

**SUSTAINABILITY
DATA BOOK
2020**

Group Mission

Contributing to Society through Healthcare

We contribute to society by providing valued products and services in the healthcare market and by responding to the needs of patients and healthcare professionals.

Core Values

Respect — Appreciative of others

We show respect and appreciation toward associates, customers, and business partners.

We value individuality and diverse cultures, and listen widely and carefully to different opinions and the voice of society.

Integrity — Guided by our mission

As associates of Terumo Group, responsible for life and health, we always act with sincerity and a sense of mission.

Through our daily efforts, we build trust among all stakeholders.

Care — Empathetic to patients

We are mindful that everything we do ultimately connects us to patients.

We strive to understand health providers deeply and work together with them to give patients a better future.

Quality — Committed to excellence

To ensure safety and reliability in healthcare, we view each issue from a "gemba" perspective in order to find the optimal solution.

As well as product quality, we pursue excellence in all we do, from product supply to customer care.

Creativity — Striving for innovation

We promote a mindset that embraces challenge for the future, and work with curiosity and passion.

We respond to the needs of "gemba" by delivering products and services that create meaningful value in a timely manner.

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Editorial Policy

Terumo prepares communication tools to provide stakeholders with straightforward reporting on the business activities it is pursuing in fulfillment of its Group mission—"Contributing to Society through Healthcare"—and to promote communication with society. Sustainability data books contain information on the initiatives of the Terumo Group to contribute to the development of a sustainable society while achieving sustainable growth for itself with relevant data. These data books have been positioned as supplementary tools to the Terumo reports that are published primarily for shareholders and other investors.

Scope of this Report

This report focuses primarily on Terumo Corporation and its domestic and overseas consolidated subsidiaries. In principle, "Terumo" refers to Terumo Corporation and "the Terumo Group" refers collectively to Terumo Corporation and its domestic and overseas consolidated subsidiaries. When the scope differs from that described above, notification will be provided.

Report Period

Fiscal 2019 (April 1, 2019 through March 31, 2020)

This report also contains information on some activities prior to or after this period. In addition, the positions and titles in this report are as of the time of the interview.

Publication Schedule

This report: September 2020

Previous report: September 2019

Referenced Guidelines

- GRI, Sustainability Reporting Standards
- Japanese Ministry of the Environment, Environmental Reporting Guidelines 2018

Report Archives

Past reports for each year are available in PDF format on Terumo Corporation's website

Sustainability at the Terumo Group

Approach to Sustainability

Under the group mission of “Contributing to Society through Healthcare,” the Terumo Group strives to provide a stable supply of high-quality medical equipment and services to patients and medical settings throughout the world, as well as resolve the various challenges facing healthcare.

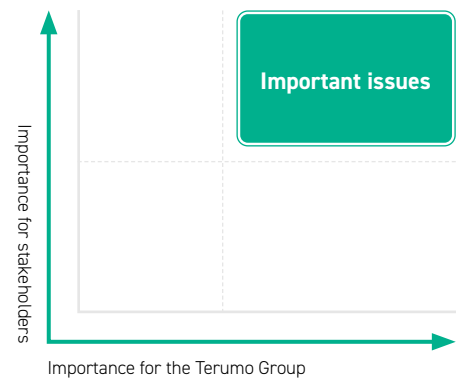
To realize this group mission, Terumo has established its Core Values, which are the values that connect all Terumo employees (associates) around the world. Based on the Core Values, the Terumo Group determines priorities for sustainability that must be put into practice in the course of daily business activities. The Group will strive for balance between the realization of a sustainable society and the achievement of its sustainable growth by promoting these priorities, while communicating with patients, medical professionals, and other stakeholders.

Sustainability Priorities

The Terumo Group is working to resolve social issues, including issues in healthcare, and balance the realization of a sustainable society with the sustainable growth of the Terumo Group, while taking the United Nations Sustainable Development Goals (SDGs) into account.

The Process for Determining Sustainability Priorities

The Terumo Group determines priorities according to the following process:



*1 GRI (Global Reporting Initiative): A nonprofit organization based in the Netherlands that advocates sustainability reporting guidelines

*2 SASB (Sustainability Accounting Standards Board): A nonprofit organization in the U.S. that aims to develop and spread sustainability accounting standards

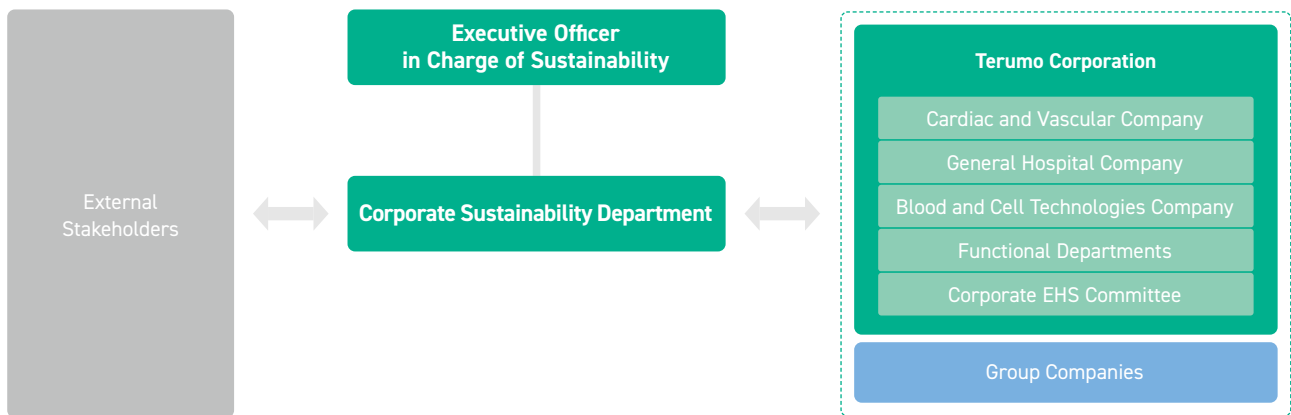
Sustainability Priorities

Core Values	Sustainability Priorities	Related United Nations SDGs*
Respect – Appreciative of others	Ensuring occupational safety and promoting health	 
	Creating workplace environments where diverse associates can demonstrate their skills and abilities	 
Integrity – Guided by our mission	Promoting compliance	 
	Reducing the environmental impact of our business operations	  
	Promoting responsible procurement	  
	Building relationships of trust through dialogue with stakeholders	
	Improving access to healthcare	 
Quality – Committed to excellence	Ensuring the safety and quality of products and services	 
	Managing supply chains that support stable supply	 
Creativity – Striving for innovation	Resolving healthcare challenges through innovation	  

* "Related United Nations SDGs" under "EHS Goals and Achievements" on page 51 indicate SDGs relevant to each EHS initiative. Meanwhile, the "Related United Nations SDGs" on this page focus on SDGs that are highly relevant to each sustainability priority for the Terumo Group as a whole.

Sustainability Management

The Corporate Sustainability Department was established in April 2018. Its purpose is to coordinate and promote activities throughout the Group. Working together with related departments, committees, and Group companies, the Corporate Sustainability Department sets action policies and priorities related to sustainability, finds ways to disseminate them throughout the Group, and promotes specific initiatives. It also interacts with internal and external stakeholders, sharing information and engaging in discussions, in order to understand the expectations of society for the Terumo Group and reflect them in its initiatives.



Human Rights Initiatives

On Human Rights Day (December 10) in 2019, Terumo announced its Terumo Group Human Rights Policy.

The Terumo Group Human Rights Policy is aimed at clarifying Terumo Group's position on and responsibility toward human rights and expressing the Group's commitment to living up to the expectations of society with regard to human rights. The policy expresses the Group's support and respect for the United Nations Guiding Principles on Business and Human Rights. As Terumo is a company that provides products and services relating to the lives and health of people, the policy defines priority themes related to human rights such as creating safe and worker-friendly environments, complying with fair labor practices, and ensuring the quality and safety of products and services. Additionally, suppliers are requested to exercise respect for human rights based on the Terumo Group Procurement Policy and Supplier Guidelines.

To support the Company in practicing human rights due diligence (assessing, preventing, and reducing the adverse impacts on human rights that business activities may have in society), a working group was assembled in fiscal 2020 comprising members from the Corporate Sustainability Department, the Human Resources Department, the Legal and Compliance Department, the Procurement Department, and the Environmental Management Department. Going forward, we will advance initiatives focused on our priority themes, and the progress of these initiatives will be disclosed through venues such as Terumo's corporate website.



Regulations and Standards "Terumo Group Human Rights Policy"
<https://www.terumo.com/about/regulation/>

Participation in Initiatives

United Nations Global Compact

In 2012, Terumo became a signatory to the United Nations Global Compact. This action reflects Terumo's agreement with the Ten Principles of the compact, which relate to human rights, labor practices, the environment, and anti-corruption measures. Under the group mission of "Contributing to Society through Healthcare," the Terumo Group is striving to practice these principles throughout the course of its business operations.

WE SUPPORT



Science Based Targets Initiative

The Terumo Group has received certification from the Science Based Targets initiative, an international organization, indicating that its greenhouse gas emissions reduction targets for fiscal 2030 are based on scientific evidence. Guided by these targets, we are engaged in a concerted Group effort to address the global issue that is reducing climate change risks.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

External Recognition

2020 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

THE INCLUSION OF Terumo Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Terumo Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

MSCI Japan Empowering Women Index



S&P/JPX
Carbon Efficient Index



Sompo Sustainability Index

SOMPO
Sustainability Index



Health & Productivity Stock Selection
(selected for six consecutive years since fiscal 2014)

Resolving Healthcare Challenges

Basic Approach

Guided by its group mission—“Contributing to Society through Healthcare”—the Terumo Group is turning an earnest eye to various medical issues as it seeks to address the needs of patients and healthcare professionals through excellence in innovation. Among the medical issues we seek to address are local regional issues, which need to be resolved to ensure everyone around the world in need of healthcare services has access to safe and high-quality services. We are offering support to assist in the resolution of these issues while coordinating with healthcare institutions, governments, international institutions, NPOs, NGOs, and other partners.

Major Initiatives

Response to the Global COVID-19 Pandemic

Dr. Shibasaburo Kitasato, one of the architects of Terumo’s establishment, dedicated his life to combating infectious disease and researching bacteriology. His spirit has continued to live on throughout Terumo’s long history. This spirit can be seen in Terumo’s ongoing commitment to the priority theme of fighting infections. Driven by this commitment, we have launched Japan’s first disposable syringes and blood bags; developed closed infusion systems; supported improving environmental quality in operating rooms and hospital rooms, and provided training on infection prevention measures that can be taken within hospitals.

Guided by this spirit, business activities are being advanced in accordance with the following basic policies, which were formulated based on Terumo’s Group mission, Core Values, and business continuity plan policies, to combat the impacts of the global COVID-19 pandemic.

1. To protect the health and safety of all Terumo associates with utmost priority.
2. To maintain a stable supply of products to continuously meet global healthcare needs.
3. To actively engage and contribute to the prevention and treatment of the disease, by maximizing the Terumo Group’s expertise and technologies.

A wide variety of Terumo products are used in medical settings. These products range from the thermometers employed on a daily basis to the infusion systems utilized for managing the administration of infusions and drug solutions and the extracorporeal membrane oxygenation (ECMO) systems that are used to treat patients with COVID-19 in serious condition. We are maximizing the Terumo Group’s expertise and technologies in order to achieve a stable supply of products while helping prevent the spread of COVID-19 to support the healthcare professionals active on the front lines of medicine as well as the patients requiring treatment. In addition, we donate Terumo products to healthcare institutions and make monetary donations to the COVID-19 Solidarity Response Fund for the World Health Organization in order to make further contributions to medicine.



Extracorporeal membrane oxygenation (ECMO) system production

Public-Private Partnership to Advance Measures for Infection Control of Blood Used for Transfusions in Ghana

In Ghana, the need to prevent infections caused by bacteria, viruses, and other pathogens during blood transfusions is becoming an important medical issue. To address this issue, Terumo took part in a public-private partnership together with Japan International Cooperation Agency (JICA) in 2017 and 2018 to prevent infections during blood transfusions.*1

In this project, Terumo worked with the Ministry of Health and the National Blood Service, Ghana to install the Pathogen Reduction Technology (PRT) system*2, developed by Terumo's Blood and Cell Technologies Company, at blood centers to promote the routine use of technologies for reducing pathogens in blood used for transfusions. In addition, a haemovigilance system has also been implemented to monitor the safety of blood transfusions and accumulate data acquired throughout the entire blood transfusion process, ranging from blood donation to post-transfusion monitoring of patients. This system will enable the analyses and assessments needed to prevent adverse effects.



PRT system used in Ghana

*1 Terumo applied and was selected for the Collaboration Program with the Private Sector for Disseminating Japanese Technology for the Social and Economic Development of Developing Countries by JICA and has been conducting this program on an outsourced basis from JICA.

*2 The PRT system is currently not available in Japan.

Development of Systems for Training Healthcare Professionals Worldwide

Performing percutaneous coronary intervention (PCI) using catheters and cardiovascular surgeries requires a certain amount of knowledge, skills, and experience pertaining to the proper operation of the necessary medical devices. Medical training opportunities are scarce in certain countries, resulting in a lack of physicians and surgeons with the required knowledge and skills and of clinical engineers and perfusionists capable of managing and operating the medical devices needed for treatment.

As a global provider of medical devices, Terumo is developing systems to provide training for healthcare professionals worldwide to ensure that as many patients as possible are able to receive the treatment they need.

In Japan, Terumo established Terumo Medical Pranex, a facility that realistically simulates operating rooms, catheterization laboratories, and other hospital facilities, in 2002. Since then, this facility has been used as a site for the training of physicians, surgeons, nurses, clinical engineers, and other medical professionals from around the world. The Terumo Group has recently been moving forward with efforts to have overseas Group companies establish training facilities at their sites. The goal of these efforts is to provide medical professionals with greater access to training opportunities matched to the levels and needs of the medical fields in these countries. Such training facilities have already been opened in the United States, Europe, South Korea, Vietnam, India, and Mexico, among other countries.



Training session for healthcare professionals at Terumo Medical Pranex



"Resolving Healthcare Challenges" page in the sustainability section of Terumo's corporate website:

<https://www.terumo.com/sustainability/healthcare/>

Ensuring the Safety and Quality of Products and Services

Basic Approach

At the Terumo Group, we strive to enhance product quality and achieve continuous improvement in quality systems and processes to promise safety and reliability to medical settings. High product quality is one of the hallmarks of the Terumo Group, and we work to improve quality in every process from product design to manufacturing. We do this by identifying and acting on even the smallest matters that could improve safety and reliability, by concentrating on improving the quality and speed of individual processes, and by pursuing the 3Gs principle that places great importance on *Gemba* (field/floor), *Genbutsu* (actual product), and *Genjitsu* (reality). In addition, we seek to ensure that our products are used in a safe and appropriate manner by providing training opportunities for medical professionals, practicing proper information disclosure, and actively communicating with customers.

Contained in the Mid- to Long-term Growth Strategy, which covers the five-year period from fiscal 2017 to fiscal 2021, is the Mid- to Long-term Vision, which calls on us to earn the trust of medical settings globally as a top brand. It also states that such trust should be earned through the quality of our products, supply, and services: our Total Quality.

Quality Management Governance Structure

The Terumo Group has developed a quality management governance structure headed by its Chief Quality Officer (CQO). As the head of Groupwide quality divisions, the CQO is responsible for overseeing efforts to strengthen governance of Group quality and improve the quality of products.

Under the responsibility of the CQO, the Terumo Group has established a system of quality assurance, promotes compliance with Japanese and worldwide regulations, and provides product quality improvement guidance to production sites. Furthermore, global meetings are held regularly by the CQO, and these meetings are attended by associates responsible for quality at individual production sites. These meetings provide opportunities to share and disseminate Group quality policies, build consensus with regard to quality issues, formulate improvement measures, and exchange information on recent trends in the regulations and standards of various countries. We also strive to prevent quality issues by implementing a plan-do-check-act (PDCA) cycle that entails gathering quality-related information from across the Group, analyzing quality risk, conducting assessments, pursuing improvements, and sharing quality information.

In fiscal 2018, the Terumo Group developed its Global Quality Policy, which details the seven practices pertaining to the quality management system that every associate across the Group is expected to adhere to. This policy was further expanded to include provisions on device maintenance and sterilization processes to prevent the recurrence of issues similar to those that had taken place in the past. Guided by this policy, we are working to achieve higher levels of quality management on a Groupwide basis.

Meanwhile, global regulatory requirements are becoming more stringent in the pharmaceutical industry with regard to the integrity of data that serves as evidence of the quality, safety, and efficacy of pharmaceuticals. The Terumo Group has therefore implemented measures to ensure data integrity in the manufacturing of pharmaceuticals. We also aspire to realize levels of data integrity in the production of medical devices similar to those required for pharmaceuticals.

Quality Management System

Quality Management System Compliant with International Regulations and Standards

Since establishing a quality management system in response to European Medical Device Directives in 1995, we have been striving to blend our international-standard system into an existing quality assurance system based on the pharmaceutical Good Manufacturing Practice (GMP) standard. Following the acquisition of manufacturing and sales approval for regenerative medicine products in Japan, we put in place the related quality assurance systems in fiscal 2016. Today, we continue efforts to ensure that our quality management system is compliant with global requirements. As part of these efforts, all medical device production sites have acquired certification under ISO 13485, the international quality standard for medical devices.

Ensuring the Safety and Quality of Products and Services

We also keep up to date and ensure conformity with developments regarding Japan's PMD Act (the Act on Securing Quality, Efficacy and Safety of Pharmaceuticals, Medical Devices, Regenerative and Cellular Therapy Products, Gene Therapy Products, and Cosmetics) and regulatory trends and requirements for medical devices and pharmaceutical products outside of Japan, including U.S. Food and Drug Administration (FDA) regulations, which have been strengthened in recent years; the Medical Device Single Audit Program,* which has been enacted in response to global harmonization trends; and emerging country regulations, which are rapidly being tightened. In Europe, on May 25, 2017, the institution of the Medical Device Regulation (MDR) made regulatory requirements in this region much stricter. In response to this change, a Companywide project team was formed in fiscal 2018 to coordinate efforts to achieve compliance in relevant divisions. Terumo was thereby able to receive third-party certification indicating its compliance with the MDR in May 2020.

Furthermore, continuous training on our quality management system has been instituted at all Company divisions to share information on the regulations and standards of countries where Terumo operates and to improve quality awareness.

* The Medical Device Single Audit Program is a program through which audits are conducted all at once (collectively) based on common standards pertaining to the relevant medical device regulations in each country. Participating countries include the United States, Canada, Brazil, Australia, and Japan.

Quality Policy

The Terumo Group company managers have established the Quality Policy in accordance with their individual levels of responsibility. This policy guides efforts to develop, operate, and maintain the effectiveness of quality management systems. Each division also sets quality objectives based on the Quality Policy. The policies devised by senior management are incorporated into the objectives of individual divisions and associates. The customer perspective, which appears at the top of Terumo's Quality Policy, forms the basis of the Group's quality assurance.

Quality Policy

In order to deliver safety and reliability to healthcare fields, we will

- pursue products valuable for our customers;
- understand our own roles in the quality system and practice them; and
- always review and improve our ways of doing business.

Improving Effectiveness of Quality Management System through Internal and External Audits

Terumo conducts internal audits to objectively evaluate whether its quality management system is being appropriately implemented and followed. The audits are conducted by associates who have been trained and have received internal certification authorizing them to perform internal audits. In addition, we undergo several external audits conducted by government authorities, notified bodies, and other organizations each year to verify our compliance with Japan's PMD Act, regulations of countries where we sell our products, and the requirements of corporate customers. We continuously improve our quality management system based on the results of these internal and external audits.

Collection and Disclosure of Safety- and Quality-Related Information

Terumo has established frameworks for collecting safety- and quality-related information from customers and disclosing this information based on the laws and regulations of countries of operation. We also analyze information from customers and share the findings with relevant divisions for use in improving quality and in developing new products.

Medical representatives (MRs), who are responsible for providing information to medical institutions, encourage customers to properly use medical devices and pharmaceuticals. MRs also collect accurate information from medical institutions and swiftly provide information to institutions to ensure the effectiveness and safety of our products.

