

## Creating Corporate Value through CSR

As a business that  
involves people's lives,  
and as a good corporate citizen  
Takeda will continue to contribute  
to people worldwide.  
This is what lies at the heart,  
of everything Takeda does.

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and Development



## Takeda's CSR Activities

Takeda aims to create value in a holistic sense by following internationally accepted CSR standards relating to “Principles,” “Implementation,” “Disclosure” and “Dialogue.”

### [Basic Policy on CSR]

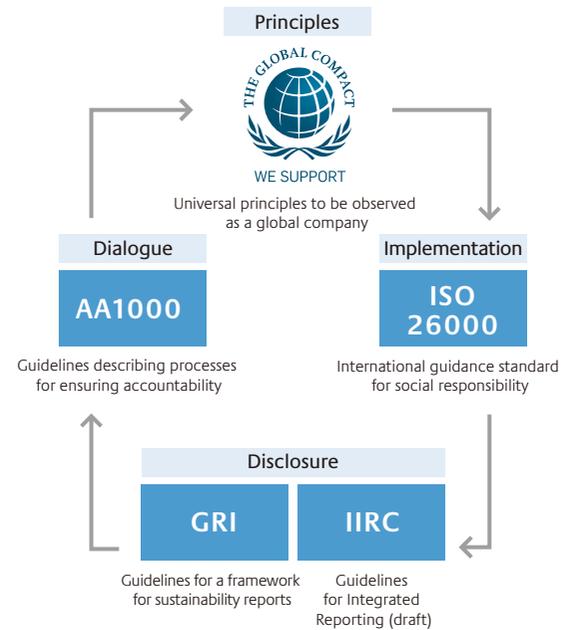
The core rationale for CSR at Takeda is in the corporate mission of “striving towards better health for patients worldwide through leading innovation in medicine.” We believe it is important to recognize the various effects on society of the pharmaceutical business value chain. We therefore strive to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

### Guidance Framework

To put this thinking into action, we entered the United Nations Global Compact in 2009, and have learned about the universal principles that leading global companies should observe. Since 2010, we have referred to ISO 26000, the international guidance standard for social responsibility, as the basis for implementing specific CSR activities.

We have traditionally used Global Reporting Initiative (GRI) Guidelines as a reference for our CSR disclosures. From 2011, Takeda also joined the International Integrated Reporting Council (IIRC) Pilot Program to try new ways of providing integrated disclosure of financial and non-financial information in line with IIRC principles. Furthermore, we are promoting deeper dialogue with stakeholders based on the AA1000 scheme. In seeking new ways to improve, we aim to enhance our CSR activities to respond to the demands of the international community.

### Guidance Frameworks for CSR Activities



### Holistic Approach

In undertaking our CSR activities, we aim to build on the traditional “corporate action” approach, which is based on firms acting unilaterally, to develop a “collective action” approach in which we work in partnership with Takeda’s stakeholders. In addition, we are developing a holistic approach to CSR where we try to maximize opportunities for creating value of society and enterprise. This approach entails taking a holistic perspective on “producer-type” activities involving other stakeholders, such as CSR-related advocacy, rule-making and initiatives.

### Holistic Approach to CSR Aimed at Creating Value



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

**Principles:** Takeda is helping to spearhead implementation of the United Nations Global Compact 10 Principles, supporting them as a member of the LEAD program.

[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. In January 2011, Takeda took the further step of becoming a member of the newly established LEAD program. Together with around 60 other participating companies worldwide, Takeda will help to lead the implementation and dissemination of the principles of the United Nations Global Compact.



"Promoting Responsible Business" forum (Yangon, Myanmar)



UN Global Compact Rio+20 Corporate Sustainability Forum



**Collective- and Producer-Type Activities as a Global Compact LEAD Participant**

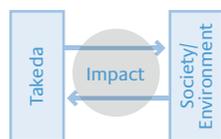


**Implementation:** Takeda uses ISO 26000 as a tool for incorporating the UN Global Compact principles into its daily business activities in each value chain as a socially responsible pharmaceutical company.

[ISO 26000]

Issued by the International Organization for Standardization (ISO) in November 2010, ISO 26000 is an international standard that provides guidance on social responsibility. It divides key issues for consideration into seven core subjects for organizations to incorporate into activities.

Takeda recognizes that in order to achieve its



Takeda implements CSR activities based on varied mutual interactions between Takeda and society or the environment

Mid-Range Plan it is important to “recognize ahead of time business opportunities and risks that could arise from changes in society and the environment during the period of the plan and take appropriate steps to counter them,” and to “recognize ahead of time the positive and negative effects on

society and the environment that could arise from business during the period of the plan and take appropriate steps to counter them.” To this end, we make full use of ISO 26000 because it provides a helpful framework for describing such kinds of changes.

**Specific Examples of Using the Seven Core Subjects Framework**

1. Analytical tool for identifying risks within each core subject inherent in each value chain
2. Tool for internal communication with key departments of Takeda involved in each core subject
3. Tool to facilitate compiling answers to external SRI questionnaires
4. Tool for disclosure to stakeholders

[Value Chain Management]

**Value Chain**

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

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

To identify issues and measures to be taken in each value chain, Takeda applies the framework of the seven core subjects in the ISO 26000 standard. A special unit for promoting CSR activities set up inside

the Corporate Communications Department coordinates with each of the sections responsible for the identified issues and measures to promote specific activities.

**Associated Information**

- ➔ P.54 CSR Activity Targets and Results
- ➔ P.58 Organizational Governance

**Promotion of CSR Activities across the Entire Value Chain**



**Disclosure:** Takeda strives to ensure that its disclosures provide an appropriate understanding of its processes for creating and sustaining value, based on the guiding principles proposed by the IIRC.

