pharmaceutical business	16,470	17,568	17,194
	Ethical drugs	16,035	17,125	—
	Consumer healthcare	435	443	—
	Other businesses	2,028	2,016	2,168
Number of participants in the global leadership development program		33	36	28
Global employee survey		Conducted	—	Conducted

Note: Employees working in Takeda Pharmaceutical Company Limited and its consolidated subsidiaries. From fiscal 2010, the number is calculated on a full time equivalent basis. For fair comparison, the figures for fiscal 2009 have been restated on the same basis.

## The Environment

Total input energies	6,449 million MJ	6,113 million MJ	5,823 million MJ
Input water resources	7,309 thousand m <sup>3</sup>	7,461 thousand m <sup>3</sup>	7,771 thousand m <sup>3</sup>
CO <sub>2</sub> emissions	332 kilotons of CO <sub>2</sub>	329 kilotons of CO <sub>2</sub>	347 kilotons of CO <sub>2</sub>
SO <sub>x</sub> (sulfur oxide) emissions	40 tons	49 tons	211 tons
NO <sub>x</sub> (nitrogen oxide) emissions	236 tons	231 tons	290 tons
Dust emissions	18 tons	12 tons	30 tons
Amount of waste generated	44 kilotons	58 kilotons	54 kilotons
PRTR-designated substances released into the atmosphere (Japan)	48 tons	51 tons	60 tons

## Community Involvement and Development

Cash donations	¥4,416 million	¥5,517 million	¥4,371 million
Takeda Science Foundation research grants	¥2,201 million	¥2,053 million	¥1,513 million
Total income taxes	¥121,326 million	¥115,668 million	¥161,351 million



# GRI Guidelines Reference Table

## GRI Guidelines Content Index

Takeda's Annual Report 2011 and Annual Report 2011 CSR Data Book were prepared with reference to the Sustainability Reporting Guidelines 2006 (Version 3.0) published by the Global Reporting Initiative (GRI). The guidelines provide a framework for sustainability reports that can be applied globally.

The GRI recommends that report makers declare their level of compliance with the stipulations of the guidelines (known as the "GRI Application Level"). We believe that Takeda's Annual Report 2011 and Annual Report 2011 CSR Data Book satisfy the GRI Application Level B for reporting standards.

## Application Level Standards

Report Application Level	C	C+	B	B+	A	A+	
Standard Disclosures	G3 Profile Disclosures	Report on: 1.1 2.1–2.10 3.1–3.8, 3.10–3.12 4.1–4.4, 4.14–4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5–4.13, 4.16–4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured
	G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social, and Environmental.	Report Externally Assured	Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.	Report Externally Assured	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	Report Externally Assured

\*Sector supplement in final version

## GRI Guidelines Reference Table

Aspect	Indicator	Relevant Pages in Reports		
		Annual Report	CSR Data Book	
		Core	Additional	
<b>1 Strategy and Analysis</b>				
	1.1	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	6-13	–
	1.2	Description of key impacts, risks, and opportunities.	1,33,53,63,74,75,90,91,101,112,113	17,20,21,61,62,63,66,67
<b>2 Organizational Profile</b>				
	2.1	Name of the organization.	146	96
	2.2	Primary brands, products, and/or services.	50,51,61	–
	2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	104,105	–
	2.4	Location of organization's headquarters.	146	96
	2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	104,105	–
	2.6	Nature of ownership and legal form.	146	96
	2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	32,33	–
	2.8	Scale of the reporting organization, including: • Number of employees; • 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); and • Quantity of products or services provided.	4,5,107-144	96,97
	2.9	Significant changes during the reporting period regarding size, structure, or ownership including: • The location of, or changes in operations, including facility openings, closings, and expansions; and • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	18,19,24-29,107-144	–
	2.10	Awards received in the reporting period.	18,86,87	41,43,44