The Terumo Call Center in Japan receives about 200,000 telephone and email inquiries per year from general consumers, medical institutions, and distributors. We respond to emergency calls, such as those pertaining to peritoneal dialysis or diabetes-related products, 24 hours a day, 365 days a year. As Terumo handles a wide range of products—from those designed for medical institutions to those for home medical care—the call center consists of experts in every required field to ensure that all inquiries are addressed promptly and appropriately. To improve the quality of service at our call center, its staff are trained regularly on product knowledge and communication skills and are tested twice a year to ensure that they are properly equipped to respond to inquiries and provide satisfaction to customers.

In fiscal 2019, to improve response quality and shorten the amount of time required for responses and record keeping, we redesigned call record systems and introduced artificial intelligence-powered voice recognition and document summarization systems. During a period in which associates faced restrictions for coming into work as part of the measures being implemented in response to the global COVID-19 pandemic, we were able to maintain the same level of service quality at call centers that was offered under normal circumstances, despite receiving up to double the average amount of inquiries seen when conditions are normal.

The Post-Market Surveillance and Vigilance Department collects and evaluates information on safety, quality, and proper use of post-market products and issues reports on these matters to government authorities as appropriate. The collected information is utilized in prompt and detailed communication by delivering this information in various ways, including incorporating the information necessary for proper product use into package inserts, transmitting information through our website or via industry organizations, and sending MRs to medical institutions to provide explanations face-to-face and collect additional information. Furthermore, we use the accumulated information to develop, refine, and improve products and support medical safety training at medical institutions (T-PAS*). Terumo is also moving forward with the development of safety information management systems and the reinforcement of monitoring of information collection activities overseas.

* For information on T-PAS, please refer to page 12.

Training of Medical Professionals

Basic Approach

Terumo believes that medical devices can be effective only if they are used correctly. Accordingly, we have long endeavored to enhance the quality and safety of medical care by actively creating training opportunities for medical professionals to learn how to use medical devices properly and how to apply treatment procedures. The information collected from the medical field through these activities is utilized in the development of new products and in the refinement and improvement of existing products.

Terumo Medical Pranex

Terumo Medical Pranex was established to develop and spread the use of medical technologies. Using spaces that realistically simulate hospital facilities and private homes, Terumo Medical Pranex provides practical training for medical professionals and serves as a venue for collaborative product development. Visitors to the facility include medical professionals from Japan and overseas as well as foreign officials. Terumo Medical Pranex has hosted over 160,000 visitors since its opening in 2002. The facility is equipped with catheterization laboratories, where trainees can use blood vessel models that faithfully recreate the flow of



Training being performed at Terumo Medical Pranex

blood through the brain and heart along with Terumo's original training tools to learn how to perform advanced interventional therapies. There are also operating rooms where medical professionals can receive training on cardiovascular surgery involving extracorporeal circulation as well as on how to operate heart-lung machines, which are used in cardiac surgery, among various other types of training. With a simulated hospital environment including operating rooms, an intensive care unit (ICU), medical ward, and staff station, Terumo Medical Pranex offers a realistic environment for conducting a broad array of training sessions for physicians, nurses, pharmacists, clinical engineers, and others. It has also developed unique training programs on the basics of the proper and safe use of medical devices and for expert trainers who can train new medical professionals.

Support for Training at Medical Institutions to Improve Medical Safety

To prevent accidents during the use of syringes, IV solution sets, and other medical devices, Terumo conducts safety training based on requests by medical institutions. These training sessions, known as T-PAS,^{*1} emphasize critical points in the use of individual devices among those described in package inserts and enable medical professionals to learn through hands-on training scenarios.^{*2} The value of this program is illustrated by the feedback of medical professionals that have participated, which indicates that T-PAS training provides a tangible sense of the situations that can lead to accidents and demonstrates why the



T-PAS training session

understanding of device use must be based on more than just assumptions or casual advice from others. In addition, Terumo has designed and offers a practical training program boasting high levels of learning retention in order to promote proper product use. This program includes DVDs documenting medical accidents as well as hands-on activities recreating device failures.

*1 T-PAS stands for Terumo Proactive Action for Safety and is based on Terumo's own assessments of accident prevention needs.

*2 From fiscal 2009 through fiscal 2019, T-PAS training was conducted in approximately 1,700 venues, including regional training sessions, sales agent locations, and 1,400 medical institutions.

Managing Supply Chains That Support Stable Supply / Promoting Responsible Procurement

Basic Approach

Based on our Group mission, “Contributing to Society through Healthcare,” we conduct our corporate activities in accordance with the Terumo Group Code of Conduct with the goal of always being a company that is trusted in medical settings around the world. The Terumo Group Code of Conduct is a guide for all Terumo associates—including directors, executive officers, and employees—to make the right decisions and do the right things while holding themselves to the highest ethical standards. Terumo strives to ensure quality and stable supply in the procurement of goods and services as prescribed in the Code of Conduct while also ensuring fair and ethical business activities.

The Code of Conduct describes Terumo’s ideal relationship with business partners, including suppliers, as well as its expectations for suppliers as part of efforts to promote responsible business activities. In order to ensure the achievement of these goals, in April 2019 Terumo established the Terumo Group Procurement Policy, which delineates the basic approach of Terumo’s procurement activities, and the Supplier Guidelines, which is a set of guidelines for suppliers.

Terumo Group Procurement Policy

Terumo Corporation and Terumo Group (hereafter “Terumo”) conduct the following procurement activity in accordance with “Terumo Code of Conduct”, based on Terumo’s group mission “Contributing to Society through Healthcare.”

1. Quality, Safety

Terumo endeavors to procure goods, services, etc with proper quality and safety in order to offer high-quality products and services for healthcare professionals and their patients around the world.

2. Stable Procurement

Terumo strive to ensure stable, timely and uninterrupted delivery of high-quality products. Terumo therefore endeavors to realize stable procurement by being prepared for emergency situations with suppliers.

3. Promotion of Compliance

Terumo complies with Terumo Group Code of Conduct, laws and regulations, and company rules through procurement activity.

4. Fair Procurement

Terumo pursues fair dealings with high ethics as a healthcare company. It has zero tolerance for bribery and corruption. Terumo also does not select or remove particular suppliers for improper reasons. The particular suppliers include, but are not limited to, companies owned by minorities, women, people with disabilities, LGBT - lesbian, gay, bisexual and transgender individuals, veterans, or located in historically underdeveloped areas, or small businesses.

5. Consideration for Human Rights and Environment

Terumo addresses respect of human rights, safety and health, and environmental protection through procurement activity.

6. Mutual Prosperity based on Reliability with Suppliers

Terumo endeavors to enable coexistence and co-prosperity through mutual trust with suppliers that respect this policy and follow “Supplier Guideline”

Supplier Guidelines

Terumo has established the “Supplier Guidelines,” which are the requirements for suppliers reflected in the Terumo Group Code of Conduct. These guidelines are composed of seven chapters. Whenever Terumo enters into a contract with a supplier or issues a purchase order to a supplier, the relationship will be governed by the agreed terms and conditions. In addition, the supplier shall comply with the requirements of these guidelines.

1. Quality, Safety
2. Stable Supply
3. Promotion of Compliance
4. Fair Dealings
5. Consideration for Human Rights for Labor
6. Consideration for Environment
7. Management Systems



The Terumo Group Procurement Policy and the Supplier Guidelines
<https://www.terumo.com/about/procurement/>

Promotion System

The Procurement Department of Terumo Corporation plays a central role in establishing procurement-related rules and procedures and in taking other steps to promote responsible procurement that contributes to the realization of a sustainable society. At Terumo, fulfilling social responsibilities across the supply chain through coordination with suppliers is viewed as an important part of procurement. When commencing transactions with a new supplier, we present them with our Supplier Guidelines and ask for their commitment to socially responsible procurement activities and that they sign an acknowledgment indicating their agreement with these principles. In fiscal 2019, all domestic direct material suppliers were asked to sign acknowledgments to adhere to our Supplier Guidelines, and 420 suppliers signed such acknowledgments.

In procurement activities, domestic and overseas procurement and purchasing divisions manage suppliers based on the Group's Quality Management System. The Procurement Department coordinates with these divisions to facilitate purchasing activities that are optimal from a Companywide perspective with consideration of quality, prices, and supply reliability.

Procurement Systems for Ensuring Supply Reliability

With quality and supply reliability as its top priority, Terumo strives to procure articles from the most ideal locations. In accordance with the basic supply reliability policy that impacts to the healthcare system should be minimized whenever possible, we are developing systems for securing reliable supplies together with suppliers. These systems are implemented with the understanding and cooperation of suppliers and are based on our experience with the Great East Japan Earthquake, the 2016 Kumamoto earthquakes, and the global COVID-19 pandemic.

EHS* Initiatives Related to Procurement

Terumo's business activities hinge on the support of various suppliers. Accordingly, Terumo strives to ensure a stable supply of products by implementing EHS initiatives across the value chain and endeavoring to reduce EHS risks throughout the supply chain. Initiatives in this regard have included informing suppliers of the raw materials, components, and other articles used in our products as well as the important matters pertaining to EHS and asking for their cooperation with regard to these items. We also conduct investigations to better understand the status of EHS-related initiatives of suppliers.

In addition, Terumo is taking steps to reduce greenhouse gas emissions and other environmental impacts in procurement activities. For example, we employ a joint delivery scheme to reduce the number of trips required of trucks for transporting raw materials.

* Environment, Health and Safety

Measures for Addressing Conflict Minerals

One of the items contained in the Supplier Guidelines is "Consideration for Human Rights for Labor." To ensure that Terumo does not become complicit in human rights violations or environmental destruction, the guidelines stipulate that requests be made to suppliers not to procure or use raw materials, components, or products containing illegally mined tin, tantalum, tungsten, or gold. In addition, when selecting new raw materials, we ask that suppliers inform us of whether or not said materials contain any of the aforementioned conflict minerals.

Compliance Education Regarding Procurement

Terumo provides compliance education to improve awareness regarding compliance in procurement activities. In fiscal 2019, e-learning programs on the Terumo Group Procurement Policy and the Supplier Guidelines were instituted, targeting all associates at domestic Group companies. For overseas Group companies, regional procurement conferences were held in two locations—the United States and Japan. Domestic and overseas procurement representatives attended these conferences, where it was decided that the Terumo Group would advance procurement-related compliance promotion activities on a global scale.

Supplier Diversity

The Terumo Group believes that the Group and the communities in which it operates benefit from procurement practices that capitalize on the unique skills, knowledge, creativity, and talent offered by a diverse supplier base. We also recognize that a diverse supplier base contributes to economic growth. The Terumo Group Procurement Policy states that all suppliers will be equally and fairly considered for future business opportunities, and that no suppliers will be favored or refused the right to transact business with the Group for illegitimate reasons. Ultimately, Terumo seeks the most capable suppliers in terms of quality, service, cost, value, and technology.

Terumo Americas Holding Inc. (TAH) is committed to developing valuable supplier relationships with businesses owned by minorities, women, LGBT individuals, veterans, service-disabled veterans, and people with disabilities as well as disadvantaged, HUBZone, and other small businesses. Moreover, TAH is a proud member of the National Minority Supplier Development Council and the Women's Business Enterprise National Council. This company's procurement teams are working with the regional partners of these councils to identify more local, small and medium-sized, and diverse-owned businesses. To help further its supplier diversification efforts, TAH is also planning to attend conferences sponsored by these councils.

The Terumo Group is dedicated to partnering with suppliers that enhance its organization's value by offering diverse solutions as it continues to uphold the principles of its Group mission—"Contributing to Society through Healthcare."

Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

Basic Approach

The Terumo Group refers to all of its employees as “associates” to reflect the fact that they are viewed as valued colleagues. We recognize our associates as important assets in order for them and the Terumo Group to grow together and contribute to society through healthcare. Based on this recognition, we cultivate workplaces that are conducive to contributions by diverse individuals and place emphasis on the growth of associates and increasing their value to the Group.

Human Resources Development

The Terumo Group recognizes that the development of human resources is imperative to the implementation of its growth strategies, and it is therefore implementing human resources strategies oriented toward supporting the Group’s management and businesses. These strategies are based on three pillars: (1) facilitating contributions from diverse leaders supporting global businesses, (2) enabling associates to exercise their full potential, and (3) promoting effective collaboration beyond the boundaries of specific businesses, functions, and regions.

To support the Groupwide implementation of these strategies, a chief human resources officer (CHRO) was appointed in 2018 and the Global Human Resources Department was established in 2020. This officer and organization provide the frameworks for coordinating human resources measures to share issues between Group companies in Japan and overseas. In addition, we have assembled a dedicated human resources team comprised of members from various regions and organizations to advance shared human resources measures.

Global Human Resources Development

With operations in more than 160 countries worldwide, the Terumo Group is promoting the development of human resources capable of excelling on the global stage.

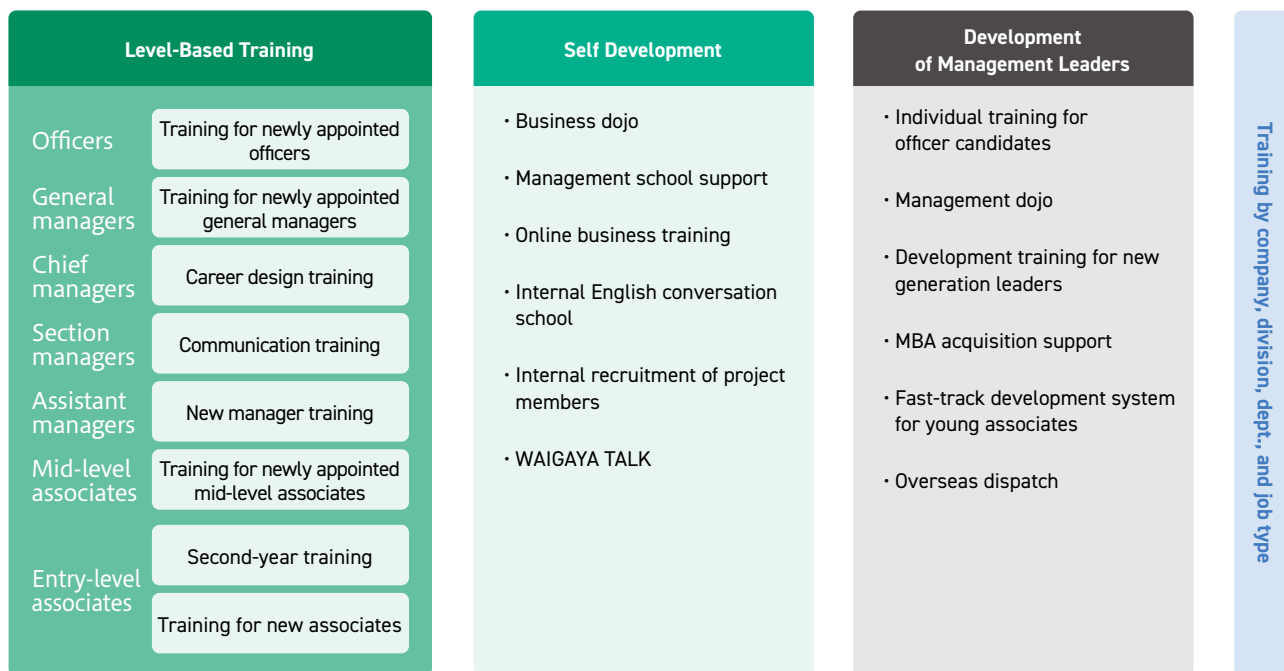
As a major Groupwide initiative, we have been implementing the Global Leadership Development Program for executives, with the goal of fostering next-generation managers on a global scale, since fiscal 2019. In this program, 30 individuals selected from domestic and overseas Group companies are cultivated over the course of a two-year curriculum. In addition, assignments from Japan to overseas Group companies or between overseas group companies across countries and organizations also play an important role in creating opportunities for developing associates.

In Japan, we regularly conduct the Overseas Training for Developing Global Human Resources program, which dispatches young associates who have been with the Company for two to five years to overseas Group companies in order to develop human resources through practical experience. We also provide opportunities for overseas engineers to participate in training programs at production sites in Japan to transfer the skills and experience from veteran associates to newer associates.

Human Resources Development System (Terumo Corporation)

At Terumo, we believe the growth of our business is the sum total of the growth of individual associates, and we manage our human resources policies with the fundamental intent of supporting the ongoing growth of diverse human resources. Human resources development starts with practical skills acquired through on-the-job training (OJT) and a variety of training programs designed to supplement OJT. We believe that the most effective learning comes from individual motivation and feeling of the necessity to learn; associates with this motivation can nominate themselves to participate in various voluntary and selective training programs.

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Level-Based Training

Terumo supports the ongoing growth of its associates through training designed to help them acquire the skills necessary at various levels and in various roles. In fiscal 2018, we implemented a new training program targeting all managers with the aim of enabling them to acquire the contemporary communication skills necessary for effectively responding to the current operating environment, which is characterized by volatility, uncertainty, complexity, and ambiguity, making it difficult to project social conditions. At this time, we also launched a new career design workshop targeting associates turning the age of 50.

Self Development

At Terumo, a diverse range of opportunities are provided for all associates that have a passion for growth, whether they are new to the organization or veterans. The available programs cover a wide range of subjects, including basic business skills and English, to ensure that associates can find a program that suits their needs. The basic requirement for these programs is the desire of associates to participate on their own will.

Development of Management Leaders

Terumo plans and implements selective leader training programs with the aim of cultivating the leaders that will take charge of management in the future. Several programs have been developed to cover a wide range of associates, spanning from new associates to executive officers, to ensure that we can identify future management candidates from among all levels. These programs cover such topics as management perspectives, management capability assessments, management literacy, and liberal arts. The rigorous curricula of these programs are designed to support the growth of associates aspiring to take part in management in the future.

In Japan, Terumo has created a system that aims to develop the global human resources needed to execute its future global strategies. We do this by supporting people with strong desires to develop themselves by choosing to earn an MBA or similar qualification. The system allows associates to take leave for as long as is needed to complete their studies and allows them to take unused paid leave, including leave that had expired prior to the start of the period of leave, for their studies. In addition, the Company may approve interest-free loans for tuition and living expenses, and under certain conditions, contribute toward entrance fees and tuition. Behind this support is an appreciation not only for the knowledge and skills that can be gained but also for the invaluable experience of interacting with people from other countries and facing difficult challenges in a different cultural context.

Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

Career-Planning Interviews

Terumo holds annual career-planning interviews to encourage associates to think carefully about their careers and discuss their thoughts with their supervisor. These interviews involve the development of career plans and specific performance targets. In addition, data from the interviews is managed and used as the basis for determining assignments and providing other forms of individualized career support.

ACE In-House Job Posting System

In Japan, Terumo operates an in-house job posting system called “ACE.” Set up in 1997, this system enables associates from a range of departments and job types to enhance their careers by taking on new challenges and opportunities. For those with a strong desire to move their career to the next level, the system, which is open to associates regardless of age or gender, presents opportunities to gain experience and develop as business professionals. Over 900 associates have responded to job postings on the ACE system so far, and over 200 of them have moved into new positions as a result. A talent pool of more than 50 candidates for global postings has also been set up and over half of these associates are already on global assignments outside of Japan.



ACE In-House Job Posting System logo urging associates to “Take Charge of Your Career!”

Cultivation of Associates through Research and Development

Terumo conducts research and development on an ongoing basis with the aim of contributing to the advancement of health-care through innovation created by merging the knowledge and technologies in specialized fields that associates have acquired at educational institutions. Moreover, associates are given access to the Advanced Terumo Medical Academy (ATOM) program after joining the Company so that they can quickly acquire the medical insight required of Terumo engineers. In this program, associates study medical textbooks via e-learning; receive lectures from doctors, nurses, pharmacists, and other medical professionals active in clinical settings; and take part in a training curriculum. In addition, we promote networking among engineers, utilize internal social media services to facilitate in-house development, and perform medical device surveys through means that go beyond the standard connections between business sites. Terumo also actively provides opportunities for associates to learn about new development approaches. For example, we are incorporating training on the Biodesign Program, a medical device development approach originating from the United States, providing education on new development approaches, and conducting observation tours of medical settings.

Terumo is well aware of the importance of flexible thinking, broad insight, and interpersonal networks. For this reason, we actively support those associates seeking to undergo external training through short- or medium-term programs of their own accord. External training provides opportunities to acquire insight and technologies not available within the Company through instruction from external instructors and also helps associates form interpersonal networks. The types of external training available to associates include the Management of Technology program, biomedical engineering curriculum, and other curricula as well as inter-industry personnel exchanges.

