



Our Business Environment

Our world is changing at rapid speed. Here are key trends we believe may have a significant impact on the patients we serve and our ability to serve them and how we are responding

The world continues to grapple with the effects of COVID-19 on public health.

The COVID-19 crisis has had extensive collateral health impacts. The incidence of non-communicable diseases (NCDs) has also worsened worldwide due to treatment delays caused by COVID-19. The pandemic and its collateral health impacts have the potential to continue to put pressure on health systems across the globe, widen health inequities, create social frictions and weigh down long-term economic growth potential.

At the same time, it is not clear that the global community is prepared for the next pandemic, including creating a transparent detection system and a worldwide inventory and revolving stock of treatments and vaccines, medical devices and testing kits. Simultaneously, investment in healthcare has been rising faster than gross domestic product (GDP) and incomes for decades due to growing and aging populations, lifestyle changes and the availability of more advanced solutions for complex diseases.

HOW WE ARE RESPONDING

We believe that a value-based approach to healthcare can lead to a better allocation of resources in health systems and better health outcomes for patients and society. We are working to champion this approach.



[Learn more](#)

Health inequity continues to grow worldwide.

COVID-19 has underscored the health inequities that have existed in access and health outcomes for generations — both between and within countries and populations. In all countries — whether low-, middle- or high-income — we are seeing widening disparities in the health status of different social groups. And almost a third of the world's population does not have access to the medicines they need.

During the pandemic we saw health inequities exacerbated by systemic and unintentional bias and inequities in the drivers of health. We also continued to experience underrepresentation of racial and ethnic minority patients in clinical trials.

HOW WE ARE RESPONDING

We are collaborating with diverse partners to identify and address health inequities in communities around the world.



[Learn more](#)

Geopolitical instability is on the rise with potentially devastating consequences

The recent war and humanitarian crisis in Ukraine are a stark reminder that we live in a very uncertain and politically divided world in which unprovoked acts of aggression can quickly lead to dramatic shifts in the geopolitical landscape and turbulent market dynamics. This conflict, along with the COVID-19 pandemic, have pressure tested the concept of globalization. We will likely see a seismic shift in the dependence on specific countries and economies and a more divided economy.

In the case of the conflict in Ukraine, leading global companies were forced to completely revisit their relationship with Russia almost overnight and many companies, including Takeda, made decisions to stop any non-essential investments. Businesses will need to redesign their supply chain strategies to be more agile in light of this new world order.

HOW WE ARE RESPONDING

We were faced with very tough decisions as the humanitarian crisis in Ukraine continued to escalate. We ended all non-essential business with Russia with one exception — delivering medicines to patients in need. In Ukraine, we are working with global humanitarian organizations to provide support to

people displaced and impacted by the conflict. We are also donating medicines to local organizations and hospitals working to provide care to patients in need, specifically those impacted by the conflict in Ukraine. Our response serves as a reminder that we will always be ready to lead with our values.

Climate change threatens to undo decades of global health progress.

The impact of climate change on our planet and future way of life is one of the biggest risks facing the world today, with profound implications for human health.

Climate change threatens to undo decades of progress to control mosquito-spread diseases with the potential to kill millions each year. Additionally, climate change is undermining many of the social determinants for good health, such as livelihoods, equality and access to healthcare and social support structures.

HOW WE ARE RESPONDING

As a global healthcare company, Takeda and our people have the knowledge and experience to help address the disease-related impacts of climate change through our core mission of developing life-changing medicines and vaccines. We are also making significant strides in decarbonizing our operations and value chain. We have been carbon neutral since 2019 and we are committed to achieving net-zero GHG emissions related to our operations (Scopes 1 and 2) before 2035 and for our entire value chain before 2040.



[Learn more](#)

The growth of data and digital has the potential to transform healthcare as we know it.

Over the past 24 months, industries have undergone rapid digitalization, workers have shifted to remote and hybrid working, and platforms and devices facilitating this change have proliferated. Nowhere has digital transformation been greater than in healthcare.

Social distancing measures have already forced many providers to employ virtual care technology for scheduled outpatient appointments. Hospitals and health systems are turning to cloud computing, 5G telecommunications, artificial intelligence and interoperable data and analytics to address current challenges and build digitally powered care delivery models for the future of health. Medical science is also being transformed by scientific discoveries that will dramatically advance the way healthcare professionals diagnose and treat diseases. Breakthroughs in digital medicines, nanomedicine, genomics and other fields are occurring at an unprecedented and exponential pace, building on transformed clinical trial structures.

Growing digital dependency also intensifies cyberthreats. Attacks on large and strategic systems have the potential to carry cascading physical and financial consequences across societies. Meanwhile, unequal access to connectivity and technology are continuing to widen the digital divide within and between societies.