Aspect	Indicator	Relevant Pages in Reports		
		Annual Report	CSR Data Book	
		Core	Additional	
<b>3 Report Parameters</b>				
Report Profile	3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	3	1
	3.2	Date of most recent previous report (if any).	–	1
	3.3	Reporting cycle (annual, biennial, etc.)	–	1
	3.4	Contact point for questions regarding the report or its contents.	147	1
Report Scope and Boundary	3.5	Process for defining report content, including: <ul style="list-style-type: none"> <li>• Determining materiality;</li> <li>• Prioritizing topics within the report; and</li> <li>• Identifying stakeholders the organization expects to use the report.</li> </ul>	31,67,70	1-3,6
	3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	2	1
	3.7	State any specific limitations on the scope or boundary of the report.	2	1
	3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	24-29	–
	3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	85,87,147	40,49,50
	3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	11,24-29	–
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	N/A	N/A
GRI Content Index	3.12	Table identifying the location of the Standard Disclosures in the report.	–	98
Assurance	3.13	Policy and current practice with regard to seeking external assurance for the report.	–	104

<b>4 Governance, Commitments, and Engagement</b>				
Governance	4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	99-103	16-18
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	102,103	–
	4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	102,103	–
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	99	16
	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	*	*
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	99	16
	4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	*	*
	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	30	–
	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	72	18
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	103	–
Commitments to External Initiatives	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	63,65,69,72,84,101,112,113	5,17,18,38,61,66,67
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	67-69	3,4,5
	4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• Has positions in governance bodies;</li> <li>• Participates in projects or committees;</li> <li>• Provides substantive funding beyond routine membership dues; or</li> <li>• Views membership as strategic.</li> </ul>	–	1
	4.14	List of stakeholder groups engaged by the organization.	31	2
	4.15	Basis for identification and selection of stakeholders with whom to engage.	31	2
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	31,67,68,69,73	1,2,3,4,19
	4.17	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.	73	19

\*Financial Statements for Year Ended March 31, 2011

# GRI Guidelines Reference Table

Aspect	Indicator	Relevant Pages in Reports	
		Annual Report Core	CSR Data Book Additional
<b>5 Disclosure on Management Approach and Performance Indicators (Economic, Environmental, Social)</b>			
<b>Economic</b>			
Economic Performance Indicators	Disclosure on Management Approach	8-13,107-144	–
Economic Performance	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	–
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	–
	EC3	Coverage of the organization's defined benefit plan obligations.	134
	EC4	Significant financial assistance received from government.	–
Market Presence	EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	–
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	–
	EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	–
Indirect Economic Impacts	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	92-97
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	147
<b>Environmental</b>			
Environmental Performance Indicators	Disclosure on Management Approach	82-87	8,9,30-53
Materials	EN1	Materials used by weight or volume.	50,52,53
	EN2	Percentage of materials used that are recycled input materials.	–
Energy	EN3	Direct energy consumption by primary energy source.	50,52,53
	EN4	Indirect energy consumption by primary source.	–
	EN5	Energy saved due to conservation and efficiency improvements.	85
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	85
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	–
Water	EN8	Total water withdrawal by source.	85,147
	EN9	Water sources significantly affected by withdrawal of water.	85
	EN10	Percentage and total volume of water recycled and reused.	–
Biodiversity	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	86
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	86
	EN13	Habitats protected or restored.	86
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	86
	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	–
Emissions, Effluents, and Waste	EN16	Total direct and indirect greenhouse gas emissions by weight.	85,147
	EN17	Other relevant indirect greenhouse gas emissions by weight.	–
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	85
	EN19	Emissions of ozone-depleting substances by weight.	–
	EN20	NO, SO, and other significant air emissions by type and weight.	87,147
	EN21	Total water discharge by quality and destination.	85,147
	EN22	Total weight of waste by type and disposal method.	87,147
	EN23	Total number and volume of significant spills.	–
	EN24	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.	–
	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	–
Products and Services	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	86
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	–
Compliance	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	N/A
Transport	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	–
Overall	EN30	Total environmental protection expenditures and investments by type.	–