Development of *Monozukuri* Associates

At its production sites, Terumo promotes the transfer of skills, experience, and *monozukuri* (product creation) spirit from veteran associates to their younger colleagues. To this end, we are developing systematic curricula for various levels as well as training environments and instructors. In addition, Terumo continues to hold its annual *Ikuseijuku* training to teach new associates assigned to production, engineering, or development positions about the principles of *Gemba* (field/floor), *Genbutsu* (actual product), and *Genjitsu* (reality). In addition, we have a program in place in which Terumo Expert System (TES) associates—veteran associates rehired after mandatory retirement—call upon their years of *Gemba* experience to act as teachers for supporting the standardization of shared skills for use at factories, the *Gemba* for *monozukuri*, and the acquisition of these skills.

Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

Fostering of Motivating and Challenging Work Environments

At Terumo, we respect the individuality of our associates while working to foster a workplace environment in which each individual can realize his or her maximum potential. We also provide ample opportunities for those with a willingness to grow to widen their fields of activity. Our goal, based on these initiatives, is to enable each associate to contribute their individual strengths to their team, enhancing performance and creating a strong, motivating workplace.

Terumo Patient's Day

At the root of what motivates our associates is the strong belief that our work is meaningful. This is captured in our Group mission, "Contributing to Society through Healthcare." Since 2013, we have been conducting an in-house event around the world called "Terumo Patient's Day" to provide opportunities for associates to reconnect with our mission and consider anew what it means to personally contribute to the advancement of healthcare, and to reflect on the value we provide to society. At Terumo Patient's Day, associates listen to moving accounts of what patients have experienced in their struggle to overcome illness. This enables associates to directly reflect on the connection between their everyday work and frontline patient healthcare.



Terumo Patient's Day event

Internal Award Programs

Terumo has developed various internal award programs with the aim of heightening the motivation of its associates.

● Terumo Global Awards

The Terumo Global Awards is an annual award program open to all Terumo Group companies. This program is designed to recognize associates that have made large contributions to either the Group or society through business success or excellence in community outreach.



Terumo Global Awards ceremony

● "Gemba-no Hokori" Awards

Terumo recognizes associates that work diligently in lesser acknowledged endeavors through the "Gemba-no Hokori" awards (literally, the "Honor the Front Line" awards), which are presented each year.

Various other unique award programs can be found at Terumo Group companies around the world.

Terumo Fellows

Associates named as Terumo Fellows possess superior expertise and practical experience in the fields of technology, research, clinical development, and regulatory affairs and have made conspicuous contributions to medical settings throughout the world. Since establishing the Terumo Fellows system in 2016, we have inducted six associates as Terumo Fellows.

Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

Management–Worker Dialogue

Terumo recognizes that a healthy management–worker relationship based on trust and mutual understanding is extremely important for it to grow and develop together with its associates. In Japan, all non-managerial associates are members of the workers' union (Terumo utilizes a union shop system). Input from the workers' union is treated as valuable feedback, and we resolve issues by taking actions that are acceptable to both management and associates. In Japan, we arrange forums for discussion with senior management as well as regular management–worker conferences, held once a month in principle. By facilitating reciprocal communication through such forums, the relationship between management and the workers' union has been developed into one in which both sides work as partners to bring about mutual growth and development.

In addition, we hold timely discussions regarding work-style reforms, “Kenko Keiei” (health and productivity management), and other Companywide measures to support the endeavors of associates through a united management–worker effort. Outside of the management–worker dialogue, views are freely exchanged throughout the Company through surveys and feedback via the workers' union.

Associate Engagement Surveys

Terumo administers associate engagement surveys aimed at developing an objective understanding of the circumstances facing each organization to enable divisions to autonomously pursue improvements based on the characteristics of their business and organization. Associate engagement surveys are administered to associates at all business sites in Japan once a year. These surveys contain questions through which associates rate their levels of anticipation and satisfaction with regard to the Company, workplace, and supervisors. In fiscal 2019, 90% of associates responded to the surveys. The findings of these surveys are relayed to their respective organization to enable these organizations to objectively identify and analyze their strengths and weaknesses to formulate and implement action plans toward improvement. Other initiatives for utilizing survey findings to drive positive change include cross-divisional workshops and communication training sessions.

Diversity and Inclusion

At the Terumo Group, we promote acceptance of diverse associates, of all ethnicities, nationalities, genders, religions, and disabilities, and respect for individuals with the aim of creating working environments that enable associates to grow together with the organization. By accepting a wide range of differing values and promoting mutual recognition of diversity, we aim to be a company where differing ideas and knowledge are fused to create new value. This aspiration is exemplified in the inclusion of “Respect—Appreciative of others” among Terumo's Core Values.

At Terumo, we established the Diversity Promotion Department in 2013 to promote diversity on a Companywide basis from a variety of perspectives. In one such effort, we created a logo for use in purposes such as internal education activities. Based on the theme of “overlap,” the logo is composed of overlapping upper- and lower-case letters of different colors to express the idea of associates exercising their unique qualities and energetically pursuing productive activities while acknowledging values different from their own.



Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

Diversity Management

Terumo is developing workplace environments that are conducive to contributions by its diverse associates to underscore its ability to create new value. These efforts are driven in part by messages for associates from members of Terumo's senior management stressing the importance and meaningfulness of diversity management. These messages are uploaded on to the Company intranet to further promote understanding among associates. We also share information on diversity initiatives with business division human resources representatives (primarily those for factories) and arrange regular forums for discussion between these individuals. Furthermore, training programs are implemented with the aim of fostering leaders with the management skills necessary for overseeing organizations with diverse employee bases.

Major initiatives in fiscal 2019 included workshops led by an external lecturer to promote understanding regarding diversity among senior management as well as division and factory supervisors. Terumo also made a declaration to emphasize the importance of all managers promoting diversity in their organizations. This declaration can be viewed on the Company intranet, where it is contributing to further improvements in diversity management awareness.

In addition, we have conducted group diversity management training programs for female leaders and other members of management every year since fiscal 2013. This program was held three times in fiscal 2019, drawing the attendance of approximately 100 associates. In the fiscal 2019 training program, attendees learned about the importance of diversity and were endowed with insight on the management approaches that can effectively draw out the skills of diverse employees, including women and non-Japanese individuals, and how to interact with subordinates from diverse backgrounds.

We also conducted awareness raising activities and training sessions on unconscious bias for all Terumo associates. Unconscious bias is just that, unconscious, which can make it incredibly difficult to identify. Accordingly, these activities provided an invaluable opportunity for associates to recognize their own biases.



Lecture for managers



Diversity management training session

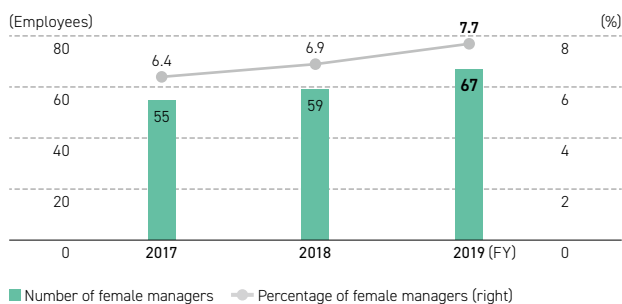
Promotion of Active Participation by Female Associates

As one facet of the Company's diversity management efforts, Terumo's senior management has committed itself to promoting active participation by female associates in Japan. We have set the target of having more than 8% of Terumo's managers be women by March 31, 2022. To accomplish this goal, we are developing workplace environments that allow female associates to fully exercise their talents in an effort to promote contributions from female associates that can heighten their own awareness and skills as managers and make decisions based on their diverse perspectives.

In addition, we provide all associates, regardless of gender, with opportunities to think about their values and the careers they would like to build going forward. We also promote the development of a working culture that is conducive to diverse associates acknowledging each other and working in comfort.

As of March 31, 2020, 16.6% of Terumo's associates and 7.7% of its managers were women.

Number and Percentage of Female Managers (Terumo Corporation)



Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

● Systematic Cultivation of Female Leaders

Terumo is engaged in initiatives for improving diversity management skills with the aim of fostering managers that will assume responsibility for cultivating female leaders. We also systematically dispatch female associates to take part in programs offered for female leaders by external training institutions in order to develop female leaders and future management candidates. Furthermore, a flexible stance is taken toward determining promotions and assignments to tailor these decisions to the circumstances of individuals and ensure that career development efforts are not impeded by life events such as childcare leave.

● Worldwide Events Held in Conjunction with International Women's Day

March 8 has been declared as International Women's Day. The Terumo Group endorses the goals of International Women's Day, and we held internal events on a worldwide basis in recognition of the day in 2020. For example, members of senior management offered messages for associates and discussion forums were arranged in which female associates talked about the future of Terumo. A sense of solidarity was fostered on this day through original, simultaneous global events.



Event in India

Promotion of Active Participation by Global Human Resources

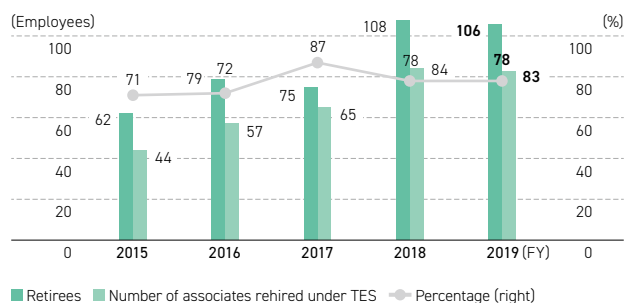
The Terumo Group aims to be an organization where diverse human resources can play an active role, regardless of race or nationality. One of the major measures conducted by the Group in this regard is the Global Mobility Program. Through this program, we transfer associates from Japan to overseas Group companies and between overseas Group companies across countries and organizations in order to promote contributions by diverse human resources that extend beyond the boundaries of region and business.

In Japan, we are engaged in recruiting overseas human resources regardless of nationality and promoting the recruitment of global human resources by accepting overseas university students and international students in Japan as interns. We are also working to create an environment where every associate—regardless of nationality or language—can work more comfortably. For example, we have established internal infrastructure such as bilingual internal emails and office bulletin boards to assist English-speaking foreign associates.

Support for Contributions by Senior Associates

In Japan, Terumo introduced TES, or the Terumo Expert System, in fiscal 1998 as a way to rehire retirees with outstanding skills and expertise. Many associates have been brought back through TES and continue to make the most of the expertise they developed over many years. These Terumo Experts work not only in highly specialized areas but also in a wide variety of other areas where they contribute to the Company by drawing on their wealth of experience to provide guidance and advice to younger associates. Furthermore, we have introduced a career advisor system to offer additional support for the contributions of senior associates. Through this system, three advisors with management experience at the Group meet with all rehired associates on an individual basis to quickly identify any issues they might face and offer advice.

Number and Percentage of Associates Rehired under TES (Terumo Corporation)



Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

Employment of Individuals with Disabilities

By providing job opportunities that match the capabilities and aptitudes of various individuals, Terumo promotes the employment of individuals with disabilities to allow them to pursue rewarding lives as independent members of society. In fiscal 2018, we accelerated our efforts to support the development of workplace environments in which associates with disabilities are able to feel more comfortable working and better exercise their talents. Specifically, we introduced a new system in which associates with certifiable disabilities can receive 12 days of special paid leave a year in order to provide them with peace of mind when taking days off for hospital visits, hospitalization, or simply resting when in poor health. As of March 31, 2020, individuals with disabilities made up 2.2% of our workforce in Japan.

In fiscal 2019, diversity training sessions led by people with disabilities were held at our head office while sessions on themes related to people with disabilities were conducted at the Fujinomiya Factory by a sign language interpretation instructor. As part of our efforts in promoting understanding and awareness of diversity and inclusion among all associates, these training sessions provided an opportunity to learn and foster mutual respect.



Seminar by a lecturer with disability to learn with fun about diversity "Asuchalle! Academy"

Inclusion of Sexual and Gender Minorities

In order to create a workplace environment wherein associates with different backgrounds respect each other and can work to the fullest of their ability, Terumo is engaged in various initiatives from the perspective of sexual and gender minorities, such as members of the LGBT community.

Terumo's work regulations in Japan were revised in January 2017 to explicitly forbid harassment on the basis of sexual orientation or gender identity. In addition, topics pertaining to the prevention of harassment based on sexual orientation and gender identity were incorporated into the harassment training provided to all associates.

In fiscal 2019, external lecturers were invited to hold LGBT sensitivity training sessions at the Kofu Factory and the Fujinomiya Factory. These training sessions provided an opportunity for new discoveries, such as the value of first endeavoring to learn about others and a mutual understanding of accepting diversity.



Training session for the Kofu Factory promoting understanding of sexual and gender minorities

Work-Life Balance

Work-Style Innovation

Recognizing that the contributions of each and every associate drive the ongoing growth of the Company, Terumo is promoting work-style innovations to enable all associates to fully exercise their talents. Through these work-style innovations, we seek to reduce overtime work and redesign human resources systems while also enabling associates to adopt flexible work styles that match their work or lifestyle in order to realize greater productivity.

Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

System	Description
Staggered working hours system	Adjustment of start and end of work day by up to two hours available according to daily work and schedule
Flexible working hours system	Flexibility for each associate to set their own start and end times and working hours within the total number of hours set for each month
Work-interval system	System to ensure that a total of at least eight hours transpire between the end of working hours for one day and the beginning of working hours for the next day to prevent overwork
Work-at-home system	Available to all associates with unlimited number of uses
Satellite offices	Satellite offices established, mainly in the Tokyo metropolitan area, to support location-free work styles
Paid half-day leave	Paid leave for taking a half day off in the morning or afternoon available
Hourly paid leave	Paid leave available in hourly units
Refreshment leave	Five days of refreshment leave (special paid leave) for associates who have been working for 10 or 20 years or who have retired and transitioned to the Terumo Expert System

Proper Working Hour Management

Terumo promotes work efficiency through strict management of daily working hours and the establishment of “no overtime” days in Japan. As part of our policy of maintaining a workplace environment in which “work time is for work and off-time is for rest,” we institute Company holidays and encourage associates to use their paid vacation days.

Ratio of Paid Vacation Days Taken (Terumo Corporation)

	FY2017	FY2018	FY2019
Ratio of days taken (%)	68.0	71.0	72.0

Childcare and Nursing Care Support Systems

Terumo is fostering a workplace environment that enables associates to realize their maximum potential by supporting flexible work styles that accommodate childbirth, child-rearing, nursing care, and other life events.

System	Description
Childcare	Long-term childcare leave Leave available to be taken until the child reaches the age of 14 months (until the child reaches the age of three if there are special circumstances such as being unable to enter a nursery school). Leave available to male associates within eight weeks of spouse giving birth and another time that can be taken until the child reaches the age of 14 months if initial leave is acquired within first eight weeks (up to twice). Up to 30 days of expired paid leave can be used at the beginning of leave.
	Shortened working hours Working hours can be shortened by up to two hours per day until the child finishes elementary school (approximately age 12).
	Adjusted working hours The start and end time of regular working days can be moved forward or backward by up to two hours until the child finishes elementary school (approximately age 12).
	Work-at-home system Available with unlimited number of uses.
Nursing care	Long-term nursing care leave Leave can be taken up to three times for a cumulative total of up to three years for each family member requiring nursing care. Up to 30 days of expired paid leave can be used at the beginning of leave.
	Shortened working hours Working hours can be shortened by up to two hours per day for a cumulative total of up to three years.
	Adjusted working hours The start and end time of daily working hours can be moved forward or backward by up to two hours for a cumulative total of up to three years.
	Work-at-home system Available with unlimited number of uses.

Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

Support for Helping Associates Return to Work after Childbirth and Childcare Leave

In fiscal 2013, we began holding career-resumption seminars for female associates currently on childbirth or childcare leave and their supervisors. Over the seven years leading up to fiscal 2019, a total of 86 female associates, together with their supervisors, have participated in these seminars. At the fiscal 2019 seminar, we invited female associates that have experience with adjusting to changes in their balance between work and child-rearing offer their insight regarding this adjustment. These associates also described events that had been held at the Company while the returning associates had been on leave and the preparations and attitude needed for a smooth return to work.



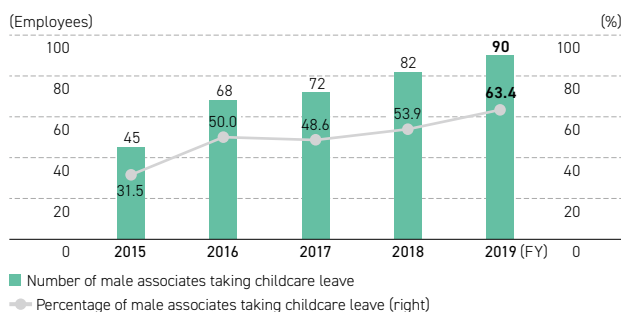
Career-resumption seminar at Shonan center

In addition, supervisors were briefed on various systems that help associates balance work and family responsibilities as well as the importance of individual meetings with associates returning from childcare leave. Supervisors were also given guidance on the evaluation scheme and assignment of associates. The aim of this was to provide supervisors with management tools for aiding associates in adopting diverse work styles to fully exercise their skills and thereby support their career development from a long-term perspective.

Encouragement of Male Associates to Take Childcare Leave

At Terumo, we encourage our male associates in Japan to take childcare leave. Reminders of this policy are sent to the supervisors of male associates whose wives have just given birth and to the associates themselves. Interviews with associates using the system are posted on the intranet to promote understanding of the system among other male associates and create an environment where it is easier for men to participate in child-rearing. As a result, Terumo has seen a gradual rise in the number of male associates opting to take childcare leave. In fiscal 2019, 90 male associates, or 63.4%, of all applicable associates took childcare leave. In encouraging male associates to take childcare leave, we recognize that having understanding supervisors and an environment conducive to taking leave as desired are of utmost importance. It is expected that male associates who have taken childcare leave will have developed a strong understanding of the benefits of work-style diversity and will be effective contributors to the creation of a work environment where everyone can fully exercise their skills.

Number and Percentage of Male Associates Taking Childcare Leave (Terumo Corporation)



Acquisition of Kurumin Certification under Japan's Act on Advancement of Measures to Support Raising Next-Generation Children

Terumo has maintained the Kurumin certification* since 2014, signifying it as a company that actively works to support the raising of children.

* Established under the Act on Advancement of Measures to Support Raising Next-Generation Children, this system enables companies that have established a General Employer Action Plan and have met certain standards to apply to the Ministry of Health, Labour and Welfare for certification as a company that supports the raising of children.



Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

Participation in “IkuBoss* Alliance”

In June 2018, Terumo joined the “IkuBoss Alliance,” a business network operated by the nonprofit organization Fathering Japan. Through our participation in the IkuBoss Alliance, we aim to increase the number of “IkuBoss” supervisors in the Company who specialize in creating workplace environments that are empowering and comfortable for all and in helping their teams fully exercise their skills.

* One who supports the work-life balance, careers, and lives of their subordinates and staff and seeks to create results for the organization while achieving a good work-life balance themselves.

Support for Balancing Work with Nursing Care

In preparation for the challenges of nursing care, which many associates will eventually face, Terumo has instituted a system to support associates balancing work and nursing care responsibilities. We also provide information and consultation venues to assist associates in achieving such balance and have taken steps to promote their awareness of these support options.

Item	Details
Nursing care columns	Introduction and explanation of wide-ranging information in support of nursing care by a specialized lecturer through the intranet
Nursing care seminars	Nursing care seminars by specialized lecturers held for associates nationwide
Individual nursing care consultation events	Regular individual consultation events held by a specialized lecturer (family members may attend)
Nursing care handbooks	Preparation and distribution of handbooks under the guidance of specialized lecturers to encourage associates to discuss nursing care with family members while they are still healthy

Rehiring of Former Associates through the Career-Return System

Terumo has opened a pathway to rehire associates who have left because of marriage, childcare or nursing care responsibilities, or the relocation of their spouse. The Career-Return System expands the range of employment choices for associates who wish to resume their careers at Terumo in Japan. By helping associates resume their careers, we are making it possible for them to put their broad experience and skills to use and contribute to Terumo’s growth.

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

Basic Approach

Ensuring occupational safety, promoting the health of employees, and reducing the environmental impact of business activities are important social responsibilities for companies and are crucial to sustainable growth. Acting in accordance with the Terumo Group Environment, Health and Safety (EHS) Policy, the Terumo Group advances initiatives for ensuring occupational safety and promoting the health of its employees throughout all of its business activities, strives to develop safe and comfortable work environments, and works to reduce the impact of its business activities on the environment.

Terumo Group EHS Policy

Established October 25, 2012

Revised April 1, 2020

The Terumo Group aims to be a good corporate citizen, striving to reduce environmental impact associated with business activities and to ensure the safety and health of employees based on its corporate mission, "Contributing to Society through Healthcare."