[IIRC]

In 2011, seeking to provide appropriate disclosure of our corporate value creation processes to our stakeholders, we participated in a pilot program of the International Integrated Reporting Council (IIRC), which is proposing an international framework for integrated reporting. In this annual report, we have tried to follow the following five basic principles for disclosure given by the IIRC.

### Information Disclosure in Line with Guiding Principles Proposed by IIRC

#### 1. Strategic Focus

In the Mid-Range Plan we disclose Takeda's business objectives, the specific strategies and plans for realizing these goals, and the processes for creating corporate and social value. We also explain in detail our response to the risks associated with growing business opportunities, including managing diversity, strengthening governance, and dealing with social issues in emerging markets.

#### 2. Connectivity of Information

Takeda's business is explained in a manner that reflects its connectivity, disclosing business strategies across the value chain from the upstream processes such as R&D, licensing and alliances to the downstream processes such as marketing and sales in various regional markets. Using the ISO 26000 framework of seven core subjects, we also try to show the links between varied CSR activities to provide a comprehensive overview.

#### 3. Future Orientation

In addition to business forecasts contained in the Mid-Range Plan, we disclose the related management

thinking in detail. We also set out the fiscal 2011 targets and achievements in each of the seven ISO 26000 core subjects and the targets for fiscal 2012. In addition, the "Future Outlook" sections discuss how we see the future development of relations of the Takeda Group with society.

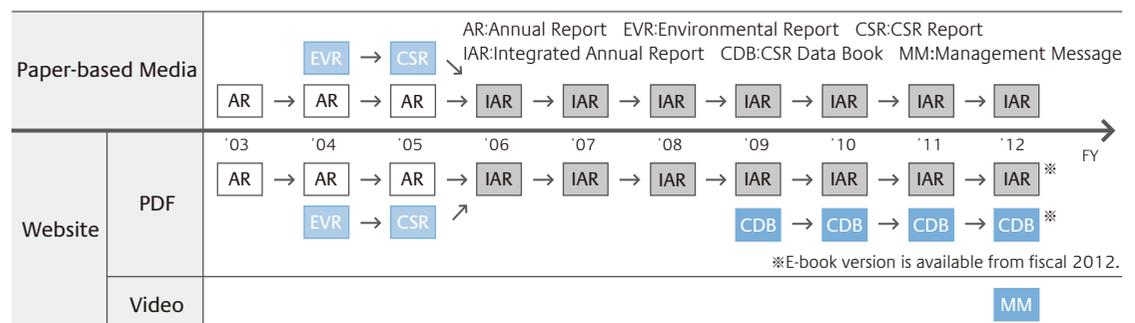
#### 4. Responsiveness and Stakeholder Inclusiveness

Takeda identifies business stakeholders and creates various opportunities for stakeholder communications, including direct dialogue, to help improve corporate value. Specifically, Takeda provides IR briefings to investors on a global basis, and strives to gain an accurate grasp of the expectations and demands of stakeholders through participation in global business conferences and other major initiatives, such as the UN Global Compact, to facilitate a swift response.

#### 5. Conciseness, Reliability and Materiality

Disclosure has been limited to information considered vital to shareholders, investors and a broad range of other stakeholders. The annual report focuses on key points in the interests of conciseness and reliability, and the messages from senior management contain video website links to allow readers to find out more. Key environmental and other data aimed primarily at certain specialists are disclosed in detail in the CSR Data Book (PDF/e-book format). To enhance the reliability of non-financial information, the CSR Data Book continues to feature an objective, third-party assessment of the data. Takeda continues to review ways to provide effective guarantees of the reliability of non-financial information through such disclosures.

### Changes in Disclosure Format



Takeda's CSR Data Book can be viewed on the corporate website (PDF/e-book).  
[http://www.takeda.com/csr/reports/article\\_1025.html](http://www.takeda.com/csr/reports/article_1025.html)

**Dialogue:** Takeda aims to enhance the value of corporate activities and quality of dialogue with stakeholders using an AA1000-based framework, based on appropriate information disclosures.

[AA1000]

AA1000 are the guidelines issued by British firm AccountAbility aimed at elevating accounting, auditing and reporting systems through a systematic stakeholder engagement process. Takeda applies an

AA1000-based framework to create various opportunities for dialogue with specific important stakeholders as part of seeking to improve CSR activities on an ongoing basis.

**Our Stakeholders**

		Main Method of Dialogue
Patients and Medical Professionals	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.	<ul style="list-style-type: none"> <li>• Pharmaceutical information providing 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>
Shareholders and Investors	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.	<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>
Society	<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> <ul style="list-style-type: none"> <li>• <b>Relationship with Public Organizations</b> 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.</li> <li>• <b>Relationship with Economic Organizations</b> 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.</li> <li>• <b>Relationship with Pharmaceutical Manufacturers' Associations</b> 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.</li> </ul>	<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 adults and students</li> <li>• Exchange of views (dialogue)</li> <li>• Volunteer activities</li> </ul>
The Environment	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.	<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>
Business Partners	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.	<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>
Employees	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.	<ul style="list-style-type: none"> <li>• Global Employee Survey</li> <li>• Company intranet</li> <li>• Labor-management dialogue</li> <li>• Counseling</li> <li>• Internal bulletins</li> <li>• Hold "Takeda-ism Month"</li> <li>• A range of capability development training</li> </ul>

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

Associated Information → P.76 Disclosure of Information to Stakeholders