Aspect	Indicator	Relevant Pages in Reports		
		Annual Report	CSR Data Book	
		Core	Additional	
<b>Social (Labor Practices and Decent Work)</b>				
Labor Practices and Decent Work Performance Indicators	Disclosure on Management Approach	78-81	8,9,24-29	
Employment	LA1	Total workforce by employment type, employment contract, and region.	5,147	26,97
	LA2	Total number and rate of employee turnover by age group, gender, and region.	–	–
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	81	28
Labor/ Management Relations	LA4	Percentage of employees covered by collective bargaining agreements.	–	29
	LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	–	–
Occupational Health and Safety	LA6	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.	–	–
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	–	29
	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	81	29
	LA9	Health and safety topics covered in formal agreements with trade unions.	81	29
Training and Education	LA10	Average hours of training per year per employee by employee category.	–	27
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	78-80	24-27
	LA12	Percentage of employees receiving regular performance and career development reviews.	–	–
Diversity and Equal Opportunity	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	–	26,29
	LA14	Ratio of basic salary of men to women by employee category.	–	–
<b>Social (Human Rights)</b>				
Human Rights Performance Indicators	Disclosure on Management Approach	74-77	8,9,20-23	
Investment and Procurement Practices	HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	–	–
	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	–	–
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	–	–
Non-discrimination	HR4	Total number of incidents of discrimination and actions taken.	–	–
Freedom of Association and Collective Bargaining	HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	–	–
Child Labor	HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	–	–
Forced and Compulsory Labor	HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	–	–
Security Practices	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	–	–
Indigenous Rights	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	–	–
<b>Social (Society)</b>				
Society Performance Indicators	Disclosure on Management Approach	88,89,92-97,100	54-61,70-95	
Community	SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	84	38,39,48,49
Corruption	SO2	Percentage and total number of business units analyzed for risks related to corruption.	–	–
	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	–	59
	SO4	Actions taken in response to incidents of corruption.	–	–
Public Policy	SO5	Public policy positions and participation in public policy development and lobbying.	–	–
	SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	–	–
Anti-Competitive Behavior	SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	–	–
Compliance	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	–	–
<b>Social (Product Responsibility)</b>				
Product Responsibility Performance Indicators	Disclosure on Management Approach	64,65,90,91	62-69	
Customer Health and Safety	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	64,65,90,91	62-69
	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	–	–
Product and Service Labeling	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	–	–
	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	–	–
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	91	63
Marketing Communications	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	77,91	23,56,63
	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.	–	–
Customer Privacy	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	–	–
Compliance	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

## Reference Table for United Nations Global Compact Advanced Level COP

Criteria for the GC Advanced Level		Contents	Relevant Pages in Reports	
			Annual Report	CSR Data Book
<b>Strategy, Governance and Engagement</b>				
Criterion 1	The COP describes C-suite and Board level discussions of strategic aspects of Global Compact implementation	Market Environment	33	–
		Potential Risks Involving Intellectual Property Rights	63	61
		Anti-Counterfeit Measures	90,91	62,63
		Scope of Crises as Defined in the Guidelines	101	17
		Risk Factors in Business	112	–
		Human Rights Issues throughout the Value Chain	74,75	20,21
		Reducing Environmental Risks	–	36
		Key Social Responsibility Indices	147	97
		CSR Activities and Targets in Fiscal 2010	–	8
		Takeda's Major Environmental Protection Policies and Achievements in Fiscal 2010	–	33
Criterion 2	The COP describes effective decision-making processes and systems of governance for corporate sustainability	CSR Promotion Framework	72	18
Criterion 3	The COP describes engagement with all important stakeholders	Our Stakeholders	31	2
		Our Stakeholders>Main Method of Dialogue	31	2
		Stakeholder Engagement>Examples of Dialogue with Stakeholders	73	19
		Takeda Global Advisory Board	103	–
<b>UN Goals and Issues</b>				
Criterion 4	The COP describes actions taken in support of broader UN goals and issues	Social Responsibility as a Global Pharmaceutical Company: Vaccine Business	49	69
		Healthcare Support for Developing Countries	94	74
		Takeda Well-Being Program	73,97	19,72,92
<b>Human Rights Implementation</b>				
Criterion 5	The COP describes robust commitments, strategies or policies in the area of human rights	Human Rights: Basic Policy	74	20
		Human Rights Issues throughout the Value Chain	74,75	20,21
		CSR Targets in Fiscal 2011	–	9
Criterion 6	The COP describes effective management systems to integrate the human rights principles	Initiatives throughout the Value Chain: Research	76	22
		Initiatives throughout the Value Chain: Development (Clinical Trials)	76	22
		Promoting Compliance at Takeda Pharmaceutical (Voice of Takeda Systems)	100	54
Criterion 7	The COP describes effective monitoring and evaluation mechanisms of human rights integration	Initiatives throughout the Value Chain	76,77	22,23
Criterion 8	The COP contains standardized performance indicators (including GRI) on human rights	Ratio of People with Disabilities Employed at Takeda	–	29
<b>Labor Principles Implementation</b>				
Criterion 9	The COP describes robust commitments, strategies or policies in the area of labor	Labor Practices: Basic Policy	78	24
		Treatment of Employees (the Takeda Global Code of Conduct)	77	23
		CSR Targets in Fiscal 2011	–	9
Criterion 10	The COP describes effective management systems to integrate the labor principles	Relations with Workers Unions	81	29
		Promoting Compliance at Takeda Pharmaceutical (Voice of Takeda Systems)	100	54
Criterion 11	The COP describes effective monitoring and evaluation mechanisms of labor principles integration	Takeda Global Employee Survey	80	26
		Health and Safety of Employees	81	29
Criterion 12	The COP contains standardized performance indicators (including GRI) on labour principles integration	Takeda Leadership Institute Participants	78	24
		Workforce Size and Gender Composition, Labor Practices Indices	–	26
		Number of Participants in Training Programs	–	27
		Utilization of Takeda's Employee Benefit Programs	–	28
		Percentage of Employees Using the Health Check Service, Frequency of Occupational Accidents	–	29