- We take action based on an environment, health and safety (EHS) management system, establish the following voluntary goals, and make continuous improvements:
 - Reduce the environmental impact and EHS risk of our business activities;
 - Develop environmentally friendly and safe products and production processes;
 - Effectively use energy and resources; and
 - Appropriately manage chemical substances.
- We comply with the laws, ordinances, agreements, and other rules relating to EHS in each country.
- We work to ensure the safety and health of employees in all business activities and create safe and comfortable work environments.
- We strive to prevent EHS accidents such as environmental pollution and occupational injuries, and, in emergencies, prevent damage from spreading by responding swiftly and appropriately.
- We carry out environmental conservation activities and strive to conserve biodiversity as a member of society and the community.
- We systematically and continuously provide education and training and take other actions to increase EHS awareness, while strengthening our infrastructure for addressing EHS issues.
- We actively disclose information pertaining to EHS activities and maintain good communication with various stakeholders.

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

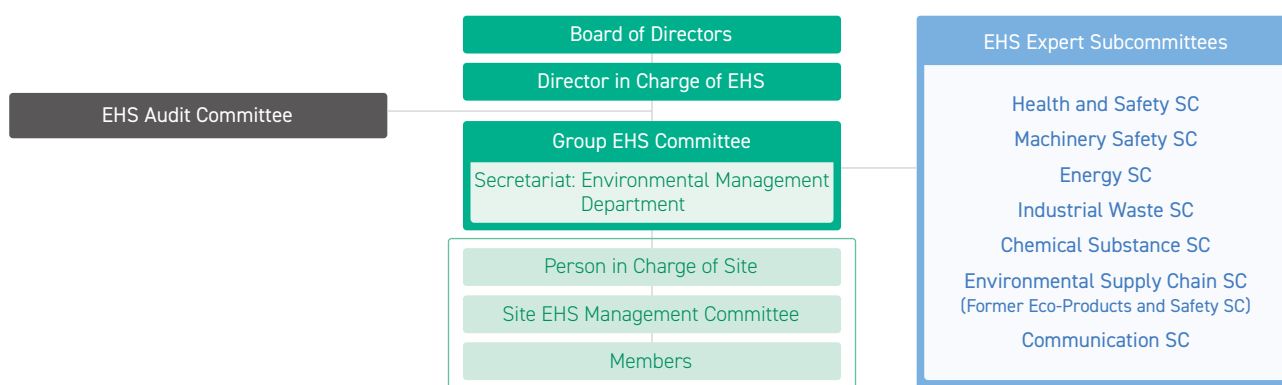
Management System

EHS Management System

Based on the Terumo Group EHS Policy, we employ an EHS management system that is compliant with international environmental (ISO 14001: 2015) and occupational health and safety (ISO 45001: 2018) standards.

As a key part of Terumo's focus on sustainability in business, EHS policies, risks, opportunities, goals, and activity plans are discussed and related decisions are made by the Group EHS Committee, which is chaired by the director in charge of EHS, and then reflected in EHS activities at Terumo Group sites worldwide. EHS Expert Subcommittees, consisting of experts drawn from individual business sites, have been established under the Group EHS Committee, and these subcommittees propose strategies, policies, targets, and activity plans pertaining to their respective areas of responsibility. In addition, the EHS Audit Committee conducts internal audits of business sites to confirm the implementation status and effectiveness of their systems and their compliance with relevant laws. Ongoing improvements are pursued based on the results of these audits.

Organization for Companywide Promotion of EHS Management System



● ISO 14001 (Environment) and OHSAS 18001 and ISO 45001 (Occupational Health and Safety) Certifications

Principal manufacturing sites in Japan, a certain number of manufacturing sites overseas, and the head office (Environmental Management Department) have obtained third-party certifications of their compliance with the ISO 14001, OHSAS 18001, or ISO 45001 international standard. Sites with OHSAS 18001 certification are in the process of transitioning to ISO 45001 certification.

Facilities with Third-Party Certifications

Company Name	Site	Occupational Health and Safety		
		Environment ISO 14001: 2015	ISO 45001: 2018	OHSAS 18001: 2007
Terumo Corporation	Head office (Environmental Management Department)			
	Fujinomiya Factory	○	○	-
	Kofu Factory			
	Ashitaka Factory			
Terumo Europe NV	Haasrode Factory	○	-	○
	Genk Warehouse			
Terumo Vietnam Co., Ltd.	Terumo Vietnam Factory	○	○	-
Terumo BCT, Inc.	Terumo BCT Lakewood Factory	○	○	-
Terumo Penpol Pvt. Ltd.	Blood Bag Factory	○	-	○
Terumo BCT Vietnam Co., Ltd.	Terumo BCT Vietnam Factory	○	○	-
Terumo BCT, Ltd.	Terumo BCT Larne Factory	○	-	-

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

Initiatives to Prevent Work-Related Accidents

To protect the safety of our associates in Japan, our Occupational Health and Safety Management Committee holds regular meetings at our factories, R&D bases, sales offices, and head office. At our factories, in particular, subcommittees are established to address topics such as work safety, disaster response, occupational health, and traffic safety; facilities are inspected and problems remedied to prevent occupational accidents; associates are encouraged to undergo health check-ups; and 5S (sort, set in order, shine, standardize, sustain) programs are conducted. Results of improvement measures are shared with the Occupational Health and Safety Management Committee, which then discusses further actions to take. EHS internal audits are performed regularly to identify any potential occupational health and safety risks. Should areas requiring improvement be discovered, corrective measures will be implemented. In addition, individual business sites have established procedures to prevent and lessen the severity of any EHS accidents should they occur. They also regularly conduct emergency response training and review results. Preventing deaths and serious accidents and reducing the number of minor accidents are ongoing objectives at Terumo.

Work-Related Accidents Resulting in Lost Work Days, Frequency Rate,*1 and Severity Rate*2 (Terumo Corporation)

	FY2015	FY2016	FY2017	FY2018	FY2019
Accidents resulting in lost work days	4	2	3	0	1
Frequency rate	0.44	0.23	0.34	0.00	0.10
Severity rate	0.00	0.02	0.85	0.00	0.00

*1 Number of accidents resulting in injury or death per million working hours

*2 Lost work days per 1,000 working hours

Promotion of Associate Health Improvement

Basic Approach

Terumo recognizes that healthy associates are crucial to sustainable growth. As a company tasked with contributing to the development of healthcare, we are committed to ensuring that our associates remain healthy and providing them with an environment that allows them to feel energized in their work.

“Kenko Keiei”* (Health and Productivity Management)

As a company that contributes to healthcare, Terumo believes it is important to protect the health of its own associates. With its management having committed its support to “Kenko Keiei,” Terumo undertakes various initiatives to encourage keen health awareness among individual associates.

* “Kenko Keiei,” the Japanese term for “health and productivity management,” is a registered trademark of the Workshop for the Management of Health on Company and Employee, a nonprofit organization. Terumo endorses its principal aims as a supporting member of this organization.

Message from Senior Management

(Excerpted from a Message to All Associates from Terumo's Chairman of the Board and President and CEO)

It is important for management to pay attention to the health of associates, and, for that reason, Terumo is engaged in “Kenko Keiei” initiatives, which position associate health and well-being as a top management priority. “Invigorating our people and organization” is a key element in bringing about changes under our Mid- to Long-term Growth Strategy. For a company pursuing business on a global scale, building and invigorating links between different parts of our organization and between different geographic locations is essential, and invigorating our organization requires that individual associates be able to work with enthusiasm. “Kenko Keiei,” a management approach that links the health of employees with the management of an organization, is one of the tools we are using to achieve that goal.

**Ensuring Occupational Safety and Promoting Health /
Reducing the Environmental Impact of Our Business Operations**

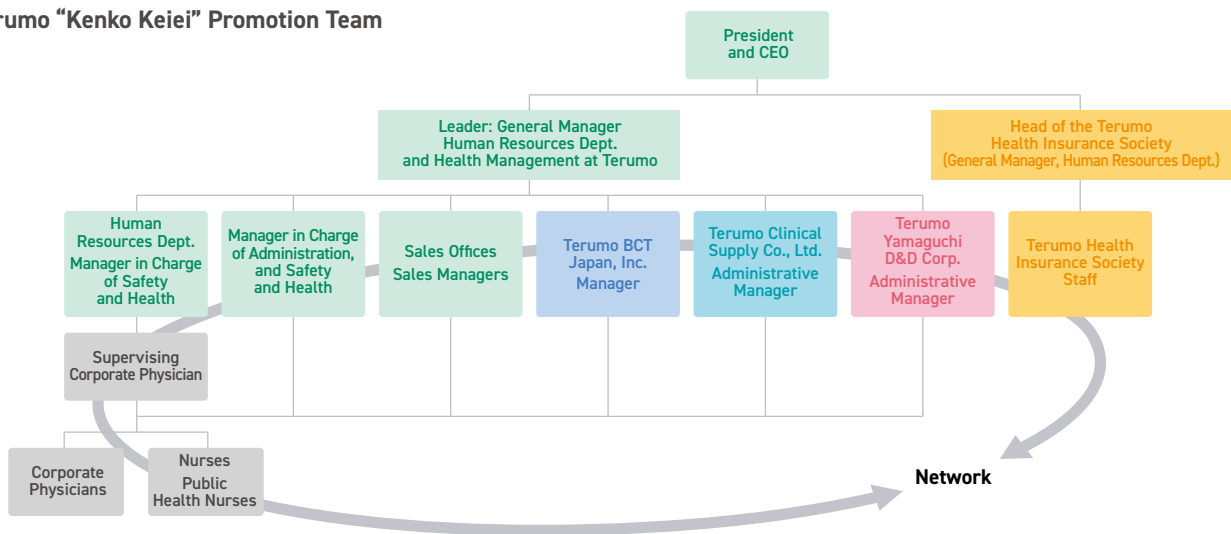
The “Kenko Keiei” System

To promote “Kenko Keiei,” we have formed a team, with members drawn from across Terumo Group companies in Japan, to work with the Terumo Health Insurance Society to undertake “collabo-health”* initiatives.

In addition, led by a supervising corporate physician, corporate physicians, nurses, public health nurses, and other corporate health staff deployed to individual business locations share information on “Kenko Keiei” directions for Group companies in Japan and on common initiatives and best practices in order to facilitate the standardization of initiative levels.

* Initiatives undertaken through collaboration between company management and the Terumo Health Insurance Society.

Terumo “Kenko Keiei” Promotion Team

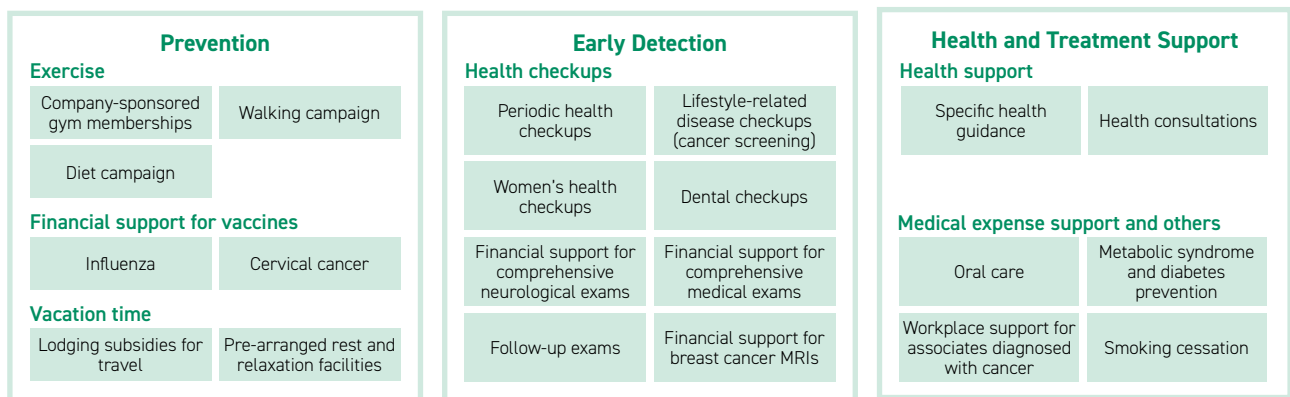


Basic Approach and Major Initiatives

At Terumo, we will analyze past diagnostic results and medical expense data to set policies and formulate annual action plans to be implemented at all Group companies in Japan. Initiatives based on policies and plans are advanced, and their results are quantitatively and qualitatively verified on an annual basis. In addition, internal “Kenko Keiei” surveys are conducted to incorporate associate input and needs into a “Kenko Keiei” plan-do-check-act (PDCA) cycle.

For example, the Company, its health insurance society, and industrial health staff collaborate to provide associates with health checkup opportunities, hold seminars and health-oriented events, and offer financial assistance to promote prevention, early detection, and early treatment. In addition, health guidance is provided to individual associates and their families.

Efforts on Prevention, Early Detection, and Treatment Support



Ensuring Occupational Safety and Promoting Health /
 Reducing the Environmental Impact of Our Business Operations

Terumo's "Kenko Keiei" Policies and Initiatives in Japan

1 Reduction of Ratio of Smokers and Ratio of Associates Diagnosed with Metabolic Syndrome

We are working to prevent the onset of lifestyle-related diseases. To that end, we aim to reduce the ratio of smokers to less than 20% and the ratio of associates diagnosed with metabolic syndrome to less than 22%.

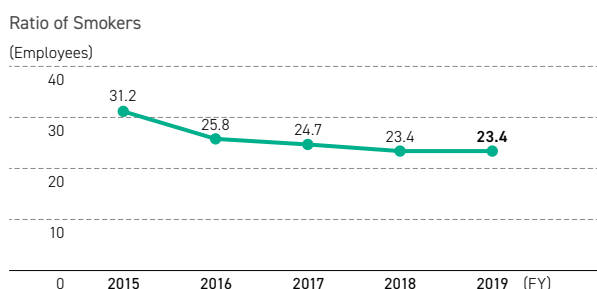
Reduction of Smokers

Major Initiatives

- Prohibition of smoking at work
- Seminars on quitting smoking
- Distribution of tools to assist in quitting smoking
- Financial support for receiving outpatient smoking cessation assistance or purchasing aids for quitting smoking
- Prohibition of smoking on premises of the Company and Group companies

Initiative Results

These initiatives have been steadily generating results, and we intend to continue these initiatives going forward with the aim of reducing the ratio of smokers to less than 20%.



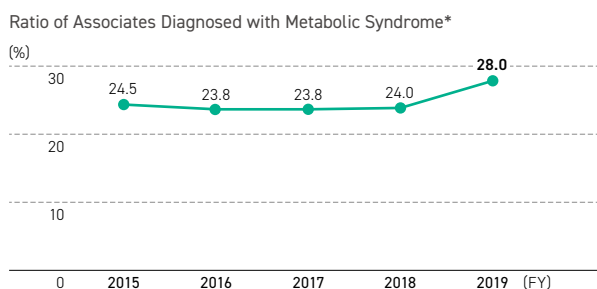
Prevention of Metabolic Syndrome

Major Initiatives

- Special health guidance
- Promotion of walking (campaign in which associates enter step counts into a web-based application and receive prizes for achieving goals, etc.)
- Diet programs based on recording data using HR Joint body composition monitors and physical activity monitors

Initiative Results

Terumo has been implementing diet programs based on the recording of data using HR Joint body composition monitors and physical activity monitors since fiscal 2017. These campaigns help increase the motivation of associates through timely tracking of data while enabling them to receive more effective advice from public health nurses.



* The ratio of associates diagnosed with metabolic syndrome is calculated based on the number of associates whose body metrics have surpassed the threshold for being judged to have metabolic syndrome and those that are at risk of surpassing this threshold.

**Ensuring Occupational Safety and Promoting Health /
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2 Early Diagnosis and Treatment of Cancer to Enable Associates to Return to the Workplace

We are focusing on examinations to diagnose and treat cancer early and on creating workplaces that enable associates who have been treated for cancer to return to work when they are ready and continue to work while they are being treated.

Cancer Screening

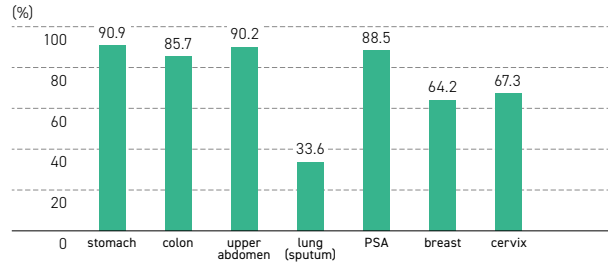
Major Initiatives

- Full compensation of fees for checkups for lifestyle-related diseases (cancer screening) by the Terumo Health Insurance Society, ability to undergo such checkups together with regular checkups required by law and during work hours to improve convenience and thereby raise checkup rates
- Encouragement of secondary examinations when initial examinations warrant more detailed examinations
- System to help associates continue to work while undergoing cancer treatment

Initiative Results

In fiscal 2019, all associates underwent regular checkups required by law and more than 90% received secondary examinations when warranted.

Ratio of Associates Undergoing Cancer Screening in Fiscal 2019 (%)



3 Women's Health

In response to the increase in female associates, we will implement "Kenko Keiei" practices that meet needs specific to women.

Major Initiatives

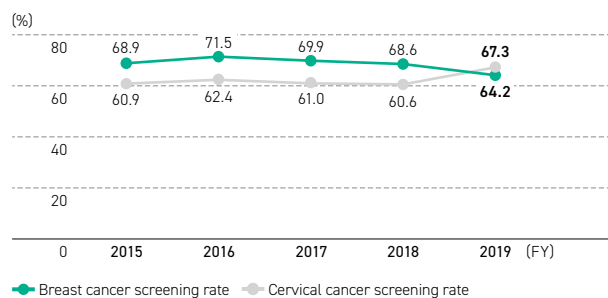
- Seminars on importance of receiving breast and cervical cancer screening
- Financial support for receiving cervical cancer vaccines
- Financial support for undergoing MRI breast cancer examinations*

* Having a high rate of lesion detection, MRI examinations are said to be effective for early detection of breast cancer in women with unusually dense breast tissue and in women considered at high risk for breast cancer due to family history or other factors.

Initiative Results

In fiscal 2019, cervical cancer screening rates were on the rise. Terumo is pursuing higher screening rates through ongoing educational activities.

Breast Cancer and Cervical Cancer Screening Rates



4 Encouragement of Self-Help

Based on the belief that self-help initiatives are the most important element of "Kenko Keiei" for associates, we are disseminating information to encourage self-help efforts.

Major Initiatives

- Dedicated "Kenko Keiei" intranet site offering information on Terumo's "Kenko Keiei," messages from senior management, health improvement support, initiatives at business sites, and healthcare practices of associates
- Financial support for dental examinations and oral care to help raise awareness of dental diseases, which can contribute to lifestyle-related diseases
- Stretching workshops for improving sleep quality and preventing lower-back pain and other training opportunities for addressing presenteeism issues

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

● Workplace Support for Associates Diagnosed with Cancer

With data indicating that one out of two Japanese people will be diagnosed with cancer during their lifetime,* the number of people who have been diagnosed with cancer is on the rise. There are many cases in which treatment is long term and cancer patients face difficulty in continuing their careers. Therefore, in January 2017, Terumo established a new system to help associates continue in their jobs while undergoing cancer treatment.

* Source: Cancer Registry and Statistics, Cancer Information Service, National Cancer Center, Japan. According to this data (from 2017), 65.5% of men and 50.2% of women will be diagnosed with cancer during their lifetime.

Types of Support

Use of expired paid leave	Expired paid leave may be used a day at a time.
Unpaid leave	Associates may take as many days as needed, but no more than 30 consecutive days.
Unpaid working hour reductions	Working hours may be reduced by up to 2 hours per day.
Staggered working hours	Adjustment of daily starting and finishing times by up to 2 hours.

Note: Applies to all Terumo associates, regardless of years on the job.

● Membership in KENKO Kigyo Kai

Terumo is a member of the KENKO Kigyo Kai, an organization of companies committed to the idea that employee health should be a top management priority. Under the leadership of their senior management, members of this organization embark on an ongoing process of taking steps to promote the health of their employees, reviewing measures and their results, sharing this information, and making improvements. Terumo embraces this approach to business management and contributes to efforts to promote its wider adoption.



● Promoting Global Wellness Programs

The Terumo Group aims to empower all associates in their work and have them share the same values through working at the Group. We are advancing global wellness programs with this goal. By learning from initiatives implemented worldwide and making progress together, we are fostering a sense of solidarity among Group associates.