HOW WE ARE RESPONDING

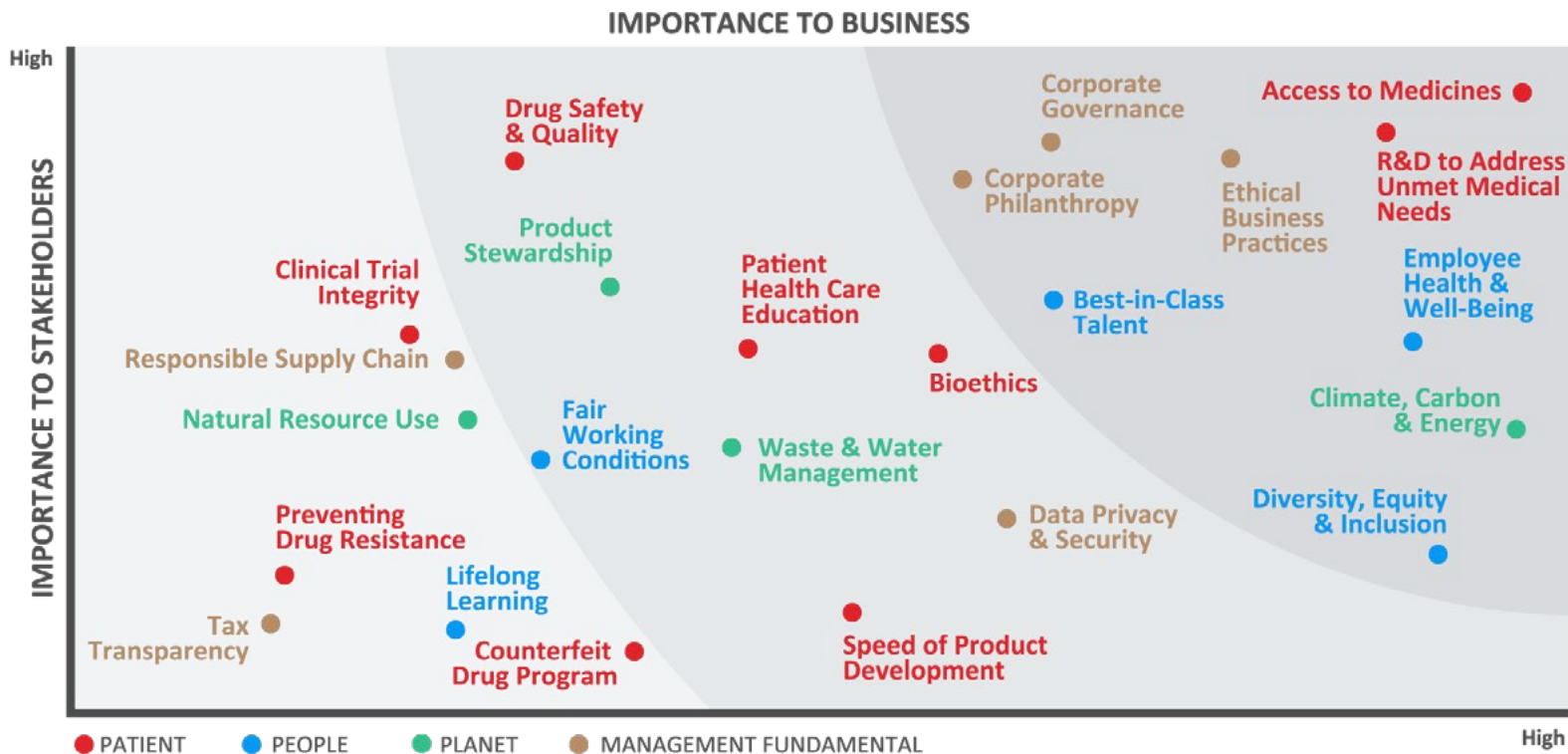
We see opportunities in data and digital to accelerate the discovery, development and delivery of our medicines and vaccines to patients. Find out more from our newly appointed Chief Data and Technology Officer.



[Learn more](#)

Materiality

We conducted a comprehensive materiality assessment to better understand which non-financial issues are strategically important to Takeda and of most interest to our stakeholders. We prioritized the issues according to their level of importance and then linked them to our Patient, People and Planet imperatives. We'll continue to review and update our material topics on an ongoing basis, reporting our progress annually.



Learn more about our materiality assessment [here](#).

Recent Environmental, Social and Governance (ESG) Recognition

DOW JONES
SUSTAINABILITY
ASIA PACIFIC INDEX

S&P Global
12th
consecutive year

ISS ESG
PRIME
STATUS

ISS
3rd
consecutive year

FTSE4GOOD
DEVELOPED
INDEX

FTSE Russell
17th
consecutive year

CDP A-LIST FOR
CLIMATE CHANGE
LEADERSHIP

Recognized as a
climate change leader
by **scoring A-** for
our climate change
disclosure

MSCI ESG
LEADERS
INDEX

MSCI
12th
consecutive year

ACCESS TO
MEDICINE INDEX

Access to Medicine
Foundation
**Ranked 6th overall and
led the pharmaceutical
industry** in Governance
of Access