Criteria for the GC Advanced Level		Contents	Relevant Pages in Reports	
			Annual Report	CSR Data Book
<b>Environmental Stewardship Implementation</b>				
Criterion 13	The COP describes robust commitments, strategies or policies in the area of environmental stewardship	Biodiversity Initiatives (the Convention on Biological Diversity)	86	42
		Basic Principles on the Environment	82	30
		Pharmaceutical Production Division Global EHS Policy	–	34
		Environment and Safety Management Structure	82	35
		Message from Environmental Committee Chairperson	–	35
		CSR Targets in Fiscal 2011	–	9
		Takeda Group Environmental Action Plan	83	31
Criterion 14	The COP describes effective management systems to integrate the environmental principles	Reducing Environmental Risks	84	36-39
		Promoting Compliance at Takeda Pharmaceutical (Voice of Takeda Systems)	100	54
Criterion 15	The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	Environmental Protection and Accident Prevention Audit	–	37
		Reducing Environmental Risks	84	36-39
Criterion 16	The COP contains standardized performance indicators (including GRI) on environmental stewardship	Trend of Takeda's CO <sub>2</sub> Emissions, Trend of Takeda Group's CO <sub>2</sub> Emissions	85	40
		Volumes of Water Used and Discharged	85	41
		Sources of Herbal Drugs	–	42
		Trends in Waste Generation, Discharge and Final Disposal	87	44
		Waste Product Breakdown and Amounts	–	45
		PRTR (Pollutant Release and Transfer Register) Substances Handled, Released and Transferred, Totals for PRTR-Designated Substance Data	–	46
		SO <sub>x</sub> Emissions, NO <sub>x</sub> Emissions, Dust Emissions, COD Discharges	–	47
		Environmental Impacts Associated with Takeda Group Business Activities	–	50
		Environmental Impact Data by Site	–	52,53
<b>Anti-Corruption Implementation</b>				
Criterion 17	The COP describes robust commitments, strategies or policies in the area of anti-corruption	The Takeda Global Code of Conduct and the Takeda Compliance Program	100	54
		CSR Targets in Fiscal 2011	–	9
Criterion 18	The COP describes effective management systems to integrate the anti-corruption principle	Employee Compliance Program	–	58
		Promoting Compliance at Takeda Pharmaceutical	100	54
Criterion 19	The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	Promoting Compliance at Takeda Pharmaceutical	100	54
Criterion 20	The COP contains standardized performance indicators (including GRI) on anti-corruption	Training Programs Run in Fiscal 2010	–	59
<b>Value Chain Implementation</b>				
Criterion 21	The COP describes implementation of the Global Compact principles in the value chain	Assessment of Business Partners	–	58
		Guidelines for Socially Responsible Purchasing	89	57
		Global Purchasing Policy	–	58
		Guidelines for Socially Responsible Purchasing > Code of Conduct for Suppliers	89	57
<b>Transparency and Verification</b>				
Criterion 22	The COP provides information on the company's profile and context of operation	Corporate Information	146	96
		Major Subsidiaries and Affiliates	104,105	–
		Takeda at a Glance	32,33	–
		Marketing	50,51,61	–
Criterion 23	The COP incorporates high standards of transparency and disclosure	GRI Guidelines Reference Table	–	98
		Key Social Responsibility Indices	149	97
Criterion 24	The COP is independently verified by a credible third-party	Third-Party Comment	–	104