In 2020, we prepared a shared global common tagline and set five common themes which we recognize as important. This tagline encapsulates the shared desire of associates and the entire Terumo Group to protect the health of all associates.






Global common tagline

YOUR HEALTH, YOUR HAPPINESS, OUR PRIORITY.

Note: The tagline and logo are only used internally within the Terumo Group.



Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

Shared Themes	Concrete Initiatives
 Exercise	Financial support for exercise; in-office gyms; walking, running, and other sports events; etc.
 Healthy diet	Provision of healthy meals and fruit, nutrition seminars, etc.
 Mental health	External consultation venues, stress relief and mindfulness programs, sleep workshops, support for addressing financial concerns, etc.
 Prevent & care illness	Health examinations, vaccinations, treatment support, leave for treatment purposes, etc.
 Family care	Wellness support for associates' families

Examples of the Terumo Group's Wellness Programs Around the World



■ Terumo Americas Holding, Inc. / Terumo Medical Corporation

During these unsettling times, focusing our efforts on supporting our associates as they adapt to COVID-19, its impact on society, and our “new ways” of working.



■ Terumo Cardiovascular Systems Corporation

Hold nutrition and mental health seminars virtually and promote walking or other outdoor activities during work from home.



■ MicroVention, Inc. (California, United States and Costa Rica)

Established on-site gym and promote health and running events, furthermore, reward associates who achieved quitting smoking.



■ Terumo Latin America Corporation (Mexico, Chile, Brazil, Colombia, Argentina, Peru, and Florida, United States)

Healthy food sponsoring and weight monitoring by a professional nutritionist. Mental health awareness (stress and anxiety prevention), yoga - meditation lessons. Family and cultural activities which promote integration among the associates.



■ Terumo BCT, Inc.

Provide on-site gym and various exercise programs. Promote “Global Challenge,” which is a virtual event where TBCT associates across the globe compete for the most walking steps.



■ Terumo Europe NV (Belgium, Germany, Austria, Switzerland, France, Italy, Spain, Poland, and the Middle East)

Provide EAP (Employee Assistance Program) with multiple languages, bicycle leasing for commuting, free fruits in the office, and family events.



■ Terumo Aortic (Vascutek Ltd. in the United Kingdom and Bolton Medical, Inc. in the United States)

In the UK office, focus on mental healthcare by promoting counseling support and initiatives which help promote the reduction of stress. Also provide a focus on physical well-being with health awareness sessions supported by the Occupational Health team. In US office, hold sports and health fair events and offer fresh, local fruits for a reasonable price.

**Ensuring Occupational Safety and Promoting Health /
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■ **Terumo (China) Holding Co., Ltd.**

Provide health programs which are customized for individual associates. Employees with a medical background in the company can popularize the relevant medical health knowledge of the products they are responsible for. (This can also further deepen employees' understanding of the company's products and company's vision.)



■ **Terumo Medical Products (Hangzhou) Co., Ltd.**

Hold seminars on diseases related to women to support the large number of female associates in the company. Provide dormitory gymnasium, healthy walking activities, and other special sports activities.



■ **Terumo Asia Holdings Pte. Ltd.(Singapore, Myanmar, Korea, Malaysia, Indonesia, and Australia)**

At the head office and the Singapore office, which includes the Yangon Branch, of Terumo Asia Holdings, associates are provided with free fruit, exercise programs, step counting campaigns, regular health examinations, and vaccinations. Furthermore, associates with small children are offered special leave in addition to regular childcare leave.

The Malaysia office has instituted additional stress checks for associates in sales positions and associates over the age of 40.

The Australia office provides associates access to free fruit, in-office gyms, massages, financial support for receiving health-related education, and vaccinations. This office also offers leave systems for achieving a good work-life balance and financial support for childrearing.



■ **Terumo India Private Limited**

Offers instructor led virtual wellness programs such as online workout sessions, nutrition talks, and mindfulness and meditation sessions. Associates and family members, including parents and domestic partners (LGBT), are covered under medical insurance benefits. All associates are also entitled for an annual comprehensive health examination. Additionally, to ensure workplace optimization during COVID-19, ergonomic tables and chairs and personal protection equipment have been delivered to the homes of all associates.



■ **Terumo (Philippines) Corporation**

Promote a smoke-free site, healthy meals in the canteen, and exercise programs, e.g., Zumba.

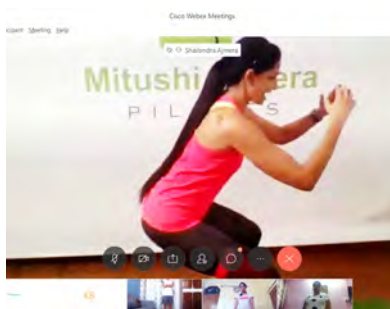


■ **Terumo Vietnam Co., Ltd.**

Improve quality and diversity of meals in canteen, hold sports events, and offer monthly healthcare consultations by doctors and expand items of annual medical checkups beyond the law's requirement. Enhance paid leave to promote work-life balance.



Health examination at factory and healthy meals available at cafeteria (Terumo Vietnam)



Online health program (Terumo India)



Associates exercising in on-site studio (Terumo BCT)

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

External Recognition

In recognition of the effectiveness of its “Kenko Keiei” initiatives, Terumo has been selected by Japan’s Ministry of Economy, Trade and Industry for inclusion in the Health & Productivity Stock Selection* for six consecutive years since fiscal 2014. Terumo has also been included in the Excellent Enterprise of Health and Productivity Management—White 500 selection for four consecutive years since fiscal 2016.

Furthermore, Terumo received the Cancer Prevention Partner Award (Cancer Screening Category) in fiscal 2019 through the Ministry of Health, Labour and Welfare’s Action Plan for Companies Promoting Cancer Prevention in recognition of its efforts to promote cancer screenings.



* This stock selection, determined jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, is intended to spotlight companies in which management addresses employee health as a matter of strategic importance. Updated just once a year, the Health & Productivity Stock Selection is chosen from among companies listed on the Tokyo Stock Exchange, with only one company selected from each industry segment.

Major “Kenko Keiei” Selections, Certifications, and Awards

- Health & Productivity Stock Selection (Six consecutive years since fiscal 2014)
- Excellent Enterprise of Health and Productivity Management—White 500 (Four consecutive years since fiscal 2016)
- Tokyo Sports Promotion Company (Five consecutive years since fiscal 2015)
- Sports Yell Company (Three consecutive years since fiscal 2017)
- Cancer Prevention Partner Award (Encouragement of Cancer Treatment While Working Category) (fiscal 2017) and Cancer Prevention Partner Award (Cancer Screening Category) (fiscal 2019), Action Plan for Companies Promoting Cancer Prevention, Ministry of Health, Labour and Welfare
- Award of Excellence, Awards for Companies Supporting Cancer Patients in Receiving Cancer Treatment While Working, Tokyo Metropolitan Government (fiscal 2017)
- Yamaguchi Prefecture Governor’s Award for Excellent Enterprises in Health and Productivity Management, Terumo Yamaguchi Corp. (fiscal 2017)
- Sukoyaka Yamanashi 21 health Promotion Award, Terumo Corporation’s Kofu Factory (fiscal 2018)

EHS Risk Management

EHS Internal Audits

The Terumo Group EHS Audit Committee conducts EHS internal audits to confirm the status of initiatives for reducing environmental, health, and safety risks and to assess EHS performance (progress toward the achievement of EHS targets). When nonconformities have been identified, corrective actions are taken and their effectiveness is checked to prevent recurrences.

In fiscal 2019, such audits were conducted at nine business sites in Japan.

Audit Tasks

1. Check conformity with ISO 14001:2015 and ISO 45001:2018
2. Check compliance with EHS-related laws, regulations, agreements, etc.
3. Check compliance with the Terumo Group EHS Policy and with internal rules and standards
4. Check the operational status of EHS management systems and performance (effectiveness, key performance indicators)
5. Check the status of improvement regarding issues identified through audits, etc.

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

Audits of Waste-Treatment Contractors

To confirm the appropriate processing of industrial waste generated by Terumo, we perform systematic audits of waste collection and disposal contractors. In fiscal 2019, we conducted audits at 38 contractors and determined that waste collection and disposal are being performed properly.

Training and Education

To ensure solid understanding of the Terumo Group EHS Policy and EHS activities, we conduct a basic EHS education program for all associates of Terumo once a year. We have also prepared education materials tailored to the needs of factories, R&D bases, and sales offices and use them in regularly conducted education and training programs.

Apart from these systematic education initiatives, EHS information is distributed via the intranet and internal bulletin boards. Through these and other such initiatives, we are striving to increase EHS awareness among our associates.



Education and training program

Emergency and Accident Response Training

Individual business sites have established procedures to prevent EHS accidents and lessen their severity should such accidents occur. They also conduct emergency response training and review results on a regular basis. In fiscal 2019, there were no serious accidents or chemical leaks.

Compliance with Environmental Laws and Regulations

In fiscal 2019, there were no major legal or regulatory violations or citations related to the environment requiring fines or punishments.

Award Program for Recognizing Outstanding EHS Activities

We present Terumo Human×Eco Awards to recognize activities that contribute to the environment, health, and safety throughout the entire Terumo Group. By evaluating and sharing information on examples of outstanding EHS activities within the Group, we aim to further promote such activities. Three fiscal 2018 initiatives were selected for recognition in fiscal 2019.

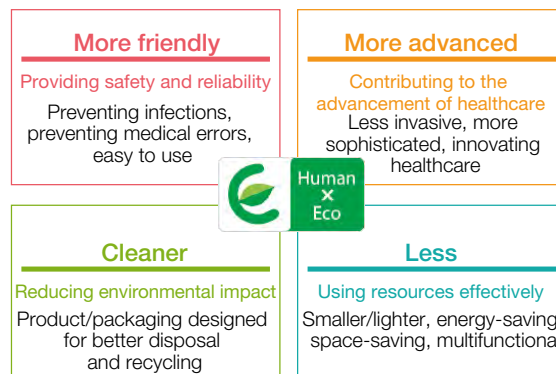
Project	Award Recipient
<p>Achievement of medium-term domestic recycling target for fiscal 2019 (98%) ahead of schedule in fiscal 2018</p> <ul style="list-style-type: none"> - Improve resource efficiency and reduce waste costs by recycling wastes as valuable resources 	<p>Industrial Waste EHS Expert Subcommittee (Ashitaka Factory, Fujinomiya Factory, Kofu Factory, Shonan Center, ME Center, Terumo Clinical Supply Co., Ltd., Terumo Yamaguchi Corp., Terumo Yamaguchi D&D Corp.)</p>
<p>Replacement of solvents for Glidesheath production line</p> <ul style="list-style-type: none"> - Reduce the risk of health hazards to associates - Reduce VOC emissions to the environment 	<p>Ashitaka Factory, TIS Production Engineering Section, R&D Section, Outsource Management Section, and Terumo Medical Corporation Glidesheath Transfer Team</p>
<p>Achievement of excellent performance in occupational safety and health</p> <ul style="list-style-type: none"> - Reduce number of days away from work due to work-related accidents or illnesses - Contribute to improved health and safety of associates by promoting health campaigns and other onsite programs 	<p>MicroVention Costa Rica S.r.l, Safety and Health Department</p>

Development of Environmentally Friendly and Safe Products

Human×Eco Development Guidelines

Terumo has established and applied to product development its proprietary Human×Eco Development Guidelines, a set of guidelines for developing products that are friendly to both people and the environment. These guidelines consist of four principles—more friendly (providing safety and reliability), more advanced (contributing to the advancement of healthcare), cleaner (reducing environmental impact), and less (using resources effectively)—and 24 directives based on these principles. Products that exhibit excellence with regard to these principles and directives display the “Human×Eco” logo, an internal certification mark, to make this excellence readily apparent to customers.

“Human×Eco” Development Guidelines



Examples of Human×Eco Certified Products

● TRI Introducer Kit—

Minimally Invasive, Medically Cost Efficient, and Resource Conserving

Percutaneous coronary intervention (PCI) can be performed by inserting a catheter at either the wrist or the groin. Inserting at the wrist, in a procedure called transradial intervention (TRI), entails fewer complications, such as post-procedure bleeding, and is less invasive. Terumo has developed an innovative introducer kit that features a sheath with a thinner, more finely formed wall for a smaller outside diameter. A narrower sheath makes more treatment options available for patients with small arteries while also reducing costs and resource usage associated with post-procedure complications.



Introducer sheath for TRI procedures

● Guiding Catheter for TRI—

Minimally Invasive, Medically Cost Efficient, and Resource Conserving

Used together with Terumo’s TRI introducer kit, this guiding catheter makes it possible to perform TRI for treating peripheral artery diseases. Compared with the transfemoral approach, TRI is less invasive, places less of a burden on medical professionals and patients, and is more medically cost efficient. In addition, the packaging type used for this guiding catheter has been changed to realize a 45% reduction in package weight and a 61% reduction in package size. This change is anticipated to contribute to the environment by helping to conserve resources and space and reduce the amount of energy required for transportation.



Guiding catheter for TRI

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

● Drug-Eluting Stents—

Minimally Invasive, Medically Cost Efficient, and Resource Conserving

Drug-eluting stents are medical devices that are embedded in patients' bodies to treat conditions such as angina pectoris and myocardial infarction resulting from the contraction or blockage of the coronary artery of the heart, which supplies oxygen and nutrients to the heart. Terumo has proceeded to refine the delivery systems of its drug-eluting stents to improve ease of use and passage in order to facilitate smooth treatment of even complicated disorders. These refinements are expected to reduce the burden placed on healthcare professionals and patients while offering higher economic benefits. In addition, the packaging type used for these drug-eluting stents has been changed to realize a 14% reduction in package size. This change is anticipated to provide environmental benefits by helping to conserve resources and space and improving transportation efficiency.



Drug-eluting stent

● Intravascular Ultrasound Catheter—

Shortened Examination Times and Improved Efficiency

Intravascular ultrasound catheters are used when performing intravascular ultrasounds, an examination technique that utilizes ultrasonic waves to observe the inside of blood vessels. By improving the image resolution, image acquisition, and processing speeds, and ease of operation of our catheters, we have helped reduce the amount of time required for preparations, examinations, and image interpretation pertaining to intravascular ultrasounds. We anticipate that the shorter procedure times will reduce the burden on patients and medical professionals and thereby contribute to the realization of safer and more efficient treatments.



Intravascular ultrasound catheter

● Condensed Liquid Nutrients—

Conservation of Resources and Improvement of Quality of Life

Terumo has developed condensed liquid nutrients that enable people to receive greater amounts of calories and nutrition while consuming smaller amounts of nutrients. These nutrients enable people that cannot ingest large meals to obtain the calories and nutrition they need at their own pace. In addition, these highly condensed liquid contents offer smaller volume, allowing for less packaging, which helps reduce the waste produced.



Condensed liquid nutrients

● Concentrated Liquid Nutrients (Semi-Solid Type)—

Conservation of Resources and Improvement of Quality of Life

With just the right combination of fluidity and thickness, this ready-to-use nutrient product requires no mixing bottle, produces less waste, and eliminates the labor associated with the washing of bottles. Using this mixture of water and concentrated liquid nutrients reduces the burden on caregivers.



Concentrated liquid nutrients (semi-solid type)

● TERUPACK Eco—Environmentally Friendly IV (Intravenous) Solution Bag

TERUPACK Eco is an IV solution bag designed to be environmentally friendly. It is manufactured with less plastic, in a production process that consumes less energy and emits less CO₂ than previous processes. In addition, because TERUPACK Eco bags weigh 23% less than prior bags, we expect them to generate less waste and reduce overall impact on the environment.



Environmentally friendly IV solution bag

**Ensuring Occupational Safety and Promoting Health /
Reducing the Environmental Impact of Our Business Operations**

**● Closed Infusion Systems—
Contributions to Safer, More Efficient Infusion Line Management**

Keeping infusion line mixers closed helps to prevent contamination by external airborne microbes. In addition, our infusion line connectors are designed to not retain any liquid and, therefore, can be used to deliver even very small amounts of drug solutions. Even the connection of syringes and infusion devices requires no special adapters, so drug solution delivery is simple, quick, and more secure from procedural errors. Easy inventory management contributes to greater safety and efficiency in managing infusion line stocks.



Closed infusion system

● Angiographic Kit—Greater Efficiency and Less Waste

Having developed a certified angiographic kit that eliminated excess packaging and procedures by providing in a single set the products needed to perform angiography for interventional therapies, we developed a better method and form of product packaging and redesigned the shape of the tray, thereby reducing the weight and volume of waste. This allowed for a 53% reduction in the amount of waste, compared with Terumo's conventional solution pack.



Angiographic kit

Products Free of Hazardous Substances

● Leading the Industry toward Mercury-Free Products

The Minamata Convention on Mercury took effect in August 2017. Under the convention, it will become illegal to manufacture and engage in trade involving products containing mercury beginning in 2021. Terumo ceased production of mercury thermometers in 1984. That was over 30 years ago and since then we have contributed significantly to the elimination of mercury from medical settings and homes by developing and introducing products such as mercury-free digital thermometers and digital blood pressure monitors, which are friendlier to the environment and safer to use.



Digital thermometer



Digital blood pressure monitor

● Promoting PVC-Free, DEHP-Free Products

Terumo helps reduce the release of toxic gas from the incineration of polyvinyl chloride (PVC) by promoting use of PVC-free packaging. We also use alternatives to Di (2-ethylhexyl) phthalate (DEHP) whenever possible due to concerns over its biological hazards.



Polybutadiene IV solution set



PVC-free IV solution bag



DEHP-free cardiovascular circuit

Initiatives to Address Climate Change

Various international frameworks have been established in regard to climate change, such as the Paris Agreement and the United Nations Sustainable Development Goals, which were both adopted in 2015. Against this backdrop, companies are expected to set and work toward accomplishing greenhouse gas (GHG) emissions reduction targets based on scientific evidence.

Terumo recognizes that reducing the GHG emissions from its business activities, through means such as improving energy efficiency and implementing climate change counter measures, is an important management task. Accordingly, we are addressing this task through a concerted Group effort.

Up until fiscal 2019, the Company has been working toward a medium- to long-term target of reducing CO₂ emissions per revenue for the entire Group to 50% of the fiscal 2005 level by fiscal 2025 (Scope 1 and Scope 2).^{*} In fiscal 2019, emissions were cut to 58% of the fiscal 2005 level.

In 2020, Terumo set new medium- to long-term GHG emissions reduction targets for fiscal 2030 and fiscal 2050. These targets comply with the levels requested by the Paris Agreement. In addition, the target for fiscal 2030 was approved, is considered science-based by the international organization known as Science Based Targets initiative (SBTi). The target is classified to be aligned with the “well-below 2 degrees,” which was just defined by the latest SBTi Criteria (4.0) on October 2019. The category means that the target contributes to keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels.

The SBTi’s approval will further drive Terumo to continue making Groupwide efforts to mitigate the global challenge of climate change risks.

^{*} For information on Scope, please refer to page 44.

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

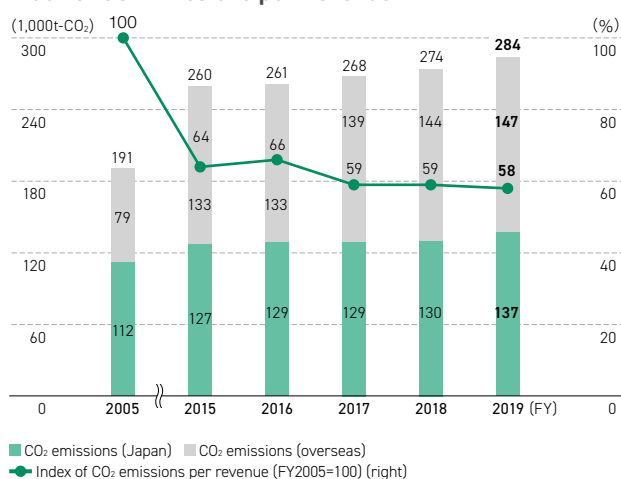
Initiatives for Fiscal 2019

In fiscal 2019, energy consumption increased due to higher production volumes and the commencement of operation of a new factory building. Nonetheless, we moved forward with efforts to reduce energy consumption, including improving the operating methods of energy supply facilities through means such as optimizing air-conditioning operation. In addition, we upgraded to high-efficiency equipment, such as compressors and transformers and took steps to insulate steam pipes, prevent steam leakage, and reduce unnecessary electricity and pressurized air use to achieve further energy savings. As a result, fiscal 2019, CO₂ emissions per revenue were down 1% year on year and 42% from fiscal 2005.

Target for Reduction of CO₂ Emissions (Scope 1 and Scope 2)

Reduce CO₂ emissions per revenue for the entire Group to 50% of the fiscal 2005 level by fiscal 2025

CO₂ Emissions in Total (Scope 1 and Scope 2) and Index of CO₂ Emissions per Revenue



(Scope: Terumo Group business sites in Japan and manufacturing sites overseas)
Note: The CO₂ emissions coefficients for electricity are the fiscal 2005 coefficients provided by electric power providers.

Energy Consumption

Fuel Type	FY2017	FY2018	FY2019
Electricity	1,554,916	1,591,233	1,651,126
City gas	1,070,740	1,059,261	1,146,755
LPG	28,169	30,212	35,359
Heavy oil	19,941	18,889	21,484
Diesel oil	4,338	3,611	4,312
Steam	160,491	157,845	150,106
Gasoline	362.5	31,956	32,779
Total	2,838,957	2,893,006	3,041,920
Consumption per revenue (GJ/¥100 million)	483	483	484

(Scope: Terumo Group business sites in Japan and manufacturing sites overseas)
Notes: 1 Based on the GHG Protocol, gasoline consumption by Company vehicles has been included in the scope of calculations since fiscal 2018, resulting in an increase in gasoline consumption.
2 Figures for fiscal 2017 and fiscal 2018 have been restated to rectify past errors in the collection of data.

CO₂ Emissions in Fiscal 2019 (Scope 1 and Scope 2)

	Scope 1	Scope 2	Total
Japan	42,111	94,717	136,828
Overseas	18,663	128,266	146,929
Total	60,775	222,982	283,757

(Scope: Terumo Group business sites in Japan and manufacturing sites overseas)
Note: The CO₂ emissions coefficients for electricity are the fiscal 2005 coefficients provided by electric power providers.

Renewable Energy Use in Fiscal 2019

Photovoltaic power	289,613
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(Scope: Terumo Group)

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

CO₂ Emissions in Fiscal 2019 (Scope 3)

(t-CO₂)

Category	Category	Emissions Volume	Method of Calculation
Category 1	Purchased goods and services	2,270,428	Multiplying emission intensity of each department by revenue using relevant industry charts
Category 2	Capital goods	264,920	Multiplying emission intensities per capital goods price by annual capital expenditure amounts
Category 3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	18,323	Multiplying emission intensities by electricity and steam consumption amounts
Category 4	Upstream transportation and distribution	732,480	Multiplying emission intensity of each department by revenue using relevant industry charts
Category 5	Waste generated in operations	10,972	Multiplying emission intensities by waste amounts
Category 6	Business travel	3,437	Multiplying emission intensities by employee numbers
Category 7	Employee commuting	5,420	Multiplying emission intensities by employee numbers
Category 8	Upstream leased assets	-	Leased Company vehicles have been excluded from the scope of calculation to reflect the adoption of calculations based on Scope 1.
Category 9	Downstream transportation and distribution	466,376	Multiplying emission intensity of each department by revenue using relevant industry charts
Category 10	Processing of sold products	-	Not applicable as emissions from processing within the Group are included under Scope 1 and Scope 2
Category 11	Use of sold products	9,036	Calculated based on life span and electricity consumption of principal medical electronics (pumps)
Category 12	End-of-life treatment of sold products	1,056	Multiplying emission intensity of each department by revenue using relevant industry charts
Category 13	Downstream leased assets	-	Not applicable as emissions associated with leased assets are accounted for under use of sold products
Category 14	Franchises	-	Not applicable as no facilities considered franchises exist
Category 15	Investments	-	Not applicable as no emissions were generated through investments
Total		3,782,448	

(Scope: Terumo Group)

Note: Emission intensities used in calculations are based on the database of emission intensities for calculating organization greenhouse gases across the supply chain provided by the Ministry of the Environment (Ver. 3.0).

**Ensuring Occupational Safety and Promoting Health /
Reducing the Environmental Impact of Our Business Operations**

New Medium- to Long-Term Greenhouse Gas (GHG) Emissions Reduction Targets and Initiatives from Fiscal 2020 –

■ **Scope 1 and Scope 2:**

- Reduce absolute Scope 1 and 2 GHG emissions 30% by 2030 from a 2018 base year
- Reduce absolute Scope 1 and 2 GHG emissions 80% by 2050 from a 2018 base year

■ **Scope 3:**

- Reduce Scope 3 GHG emissions 60% per unit of revenue by 2030 from a 2018 base year



**SCIENCE
BASED
TARGETS**

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The greenhouse gas emissions targets for fiscal 2030 have been certified by the Science Based Targets initiative as being based on scientific evidence.

Reduction of GHG Emissions

■ **Scope 1* and Scope 2***

The Terumo Group has continued to reduce GHG emissions through energy conservation efforts. Specific examples of these efforts have included shifting to cleaner forms of energy with lower GHG emissions, such as by replacing heavy oil with city gas and city gas with electricity; installing highly efficient equipment; using facilities more efficiently; and preventing leaks of steam and pressurized air.

From fiscal 2020, we will pursue greater energy savings as we seek to utilize renewable energy and other energy forms with lower levels of GHG emissions. We thereby aim to reduce the amount of GHG emitted from the Company and mitigate climate change risks.

■ **Scope 3***

Terumo has established and applied its proprietary Human×Eco Development Guidelines, a set of guidelines for developing products that are friendly to both people and the environment, to product development. By adhering to these guidelines, we aim to reduce resource use and improve transportation efficiency by making products smaller and lighter and designing packaging with loading efficiency during product transportation in mind. In addition, we established the Supplier Guidelines in 2019, and we have been requesting that suppliers perform joint deliveries of products and shift to more eco-friendly modes of transportation for delivering products (shift from trucks to ships).

In addition, the Eco-Products and Safety SC, one of the EHS Expert Subcommittees positioned under the Group EHS Committee, was renamed the Environmental Supply Chain SC in fiscal 2020. This move was taken to facilitate further reductions in environmental impacts across the product lifecycle, including procurement and transportation, in order to cut GHG emissions in all areas of the supply chain.

* Scope: Reporting is based on the following GHG Protocol categories.

Scope 1: Direct GHG emissions by the company (e.g., fuel combustion)

Scope 2: Electricity indirect GHG emissions (e.g., GHG emissions from electric companies)

Scope 3: Other indirect GHG emissions (e.g., production of purchased materials, transportation, and waste disposal)

Waste Reduction and Recycling

As part of its efforts to use resources more efficiently, Terumo sets targets for recycling and for reducing final disposal waste. From a safety perspective, it is difficult to reuse waste (practice material recycling) internally. We do, however, segregate various types of waste from manufacturing processes and from business activities in offices, and, with the cooperation of a recycling company, turn it into floor tiles and other types of plastic products, refuse plastic fuel (RPF), and organic fertilizer. For fiscal 2019, the recycling rate at Terumo Group business sites in Japan and manufacturing sites overseas was 84%, below our target of 87% or higher, due to the impacts of the waste plastic import restrictions of China and Southeast Asia on certain U.S. and European business sites. Meanwhile, final waste disposal accounted for 0.09% of total waste at domestic Terumo Group business sites, accomplishing our target for the year.

Terumo will continue to pursue higher levels of resource efficiency going forward through means such as ongoing waste reduction efforts and extensive sorting of waste.

Medium-Term Target from Fiscal 2017 to Fiscal 2019

Achieve the following recycling rates for the Terumo Group

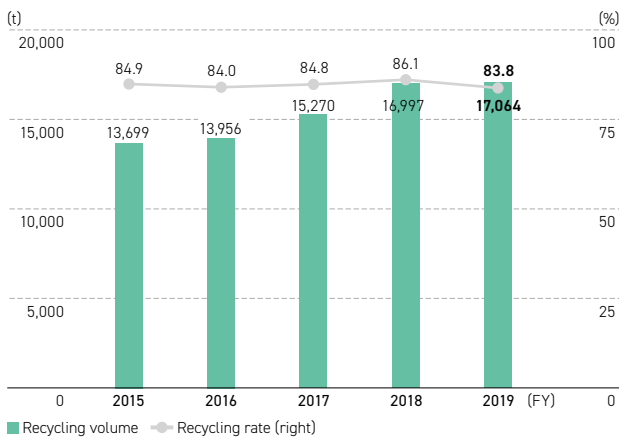
- In fiscal 2019: 87% or higher
- Medium- to Long-term target for fiscal 2030: 90% or higher

Medium-Term Target from Fiscal 2017 to Fiscal 2019

Reduce ratio of final waste disposal to total emissions of Terumo Group business sites in Japan

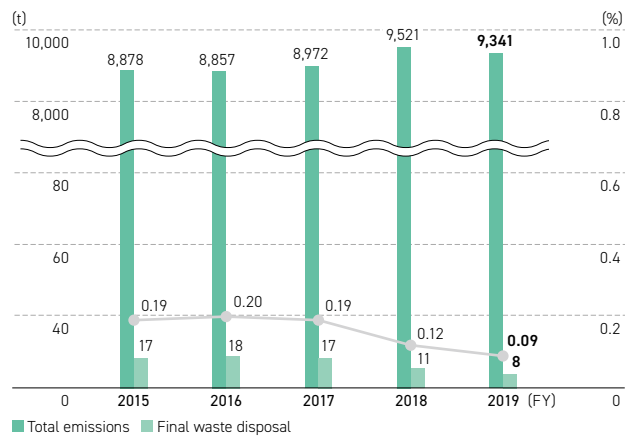
- In fiscal 2019: 0.3% or less

Recycling Volume and Rate



(Scope: Terumo Group business sites in Japan and manufacturing sites overseas)
Note: Figures for fiscal 2018 have been restated to rectify past errors in the collection of data.

Final Waste Disposal



(Scope: Terumo Group business sites in Japan)
Note: Figures for fiscal 2018 have been restated to rectify past errors in the collection of data.

Initiatives to Collect and Recycle Small Rechargeable Batteries

Terumo works through the Japan Portable Rechargeable Battery Recycling Center (JBRC) to collect and recycle used rechargeable batteries from Terumo products. This is in compliance with Japan's Act on the Promotion of Effective Utilization of Resources. To promote the proper recycling of small rechargeable batteries, we display a recycling logo on our products and inform customers through product instruction booklets that batteries should be recycled. In addition, for products covered by our maintenance services, we regularly inspect and replace small rechargeable batteries and recycle batteries that are no longer usable.

Collection and Recycling of Small Rechargeable Batteries in Fiscal 2019

Battery Type	Quantity (kg)
Nickel-Cadmium Batteries	2,032
Nickel-Metal Hydride Batteries	2,468
Lithium-Ion Batteries	872
Sealed Lead-Acid Batteries	161

(Scope: Terumo Corporation business sites in Japan)

**Ensuring Occupational Safety and Promoting Health /
Reducing the Environmental Impact of Our Business Operations**

Reduction of Containers and Packaging and Promotion of Recycling

To effectively use resources and improve ease of use for customers, Terumo is working to reduce its use of containers and packaging materials. These efforts include the development of smaller, lighter, and slimmer containers and packages and the adoption of new containers and package designs.

In Japan, recycling of containers and packaging waste is promoted through the Containers and Packaging Recycling Law, which requires product sellers to recycle containers and packaging discarded as household waste.

Terumo fulfills its recycling obligation by engaging the Japan Containers and Packaging Recycling Association to recycle waste. In fiscal 2019, we sent a total of roughly 230 tons of paper and plastic packaging materials to this organization for recycling.

Recycling of Containers and Packaging in Fiscal 2019

	(t)
Paper	21.8
Plastic	208.0

(Scope: Terumo Group business sites in Japan)

Effective Utilization of Water Resources

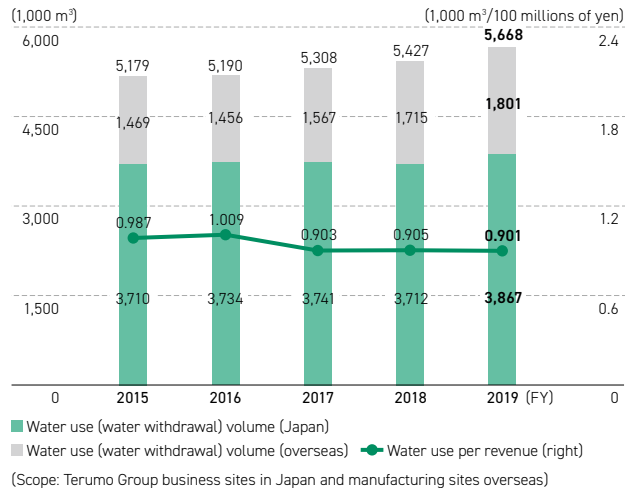
Terumo uses large quantities of water in its manufacturing processes and for producing infusion solution. In every country and region where Terumo’s manufacturing sites are based, we examine the state of water resources and ascertain risks and opportunities in water use (water withdrawal). The Terumo Group also sets targets related to water use and strives to reuse water and reduce its overall use.

In fiscal 2019, water use increased by 4% year on year due to the commencement of production at a new factory building and higher production levels. However, water use per revenue was still down 0.4% year on year and 11% in comparison with fiscal 2016. We will continue Groupwide efforts to promote the effective use of water resources going forward.

Medium-Term Target from Fiscal 2017 to Fiscal 2019

Reduce Groupwide water use (water withdrawal) per revenue by at least 3% compared with the fiscal 2016 level by the end of fiscal 2019

Water Use (Water Withdrawal) Volume



Proper Control of Chemical Substances

Terumo manages chemical substances and tracks their use, emissions, and disposal in accordance with the Terumo Group EHS Policy in order to mitigate health risks and reduce environmental impacts associated with these substances. Chemical substance risk assessments are carried out at worksites that use such substances and proper chemical substance control is practiced based on information on hazardous chemical substances derived from the Globally Harmonized System of Classification and Labelling of Chemicals.

Voluntary goals have been established with regard to substances that pose a particular risk to people's health and precautions are taken to prevent emissions of these substances.

Voluntary Action to Reduce Chemical Substance Emissions

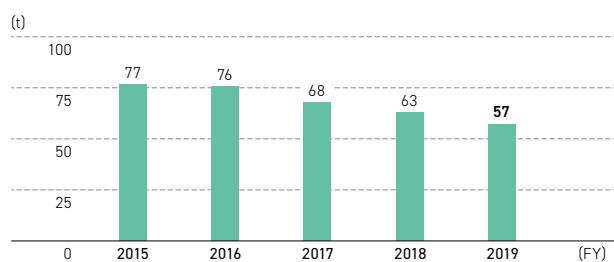
● Reduction of Dichloromethane Emissions

Terumo is working to reduce its emissions of dichloromethane based on its own voluntary targets. At business sites that handle large amounts of dichloromethane, we have installed a recycling system to reduce emissions of this air pollutant as much as possible. As an added measure, we monitor dichloromethane concentrations at the exhaust ports and boundaries of sites.

Target

Keep dichloromethane emissions to less than 100 tons per year for Terumo Group business sites in Japan

Dichloromethane Emissions

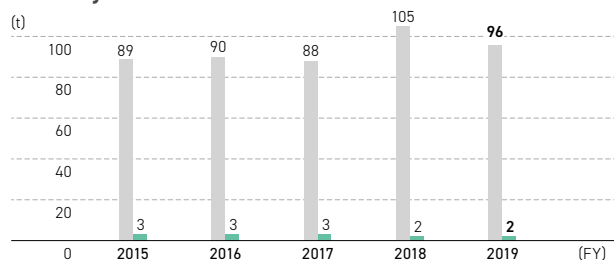


(Scope: Terumo Group business sites in Japan)

● Reduction of Ethylene Oxide Emissions

Ethylene oxide is widely used to sterilize medical devices. At Terumo, we are working to reduce ethylene oxide emissions to the outside environment. To this end, we have installed emissions treatment systems to limit emissions and regularly check the concentration of emissions at outlets. In addition, we have voluntarily set an upper limit of 4.3 $\mu\text{g}/\text{m}^3$ on atmospheric concentrations at the boundaries of sites that neighbor resident areas and monitor the atmosphere to ensure we adhere to this standard.

Amount of Ethylene Oxide Used and Ethylene Oxide Emissions



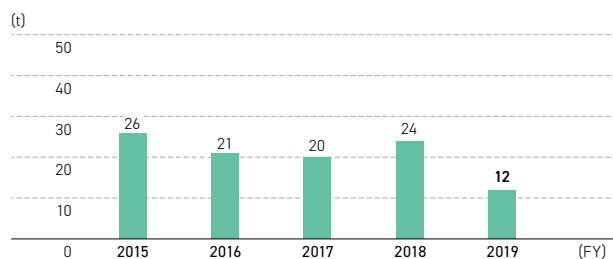
(Scope: Terumo Corporation business sites in Japan)

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

● Substitutes for HCFC-225

In light of the Montreal Protocol, an international agreement for the phase-out of substances that deplete the ozone layer, it has been decided that the production and import of HCFC-225 will be prohibited in developed countries beginning in 2020. Accordingly, Terumo is moving ahead with its transition to HCFC-225 substitutes.

HCFC-225 Emissions



(Scope: Terumo Corporation business sites in Japan)

● Tracking and Management of PRTR* Substances

At Terumo, monthly tracking of usage and emissions volumes for pollutant release and transfer registers (PRTRs) and other chemical substances, and the reduction of emissions at their source, is a top priority.

* The Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof.

Amount of PRTR Substances Used, Emitted, and Transferred in Fiscal 2019

(t)

Substance		Fujinomiya Factory	Ashitaka Factory	Kofu Factory	R&D Center (Shonan Center)	Total
ethylene oxide	Amount used	7.7	77.8	10.3	0.1	95.9
	Amount emitted	0.2	1.6	0.3	0.0	2.1
	Amount transferred	0.0	0.0	0.0	0.0	0.0
1, 2-dichloroethane	Amount used	-	1.9	-	-	1.9
	Amount emitted	-	2.0	-	-	2.0
	Amount transferred	-	0.3	-	-	0.3
HCFC-225	Amount used	4.6	11.9	4.1	-	20.6
	Amount emitted	0.6	9.9	1.1	-	11.6
	Amount transferred	0.0	1.0	0.0	-	1.0
dichloromethane	Amount used	-	4.5	154.5	0.0	159.0
	Amount emitted	-	3.5	53.5	0.0	57.0
	Amount transferred	-	2.0	0.0	0.0	2.0
toluene	Amount used	0.6	-	4.8	0.5	5.9
	Amount emitted	0.4	-	0.8	0.0	1.2
	Amount transferred	0.2	-	0.0	0.5	0.7
bis (2-ethylhexyl) phthalate	Amount used	316.9	1.3	84.7	-	402.9
	Amount emitted	0.0	0.0	0.0	-	0.0
	Amount transferred	0.0	0.0	2.9	-	2.9
hydrogen fluoride and its water-soluble salts	Amount used	-	18.6	0.1	-	18.7
	Amount emitted	-	0.8	0.0	-	0.8
	Amount transferred	-	0.0	0.0	-	0.0
n-hexane	Amount used	-	4.7	-	-	4.7
	Amount emitted	-	3.8	-	-	3.8
	Amount transferred	-	1.0	-	-	1.0
N, N-dimethylformamide	Amount used	-	8.9	-	-	8.9
	Amount emitted	-	7.1	-	-	7.1
	Amount transferred	-	1.8	-	-	1.8

(Scope: Terumo Corporation business sites in Japan)

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

Proper Disposal of Polychlorinated Biphenyls

In Japan, Terumo has ceased the use of all equipment (transformers, capacitors, etc.) containing high concentrations of polychlorinated biphenyls (PCBs) and is systematically disposing of this equipment through the Japan Environmental Storage & Safety Corporation (JESCO).^{*} In addition, all business sites have completed disposal of equipment containing low concentrations of PCBs.

^{*} The Japan Environmental Storage & Safety Corporation (JESCO) is a special company wholly owned by the Japanese government. It was established in April 2004 as the only company in Japan to carry out detoxification of items with high concentrations of PCBs.

Compliance with Environmental Regulations for Products

The regulated substances and environmental pollutants contained in products are clearly identified at the product design and procurement stages. We use our Human×Eco Development Guidelines as a tool to raise designer awareness.

Terumo seeks to comply with the Restriction of Hazardous Substances Directive (RoHS^{*1}), the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH^{*2}), and other environmental regulations pertaining to products. For this reason, the Company is stepping up management of these substances by monitoring the regulated substances contained in procured items.