## Prof. Yoshito Nakamura

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Auditor of the Supporting Organization of JOCV  
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Independent Administrative Institutions,  
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This year I have again been asked to give an opinion as an independent observer, having read the CSR Data Book of Takeda Pharmaceutical Company Limited (“the Company”) and listened to an explanation from the Company’s officer in charge of CSR.

The Company has long included information on its CSR activities in an integrated fashion along with financial information in its annual report. This integration of information follows naturally when one considers that the processes and results of the Company’s business of contributing to society by creating pharmaceutical products are one and the same with the practice of CSR. The CSR Data Book contains detailed information about the Company’s relationship with its

stakeholders, the reorganization of its CSR systems in line with the core subjects of the international ISO 26000 standard on social responsibility that was published last year, and an explanation of the activities involved. The beginning of the CSR Data Book clarifies the Company’s approach to CSR, giving details of the stakeholders targeted in the Company’s CSR activities and the framework of the United Nations Global Compact and other initiatives that guide these activities. In a new development, from fiscal 2010, the Company has adopted the core subjects of the ISO 26000 standard as the framework for promoting its CSR activities. The Company is also a member of the LEAD Program under the United Nations Global Compact, and I expect to see it fulfill this role over the coming years.

### 1. Organizational Governance

Organizational governance is at the heart of social responsibility. It is a basic element for organizations taking responsibility for their decision-making and actions, and for integrating social responsibility with organizational behavior. The integrity of governance is directly linked to the integrity of corporate management. The CSR Data Book contains explanations about the Company’s initiatives relating to governance structure, CSR management, crisis management, and stakeholder dialogue, clearly displaying effective governance functions. The data book also explains how the Company integrates CSR management decision-making with business matters. However, if the data book is to function as a supplement to the annual report, then it would seem to be a good idea to explain the decision-making process for CSR matters.

### 2. Human Rights and Labor Practices

The data book shows how the Company has gone beyond simple respect for human rights, to extend the scope of its activities across the value chain of its operations, explaining the Company’s activities and challenges at each stage. Initiatives toward employees, who are the core of any business, are explained in a section on labor practices,

which clearly explains the Company’s policies on human rights and labor. Since a shared awareness on the concept of CSR is important for global companies to manage employees with diverse nationalities, cultures and values, I would like to see specific results of the employee survey included. Moreover, in order to draw out the full potential of employees, they need to be healthy. The Constitution of the World Health Organization defines good health as a perfectly good condition physically, mentally, and socially. This implies wide-ranging conditions that need to be met. I would like to see the Company provide specific quantitative data on these kinds of factors.

### 3. The Environment

The Company has formulated action plans based on its Basic Principles on the Environment, and evaluates its achievements for each plan. In fiscal 2010, the Company cleared all of its targets in this respect. The target for CO<sub>2</sub> emissions for fiscal 2010 was an 18% reduction compared with fiscal 2005 levels. At 332,000 tons, the Group actually achieved a 32% reduction, showing that its measures in this regard are producing steady results. The data book shows that emissions of waste and chemical substances have also met reduction targets. Since the scope of the Company’s CSR initiatives has now been expanded from the Group to cover the entire value chain, it would be good to see the Company also taking a leadership role in environmental measures, and including the results of these efforts in the CSR Data Book.