^{*1} Directive of the European Union that restricts the use of certain hazardous substances included in electrical and electronic equipment

^{*2} Regulation of the European Union regarding the registration, evaluation, authorization, and restriction of chemicals

Initiatives for Biodiversity Conservation

Terumo understands that our lives and health and even the practice of medicine itself depend on the existence of diverse living organisms and ecosystems. As a company whose business draws benefits from nature, Terumo seeks to preserve biodiversity through environmental education and reforestation activities and works to support the development of a society in which humans coexist with nature.

Protecting Forests

● Mt. Fuji Reforestation Project

Terumo has two factories in the city of Fujinomiya in Shizuoka, Japan. Both take in groundwater from springs at the foot of Mt. Fuji for use in the production of medical devices, pharmaceuticals, and other products. Recognizing that our business depends on the use of natural resources, we launched the Terumo Mt. Fuji Reforestation Project in fiscal 2003 with the aim of restoring the natural forests in this area. This project involves the reforestation of parts of Mt. Fuji's forests where many trees have been destroyed by typhoons. Repopulating these areas with native tree species will help them become more resistant to future natural disasters and ensure that they can continue to serve as a source of groundwater.

In fiscal 2011, three parties—Shizuoka Prefecture, a local forest owner, and Terumo—entered into an agreement called the Shizuoka Mirai-no-Mori (Future Forest) Supporter Pact. Under this agreement, we plant trees and maintain forested areas to create the Terumo Megumi-no-Mori reserve within the Fumoto district of Fujinomiya. Moreover, we are engaged in year-round reforestation activities based on the concepts of resources, living organisms, interaction, and health through this agreement.

In fiscal 2019, 459 volunteers, including associates, their families, and community members took part in these activities.

Results of Activities under Shizuoka Mirai-no-Mori Supporter Pact (Fiscal 2011–2019)

- Total number of participants: 2,312
- Activity details:
 - Planting of 2,765 trees (sawtooth oak, konara oak, maple, cherry, etc.)
 - Production of benches and tables using thinning by-products, creation of walking paths, forest walking events, etc.



Group photo of participants

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

● ECO Challenge

Each year, we hold the ECO Challenge in which volunteer Terumo associates in Japan and their families conduct a variety of voluntary environmental preservation activities at home and at work. At the beginning of the ECO Challenge, a “Challenge Sheet” with various Eco tips is distributed to participants, who then perform them. Points are calculated based on the results of participating associates, and Terumo translates these points into a monetary value for donations to the following two programs (described below) arranged by the Organization for Industrial, Spiritual, and Cultural Advancement—International (OISCA).

The Children’s Forest Program (The Philippines)

- The Children’s Forest Program encourages children to get involved in greening activities to cultivate a love of nature and learn the importance of forests by nurturing seedlings on their school grounds and in their communities.
- Since the launch of this program in 1991, children from approximately 1,120 schools in the Philippines have participated, and have planted around 2.9 million trees to date.*

* Based on information available on OISCA’s website (as of March 31, 2020)



Children observing nature

The Coastal Forest Restoration Project in Tohoku Region

- The Coastal Forest Restoration Project aims to restore coastal forests damaged as a result of the Great East Japan Earthquake by planting black pine (*Pinus thunbergii*) trees.
- Coastal forests help safeguard against winds, sandstorms, and high tides, playing an important role in protecting the lifestyles of farmers and other community members as well as the environment in coastal regions.
- Since 2011, we have received a total of ¥780 million in donations, enabling us to plant more than 350,000 trees.



Tree planting activities

Amount of Funds Dedicated to Biodiversity Preservation Projects in Japan

Fiscal 2019: Approx. ¥4,900,000

Projects

- Mt. Fuji Reforestation Project
- Donations to other biodiversity preservation projects















Endorsement of Declaration of Biodiversity by Keidanren and Action Policy (Revised Edition)

In February 2020, Terumo declared its support of the Declaration of Biodiversity by Keidanren (Japan Business Federation) and Action Policy (Revised Edition) released by Keidanren and the Keidanren Committee on Nature Conservation. This declaration and policy will guide our activities going forward.



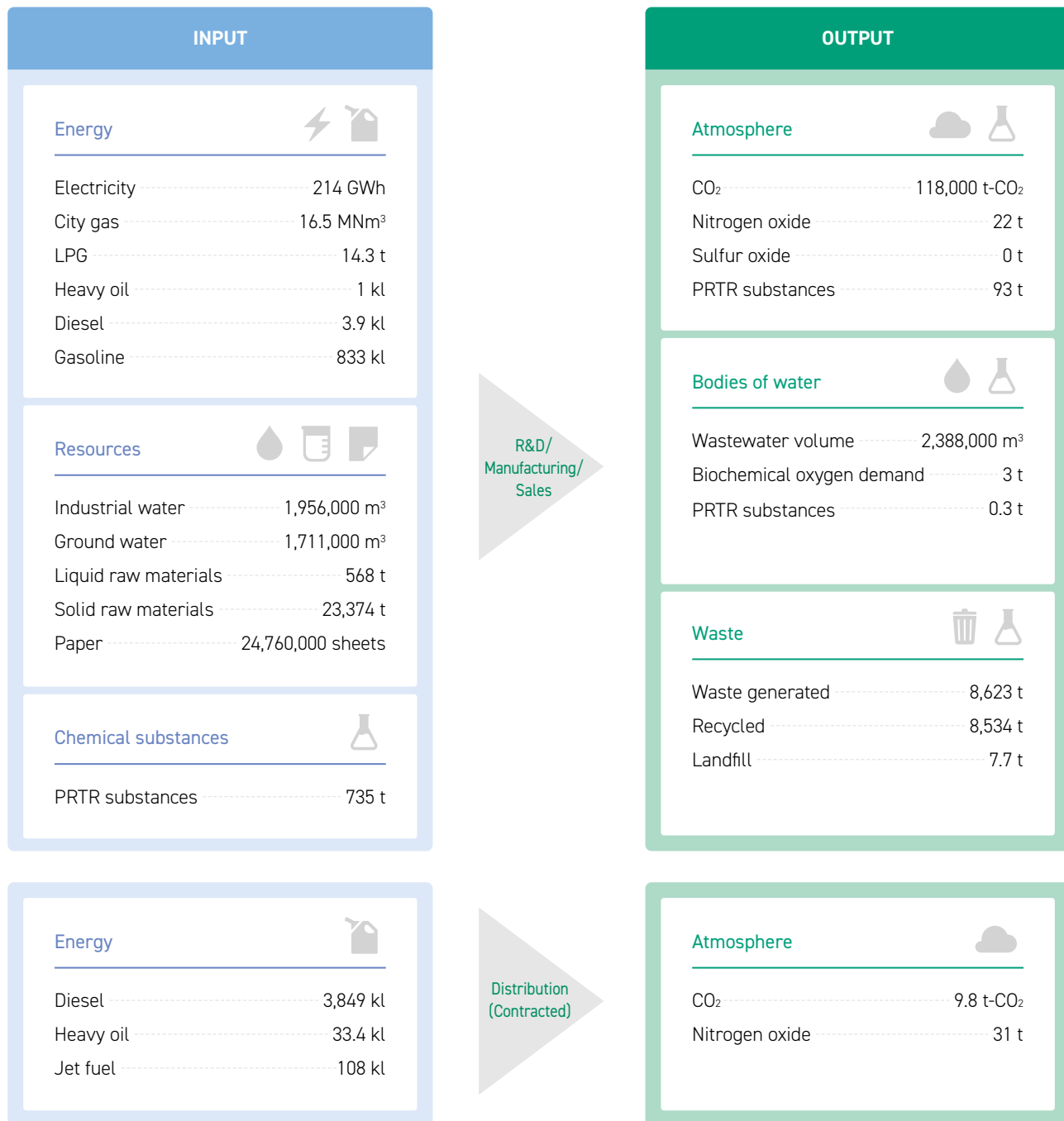
Source: Keidanren website

EHS Goals and Achievements

Initiatives	Medium-Term Targets (Fiscal 2017-2019)	Fiscal 2019 Assessment	Medium-Term Targets (Fiscal 2020-2022)	Fiscal 2020 Targets	Related United Nations SDGs	
Establishment and Operation of the Group EHS Management System	Expand application of the corporate EHSMS manual to manufacturing sites overseas and operate globally	Achieved	Widely disseminate "Group Environment, Health and Safety Policy" that comply with international standards (ISO14001: 2015, ISO45001: 2018)	Widely disseminate "Group Environment, Health and Safety Policy" that comply with international standards (ISO14001: 2015, ISO45001: 2018)	 	
	Address ISO revisions (ISO 45001:2018, ISO 14001:2015) and acquire third-party certification (including manufacturing sites overseas that have already acquired certification)	Achieved	Maintain third-party certification for ISO14001: 2015 and ISO45001: 2018 (sites with ISO certification) Formulate plans to acquire third-party certification for ISO14001: 2015 and ISO45001: 2018 (sites without ISO certification)	Maintain third-party certification for ISO14001: 2015 and ISO45001: 2018 (sites with ISO certification) Acquire third-party certification for ISO45001: 2018 (Terumo Europe NV, Terumo Penpol Private Ltd.) Note: Transition from OHSAS18001 to ISO45001:2018		
	Foster an EHS culture throughout the Group - Implement basic EHS education at major manufacturing sites overseas	Achieved	Implement EHS and sustainability education at least once a year for all people who work at each site Strengthen internal dissemination of information and awareness-raising activities aimed at achieving Science Based Targets (Fiscal 2030 Terumo Group Greenhouse Gas Reduction Targets) In accordance with Terumo Group Human Rights Policy, expand surveys on employment and labor-related legal compliance beyond Terumo Group business sites in Japan and manufacturing sites overseas	Implement EHS and sustainability education at least once a year at each site Conduct new ECO Challenge campaign (Terumo Group business sites in Japan) Strengthen internal dissemination of information and awareness-raising activities aimed at achieving Science Based Target (Fiscal 2030 Terumo Group Greenhouse Gas Reduction Targets) In accordance with Terumo Group Human Rights Policy, implement surveys on employment and labor-related legal compliance (Terumo Group business sites in Japan and manufacturing sites overseas)		
Reduction of Accident, Disaster, and Infection Risks and Health Enhancement	Reduce number of fatal and major occupational injuries to zero Reduce number of occupational accidents (including lost work time but not including commuting accidents) to seven or less by fiscal 2019 (Terumo business sites in Japan: associates, dispatched associates, and contract workers) Note: Bring number of occupational accidents (including lost work time) to levels on par with or below the average frequency rate for occupational accidents in the same industry	Not achieved*	Zero fatal or major occupational injuries	Zero fatal and major occupational accidents	 	
	Achieve 100% consultation rate for regular health exams and consultation rate of 80% or more for secondary exams (associates at Terumo business sites in Japan)		Zero major environmental accidents	Zero major environmental accidents Establish emergency response procedure and conduct drills (follow up management)		
	Reduce number of major environmental accidents to zero	Achieved	Reduce residual risk of all production equipment to "Medium (2)" risk rating or below whenever possible (Terumo Group business sites in Japan) - Reduce occupational accidents (including treatment at internal hygiene management rooms) and major near-miss accidents to zero by implementing safeguarding for production equipment even if remaining risk can only be reduced to "Medium (3)" risk rating in fiscal 2022 Expand application of Terumo Machinery Safety Standards to manufacturing sites in Asia (China (Hangzhou), Philippines, Vietnam)	Reduce number of occupational accidents (not including commuting accidents) to seven or less (Terumo Group business sites in Japan: associates, dispatched associates and contract workers) - Reduce occupational accidents by ensuring analysis of occupational accident causes and horizontal expansion of measures to prevent recurrence (on sites and between sites)		Register EHS documents for Terumo Machinery Safety Standards common checklists (Terumo Group business sites in Japan) Train human resources for machinery safety (hold machinery safety workshops: 450 participants) (Terumo Group business sites in Japan) Complete risk assessments for all production equipment (Terumo Group business sites in Japan) Formulate plans for creation of machinery safety scheme in Asian manufacturing sites (China (Hangzhou), Philippines, Vietnam)
			Install systems for preventing the spread of infection due to the pandemic of infectious and epidemic disease	Implement measures for responding to the global COVID-19 pandemic and develop systems for caring for associates that have contracted COVID-19 - Develop and enact site rules and spread awareness (including associates, dispatched associates, contract workers, and outside staff at Company sites)		
Development of Environmentally Friendly and Safe Products and Production Processes	Launch three Human×Eco products	Achieved	Further disseminate Human×Eco Development Guidelines (Terumo Corporation business sites in Japan) - Launch three or more Human×Eco products	Further disseminate Human×Eco Development Guidelines (Terumo Corporation business sites in Japan) - Develop one or more Human x Eco products/production processes at each development site	 	
	Establish a production process that does not use regulated chlorofluorocarbons (such as HCFC-225)	Achieved	Promote monitoring of and measures for environmental regulations related to products and manufacturing processes	Complete switch from regulated chlorofluorocarbons (HCFC-225) used in production processes (in countries subject to regulations)		
Effective Use of Energy and Resources	Cut the Group's overall CO ₂ emissions per revenue by 38% or more compared with fiscal 2005 Notes: Long-term target: 50% reduction in fiscal 2025	Achieved	[Scope 1 + Scope 2] Reduce the Group's overall absolute Scope 1 + Scope 2 GHG emissions to no more than fiscal 2018 Note: Fiscal 2030 target: 30% reduction from a 2018 base year. Fiscal 2050 target: 80% reduction from a 2018 base year [Scope 3] Reduce the Group's overall Scope 3 GHG emissions 10% per unit of revenue from a 2018 base year Note: Fiscal 2030 target: 60% reduction from a 2018 base year	[Scope 1 + Scope 2] Reduce the Group's overall absolute Scope 1 + Scope 2 GHG emissions to no more than fiscal 2019 Implement survey on possibility of introducing renewable energy (follow up) [Scope 3] Improve accuracy in calculation of Scope 3 GHG emissions (Category 1 and 4) - Establish calculation scheme based on actual data, including weight of procured goods and transport record, etc.	 	
	Reduce the Group's overall water use (water withdrawal) per revenue by 3% or more compared with fiscal 2016	Achieved	Reduce the Group's overall water usage (water withdrawal) by 10% or more per unit of revenue compared with fiscal 2018 Identify water usage by application for 80% or more of overall water usage (Terumo Group business sites in Japan)	Reduce the Group's overall water usage (water withdrawal) by 3% or more per unit of revenue compared with the previous fiscal year Formulate plan for installation of measuring equipment to identify water usage by application (Terumo Group business sites in Japan)		
	Raise the Group's overall recycling rate to 87% or higher Achieve recycling rate of 98% or more, reduce volume of waste for final disposal to 0.3% or less of total emissions (Terumo Group business sites in Japan)	Not Achieved**	Raise the Group's overall recycling rate to 88% or higher Note: Fiscal 2030 target: 90% recycling rate or higher Achieve recycling rate of 98% or more, reduce volume of waste for final disposal to 0.3% or less of total emissions (Terumo Group business sites in Japan) Visualize and reduce sources of waste (Terumo Group business sites in Japan)	Raise the Group's overall recycling rate to 87% or higher Achieve recycling rate of 98% or more, reduce volume of waste for final disposal to 0.3% or less of total emissions (Terumo Group business sites in Japan) Visualize sources of waste plastic to identify waste sources and causes (Terumo Group business sites in Japan)		 
Proper Control of Chemical Substances and Reduction of Emissions	Continue to observe laws and regulations governing chemical substances (zero violations)	Achieved	Continue to observe laws and regulations governing chemical substances (zero violations) - Steadily implement plans aimed at zero Class 3 specified chemical substances (Terumo Group business sites in Japan) Manage chemical substances appropriately and ensure safety in emergencies (follow up management)	Evaluate observance of laws and regulation governing chemical substances (follow up management) Maintain and manage safe working environments - Monitor and continuously improve working environment concentrations in areas handling hazardous chemical substances - Continue installing emergency safety infrastructure (safety showers and eye washers, etc.) - Zero Class 3 working areas in which organic solvents are handled (Terumo Group business sites in Japan) - Formulate plan for zero Class 3 working areas in which specified chemical substances are handled (Terumo Group business sites in Japan)	 	
	Monitor emissions of hazardous chemical substances and appropriately manage them	Achieved	Monitor emissions of hazardous chemical substances and appropriately manage them Strengthen initiatives to reduce EtO emissions	Monitor emissions of hazardous chemical substances - Monitor concentration of EtO emissions into atmosphere - Strengthen initiatives to reduce EtO emissions by formulating ethylene oxide emissions guidelines Continue voluntary management as below (Group sites in Japan) - EtO concentration at the facility boundaries : less than 4.3µg/m ³ ; measurement frequency: four times a year or more - Dichloromethane emissions: less than 100t/year		
Preservation of Biodiversity	Globally cooperate and promote biodiversity protection activities (SDGs 15 and 17)	Achieved	Implement biodiversity protection activities and share initiatives within the Group - Promote activities by sharing examples and communicating information inside and outside of the Group	Implement biodiversity protection activities and share initiatives within the Group - Promote activities by sharing examples and communicating information inside and outside of the Group Implement "Mt. Fuji reforestation activities" to commemorate centennial anniversary of Terumo's founding (Terumo Group business sites in Japan) - Increase the number of participants in reforestation activities (Terumo Group business sites in Japan)	 	
Advancement of EHS Communication	Raise quality of disclosure of information in sustainability reports - Refer to GRI Standards	Achieved	Raise quality of disclosure of information through the corporate website and sustainability report digests Strengthen dissemination within the Group and set educational activities aimed at achieving Science Based Targets (Fiscal 2030 Terumo Group Greenhouse Gas Reduction Targets)	Raise quality of disclosure of information through the corporate website and sustainability report digests - Post short sustainability movies on the corporate website Strengthen dissemination within the Group and set educational activities aimed at achieving Science Based Targets (Fiscal 2030 Terumo Group Greenhouse Gas Reduction Targets) - Conduct new ECO challenge campaign (Terumo Group business sites in Japan) - Hold lectures by external lecturers (Terumo Group business sites in Japan)	 	

*1 Over seven occupational accidents in fiscal 2019, corrective measures have been implemented
*2 Overall Group recycling rate of 84% in fiscal 2019

Material Flow



(Scope: Terumo Corporation business sites in Japan)
 Note: The CO₂ emissions coefficients for electricity are the fiscal 2005 coefficients provided by electric power providers.

Promoting Compliance

Basic Approach

Earning the trust of society is critical for Terumo to continue to fulfill its Group mission of “Contributing to Society through Healthcare.” Terumo, together with all of its associates, strives to protect its reputation, which is an invaluable asset, and to further build trust with society. To achieve this, every Terumo associate must make the right decisions and do the right things. The Terumo Group Code of Conduct is a guide to help Terumo associates make the right decisions in their everyday actions.

Terumo makes every effort to ensure that all associates around the world not only directors and officers, engage in fair business practices, abide by laws and regulations, and follow the highest ethical standards when serving all stakeholders, including the patients and healthcare professionals that use our products, and when practicing social responsibility, always keeping this Code of Conduct in mind. For this purpose, Terumo has established an environment that enables associates to better understand the importance of the Code of Conduct through means such as constantly providing training tailored to each workplace.



Terumo Group Code of Conduct
<https://www.terumo.com/about/code-of-conduct/>

Compliance System

At Terumo, the Internal Control Committee, which is responsible for enacting the Internal Control System of the Terumo Group in accordance with the Internal Control System Design Basic Policy approved by the Board of Directors, shall deliberate and make decisions regarding important policies related to compliance, and regularly report the status of these activities to the Board of Directors and Audit and Supervisory Committee.

Under the leadership of the Chief Legal Officer (CLO) and centered on the Legal and Compliance Department, we create compliance-related rules, perform training and education, and conduct monitoring to quickly discover and ascertain compliance issues through coordination with the compliance officers who are in charge of promoting compliance-related activities at each Group company.

In the event that a significant compliance violation occur, a response team shall be immediately organized under the direction of the Chairman of the Internal Control Committee, and that team shall, in addition to handling and resolving the matter, report and make proposals to the Internal Control Committee regarding the cause and recurrence prevention measures.

Compliance Education

Terumo conducts compliance education with the aim of improving compliance awareness among all associates and ensuring understanding of and compliance with relevant laws and regulations.