### 4. Consumer Issues

As the pharmaceutical market becomes globalized, there is a growing problem and risk relating to counterfeit drugs. According to the data book, the Company’s mission is to supply safe, high-quality products to consumers, and has therefore established a quality assurance system that spans the entire value chain from raw materials to sales. The Company also provides medical information about its products. I would like the Company to continue providing consumers with clear, simple explanations of the effects and results of its initiatives in the value chain to further develop consumers’ trust and confidence.

The Company recognizes the importance of CSR and publishes a data book on the Internet in addition to its integrated annual report. The data book also includes a function for browsing “Associated Information.” In addition, the Company publishes a wealth of other information about pharmaceutical products online. The cornerstone of socially responsible corporate behavior is accountability. This means not only explaining ones actions, but also maintaining a state of being able to take responsibility. I hope that in the coming years, the Company will find inventive ways of fulfilling its accountability for CSR activities, obtain the understanding and support of its stakeholders, and continue promoting the sharing of values between itself and stakeholders.

(This opinion is not intended to comment on the accuracy or completeness of the information in the CSR Data Book.)

# CSR Data Book Survey

Thanks for taking the time to read our Annual Report 2011 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. Please send your completed survey by fax or post as follows.

Corporate Communications Division,  
Takeda Pharmaceutical Company Limited

**FAX: +81-3-3278-2000**

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

You can also respond to the survey via our website: <http://www.takeda.co.jp/csr/enq-en/2011>

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

- .....
- **Content**       Very comprehensive       Comprehensive       Normal       Somewhat lacking       Severely lacking
- .....
- **Ease of understanding**       Very easy to understand       Easy to understand       Normal       Difficult to understand       Very difficult to understand
- .....
- **Volume of information**       Too much       A little too much       Normal       A little brief       Too brief
- .....
- **Design**       Very easy to read       Easy to read       Normal       Difficult to read       Very difficult to read
- .....
- **Takeda's CSR activities**       Very comprehensive       Comprehensive       Normal       Somewhat lacking       Severely lacking
- .....

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

- .....
- Basic Policy on CSR(P.3)       Biodiversity Conservation Initiatives(P.42-43)
- United Nations Global Compact(P.4)       Waste Reduction(P.44-45)
- ISO26000(P.5)       Reduction in Releases of Chemical Substances/Air and Water Quality Protection(P.46-47)
- CSR Activities and Targets(P.8-9)       Environmental Impacts Associated with Takeda Group Business Activities(P.50)
- Feature: Becoming a Sustainable Organization(P.10-13)
- [Organizational Governance]**
- Due Diligence(P.18-19)      **[Fair Operating Practices]**
- Stakeholder Engagement(P.19)       Fair Promotion Activities/Ant-Corruption(P.56)
- [Human Rights]**       Social Responsibility in the Value Chain(P.57)
- Human Rights Issues throughout the Value Chain(P.20-21)       Global Purchasing Policy(P.58-59)
- Initiatives throughout the Value Chain(P.22-23)      **[Consumer Issues]**
- [Labor Practices]**       Anti-Counterfeit Measures(P.62-63)
- Developing a Global Talent Base(P.24-25)       Quality Assurance System(P.64-67)
- Work-Life Balance(P.28)       Social Responsibility as a Global Pharmaceutical Company: Vaccine Business(P.69)
- [The Environment]**      **[Community Involvement and Development]**
- Takeda Group Environmental Action Plan(P.31-32)       Policy for Corporate Citizenship Activities(P.70-71)
- Reducing Environmental Risks/Environmental Protection and Accident Prevention Audit/Accident Prevention Initiatives(P.36-38)       Support for Areas Affected by the Great East Japan Earthquake(P.73)
- Accident prevention and safety measures at the Shonan Research Center(P.39)       Healthcare Support for Developing Countries(P.74)
- Initiatives to Deal with Climate Change/Water Resources Conservation Initiatives(P.40-41)       Initiatives at Takeda Group Companies(P.75-95)

## Q3 From what perspective did you read the report?

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

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

Thank you for your cooperation.