Major Compliance Training Programs (Terumo Corporation)

Name	Scope of Participation	Format	Subjects	Frequency
Terumo Group Code of Conduct	All directors, officers, and associates	E-learning program	Training on the Terumo Group Code of Conduct	Once a year
Antitrust and anti-corruption	Directors, officers, and some associates	E-learning program	Fair transactions and prevention of corruption in business activities	Once a year
Interactions with healthcare professionals	Associates in sales branches and Companies	Branch training, e-learning program	Maintenance of appropriate relations with healthcare professionals	At least once a month
Level-based training	Associates at specific levels	Group training	Compliance education as part of training for early-career associates and associates being promoted to mid-level and management positions	Once a year
Officer training	Officers	Group training	Compliance education	Once every two-three months

Compliance Initiatives

Whistle-Blowing System

When we encounter any compliance issues, it is important to promptly take the appropriate measures, such as investigation, preventive action, disciplinary action, and/or recurrence prevention. For this reason, we have established the Group Compliance Violations Reporting and Anti-Retaliation Policy, which urges associates to promptly report any compliance-related issues internally while ensuring that they will not suffer any retaliation as a result.

Based on this policy, Terumo operates a whistle-blowing system through which associates can make reports or receive consultation with regard to compliance violations. Through this system, associates can contact internal venues, legal advisors, or external reporting venues operated by independent third-party organizations via email, mail, telephone, or other means. In addition, a whistle-blowing system relating to the Board of Directors was established in July 2017, enabling associates to contact the Audit and Supervisory Committee.

Prevention of Harassment

Terumo's work regulations in Japan explicitly forbid abuses of power and sexual harassment, regardless of gender orientation or gender identification (members of the LGBT community), as well as activities intended to put individual associates at a disadvantage due to reasons such as pregnancy or roles as a parent or caregiver. In addition, we have established a harassment intranet page where associates in Japan will find our Harassment Prevention Guidelines. These measures are indicative of our stance toward harassment. From fiscal 2017, December–January has been designated as a period for promoting harassment prevention awareness in Japan. Initiatives during this period include the transmission of messages, administration of surveys, and conducting of e-learning programs for all associates. Managers, meanwhile, periodically attend training sessions that provide examples of harassment relevant to daily business activities. Through these initiatives, we are constantly working to raise awareness of harassment prevention.

Furthermore, a new intranet page detailing our efforts to ensure rigorous compliance was established in April 2020. On this page, associates will find information on our stance toward earnestly embracing compliance and concrete examples of compliance violations and countermeasures. This information is designed to facilitate increased understanding and risk sensitivity among associates.

Harassment Prevention Guidelines

- Sexual harassment, abuses of power, and other forms of harassment are human rights issues that violate the dignity of associates and create a toxic workplace.
- Terumo continuously conducts compliance training and asks associates for written pledges declaring their understanding of the negative impacts of harassment and the disciplinary measures that may be taken against them for engaging in harassment.
- Terumo does not tolerate any form of harassment.
- Terumo strives to increase each associate's understanding of harassment as well as their ability to address harassment issues as part of its efforts in creating a healthy organization that is not complicit in or tolerant of harassment and where all employees are respectful of one another.
- Terumo urges associates who have encountered any form of harassment to consult with their supervisor or with a human resources or general affairs representative at their workplace or to use internal consultation venues in cases where it is difficult to consult with someone in the regular line of reporting. Reporters of harassment issues will not suffer any retaliation and their privacy will be respected.

Promoting Compliance

Opposition to Antisocial Forces

Avoiding relationships with antisocial forces is one of Terumo's corporate responsibilities. We therefore strictly refuse to become involved in any relationship with antisocial forces and do not engage in any transactions with companies, other organizations, or individuals with ties to antisocial forces. Furthermore, we work with law enforcement authorities and other agencies to combat antisocial forces.

Anti-Corruption

The Terumo Group expects full compliance with Japan's Unfair Competition Prevention Act, the U.S. Foreign Corrupt Practices Act, and other anti-corruption laws in the countries and regions in which the Group operates in order to ensure honest and fair business practices.

All Terumo associates observe the Group Anti-Corruption and Anti-Bribery Policy, which clearly stipulates our commitment to preventing corruption and engaging in fair business practices. In addition, we have established the Group Policy for Third Party Anti-Corruption and Anti-Bribery, based on which we request our business partners to comply with anti-corruption laws.

Prohibition of Collusion and Cartels

To prevent associates from becoming involved in collusion and cartels during the course of business activities, the Terumo Group has established the Group Antitrust Policy and is engaged in a Groupwide effort to maintain fair and free competition.

Appropriate Relationships with Healthcare Professionals

Terumo abides by the Fair Competition Code of the Japan Fair Trade Council of the Medical Devices Industry, the Promotion Code of the Japan Federation of Medical Devices Associations, and other industry regulations to ensure that it follows appropriate practices in promoting medical devices and pharmaceuticals to healthcare professionals. We have also established internal rules for this purpose.

Furthermore, the Group Ethical Interactions with Healthcare Professionals Policy was established based on the principles of the codes of ethics of reputable industry associations in the regions in which the Group operates, to guide us in maintaining appropriate relationships with healthcare professionals.

Advertisements and Other Activities for Providing Product Information and Sales Promotions

Terumo strives to conduct appropriate promotional activities. To facilitate these efforts, the Company has established the Terumo Code of Practice and ensures compliance with Japan's PMD Act (the Act on Securing Quality, Efficacy and Safety of Pharmaceuticals, Medical Devices, Regenerative and Cellular Therapy Products, Gene Therapy Products, and Cosmetics) as well as other relevant laws and regulations. We also abide by various industry codes, such as those set by the Japan Federation of Medical Devices Associations. The relevant divisions review promotional materials prior to use to confirm their legality and the accuracy of the information they contain. In addition, the Promotional Activities Control Department was established within the corporate headquarters in July 2019 to promote compliance with the Guidelines for Prescription Drug Marketing Information Provision released by the Ministry of Health, Labour and Welfare on September 25, 2018. We also work to ensure the appropriateness of promotional activities overseas with major Group companies playing a central role in advancing these activities in compliance with the applicable laws.

Moreover, the Group Rules for Dealing with Off-Label Use were established for global application in January 2016. These rules prohibit all advertisements and promotions soliciting off-label use of Terumo products. In addition, the Terumo (Japan) Rules for Dealing with Off-Label Use were implemented for Japan and other regional rules have been enacted to ensure compliance with the laws of the countries in which we sell our products and to guarantee appropriate promotions.

Transparent Relationships between Corporate Activities and Medical Institutions

The supply of advanced medical devices and pharmaceuticals that meet sophisticated needs requires not only the efforts of individual companies but also cooperation with universities and other research and medical institutions at all stages of the process, ranging from research and development to production and sales. Sometimes this cooperation entails monetary compensation. Terumo seeks to ensure transparency in such activities through adherence to high ethical standards.

In Japan, based on voluntary industry rules, Terumo has formulated its Transparency Guideline for the Relationships between Corporate Activities. We follow the provisions of this guideline by disclosing payments of funds to medical institutions and medical professionals.

Stance on Tax

Guided by its Group mission of “Contributing to Society through Healthcare,” the Terumo Group conducts business based on strict legal compliance and corporate ethics and aims to achieve sustainable growth and maximize long-term corporate value and meet the expectations of its worldwide stakeholders. In accordance with its Group mission, the Terumo Group takes the following actions in conducting tax management.

1. Terumo Group complies with international taxation rules and the laws of all countries in which it conducts business activities and maintains tax compliance.
2. Terumo Group constructs and maintains appropriate relationships with the tax authorities where the Terumo Group conducts business activities and does not attempt to obtain unfair benefits from the tax authorities by providing unethical gifts to these authorities.
3. Terumo Group considers the balance of each stakeholder's interest and ensures that an appropriate tax burden is borne while maximizing its corporate value.

R&D Ethics

The development of medical devices and pharmaceuticals requires us to conduct animal experiments as well as clinical research on human beings in order to evaluate the safety and efficacy of these products. In its research activities, Terumo always acts in an appropriate manner based on both an ethical and a scientific perspective. We therefore observe the principles of the Declaration of Helsinki* and comply with Good Clinical Practices (GCP) as well as the pharmaceutical laws of countries in which we operate and other relevant regulations and standards. In addition, we have established the internal Research Ethics Review Committee and Institutional Animal Care and Use Committee in order to guarantee the utmost levels of ethics and respect for animal life in our R&D activities.

* Declaration of Helsinki—Ethical Principles for Medical Research Involving Human Subjects, a set of ethical guidelines for clinical research

Ethics in Clinical Research and Clinical Trials

Based on the Ethical Guidelines for Medical and Health Research Involving Human Subjects, Terumo has established the Terumo Ethical Review Regulations, a set of basic policies for respecting human rights and dignity in human clinical research (clinical trials). The Terumo Research Ethics Review Committee, which includes members from outside of the Group, has been formed in accordance with these regulations to discuss the social significance and scientific validity of all clinical research projects prior to commencement. The status of this committee's activities is registered and disclosed through the Ethical Review Committee Reporting System of the Ministry of Health, Labour and Welfare.

Clinical trials aimed at the acquisition of manufacturing and sales approval are conducted in accordance with the principles of the Declaration of Helsinki and in compliance with GCP put forth in the relevant countries. GCP defines all of the items for which compliance is required by the medical institutions conducting clinical trials; healthcare professionals, such as research investigators, and other staff; and the sponsors of the study. The Terumo Group formulates and adheres to procedures based on GCP to ensure the quality of clinical trials and to acquire highly reliable data. Moreover, clinical trials are monitored to confirm adherence to the defined procedures and, most importantly, to ensure that the human rights and safety of trial participants are being prioritized.



Ethical Review Committee Reporting System (Japanese only)
<https://rinri.niph.go.jp/toppage.aspx>

Ethics in Animal Experiments

In its quest to fulfill the Group mission of “Contributing to Society through Healthcare,” Terumo performs research and development on medical devices, pharmaceuticals, regenerative medicine, and other products and provides training to healthcare professionals on the safe use of its products in medical settings. For these reasons, certain animal experiments are unavoidable. Those animal experiments that cannot be avoided are performed appropriately with due consideration to animal welfare.

Terumo has established internal regulations on animal experiments based on relevant laws and guidelines such as the Act on Welfare and Management of Animals and the Standards relating to the Care and Keeping and Reducing Pain of Laboratory Animals. We have also formed the Animal Care and Use Committee. The committee examines protocols, confirms the conclusion of experiments, performs animal husbandry management while taking animal welfare into consideration, and provides training for staff engaged in animal experiments to ensure that we adhere to the “Three Rs” stipulated by relevant laws—Replacement (to replace animal studies with other methods), Reduction (to use fewer animals), and Refinement (to alleviate pain and distress)—as well as to Terumo's unique fourth R, Responsibility (to be responsible for experiments). Moreover, the Animal Care and Use Committee carries out self-inspections to assess compliance with the relevant laws, and third-party verification and certification is received from the Association for Assessment and Accreditation of Laboratory Animal Care International or the Japan Health Sciences Foundation. When contracting animal experiments to third-parties, Terumo verifies that subcontractors are practicing proper compliance.

Risk Management

Basic Approach

Changes in global circumstances, the globalization of business, and other factors are causing rapid changes in the Terumo Group's business environment. At the same time, risks affecting our business activities are diversifying and growing in complexity. In response to these risks, the Terumo Group is moving forward with the construction of a Groupwide risk management system, an effort that began in fiscal 2015.

The Group Risk Management Policy provides the guidelines for appropriate risk management based on identification and analysis of risks for the Group as a whole. Our objective in managing risks is to provide the proper environment for supporting bold yet appropriate risk-taking—for all types of risks—by management and ultimately to win stakeholder faith and enhance our corporate value.

Messages are communicated to all associates from Terumo's President and CEO stressing the importance of risk management as part of corporate activities. These messages are underscored by a target of realizing an organizational culture in which each individual associate is conscious of risk as they perform their job responsibilities.

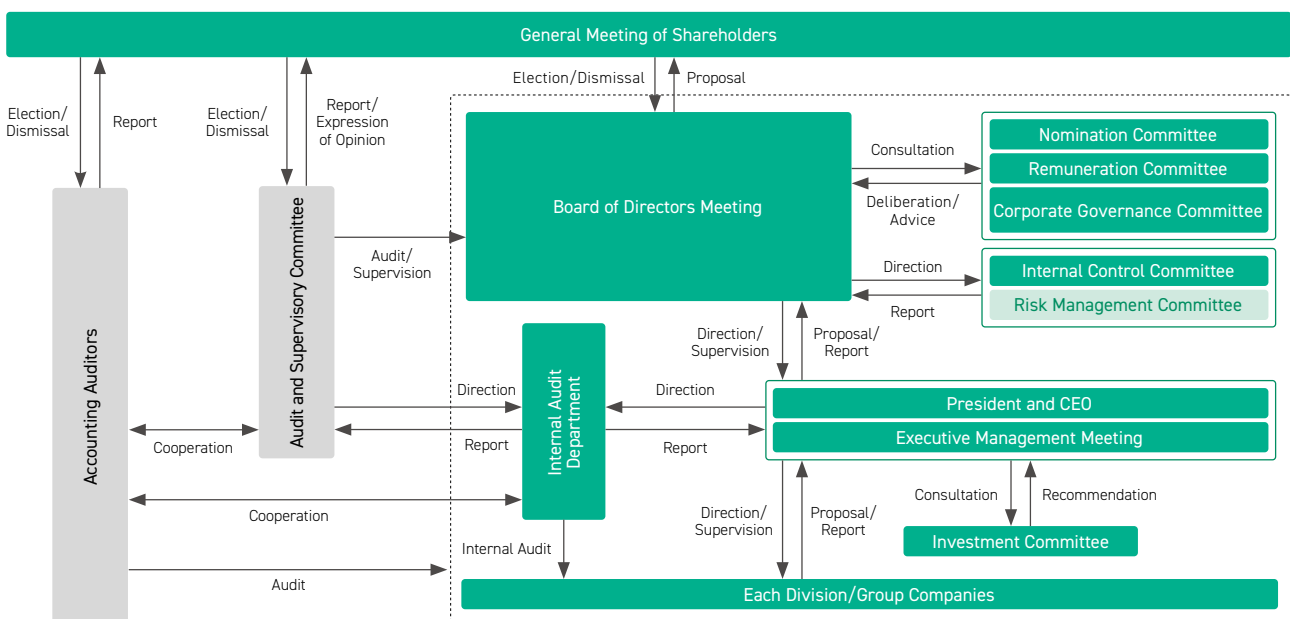
Risk Management System

Establishment of Risk Management System

The Risk Management Committee has been established directly under the Board of Directors as an organization charged with overseeing risk management across the entire Group. Chaired by the President and CEO, the committee's membership includes officers at the level of Managing Executive Officer and higher, representatives of relevant departments selected by the committee chair, and the Company's legal counsel. The committee meets twice a year to discuss key risks and draw up, implement, and monitor risk response measures.

Key risks are designated by assessing risks identified throughout the Group based on predefined criteria. Assessment criteria focus on two key points: 1) whether the risk will significantly impact patients and Terumo customers, and 2) whether the risk will cause serious damage to the Terumo Group's management. Risk information is gathered from throughout the Group, organized in a database, and shared with department heads and risk managers at subsidiaries. In addition, a system has been established for information to be communicated to management organizations promptly through functional departments and the relevant departments of subsidiaries when a significant issue arises.

Risk Management System



Risk Management Education

Since fiscal 2016, we have been including content emphasizing the importance of risk management in briefings for department heads and conducting participatory workshop training for associates. Through such initiatives, we are working to enhance the level of risk sensitivity among individual managers and associates.

Crisis Response

When a crisis emerges (an identified risk occurs), the Group Risk Management Policy stipulates that an internal response be organized in accordance with the crisis level. Crisis responses aim to accomplish three things: 1) protect human lives, 2) minimize damage and losses, and 3) maintain the trust of society. Should a crisis of the highest level occur, we will establish a crisis response headquarters, led by the Risk Management Committee Chair, with the relevant department heads as the second tier of leadership.

Responses to Major Disasters and Other Emergencies

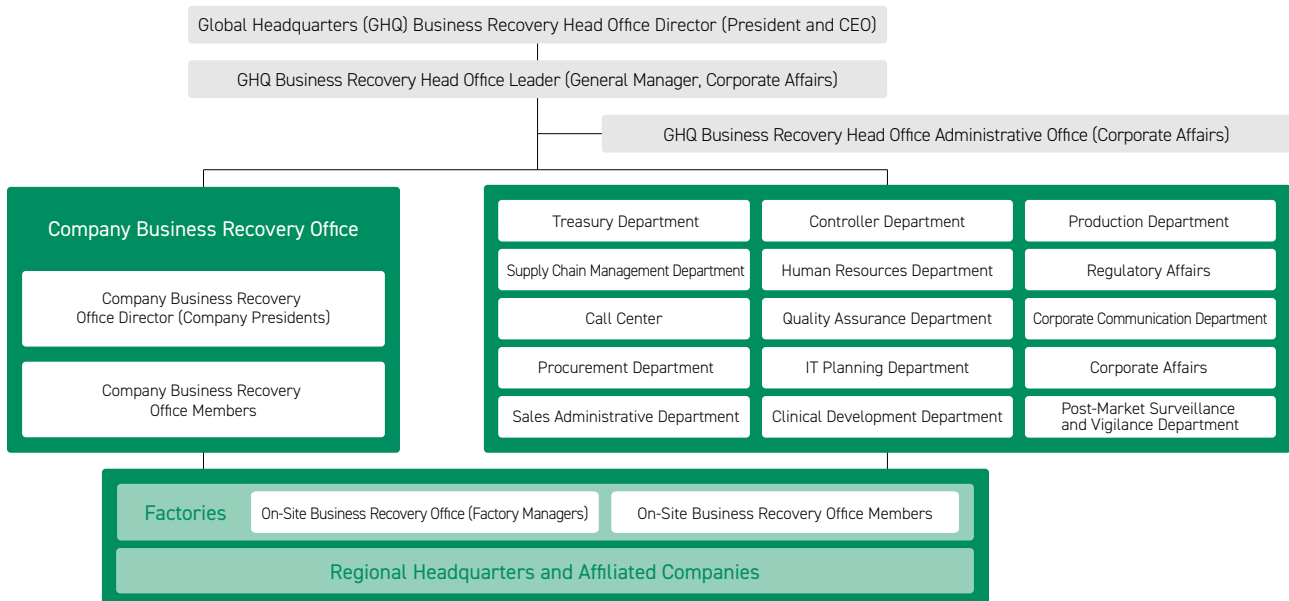
The Terumo Group provides medical devices, pharmaceuticals, and services that are directly linked to people’s lives. Accordingly, we believe that ensuring business continuity in the event of a major natural disaster or some other unforeseen situation is an important social obligation of the Group.

We have therefore prepared business continuity plans (BCPs) to prevent our operations from being disrupted even under extreme circumstances and to ensure that operations can be quickly restored and resumed should they be disrupted. We conduct various drills on a regular basis and implement other countermeasures.

If a large-scale disaster strikes, a disaster response headquarters, led by the President and CEO of Terumo Corporation, will be established to swiftly initiate response activities. The disaster response headquarters will ascertain the condition of associates and their families, and gather information on matters such as conditions of suppliers and in disaster-hit areas to assess the current situation, so that response actions can be determined and implemented. At the same time, the disaster response headquarters will embark on efforts to provide the necessary support to disaster-hit areas in a timely manner.

If it becomes apparent that the Terumo Group’s supply chain or operations will be temporarily interrupted, the disaster response headquarters will transition to a business recovery mode and begin work to restore normal supply chain and operational functions as quickly as possible.

Business Recovery Organization



Business Continuity Plans

Based on the Group BCP Policy, the Terumo Group has developed BCPs for its operations around the world based on three policies: 1) fulfill our social responsibility. That impacts to the healthcare system should be minimized whenever possible, 2) protect our associates and their families worldwide, and 3) protect our assets. BCPs have been prepared for factories, functional departments engaged in tasks such as raw material procurement and distribution, and Companies. By promoting disaster preparedness in all divisions, we aim to ensure swift and accurate responses in cases of emergencies.

Preparedness Drills

Each Terumo Group location conducts drills, such as the following, on how to respond to large-scale natural disasters. Communication drills are also conducted jointly with Terumo's logistics partners.

- Establishment of a disaster response headquarters following a major earthquake, confirmation of the roles of individual staff, and other BCP-related drills
- Implementation of systems for rapidly ascertaining the condition of associates and their families and training on their use
- Comprehensive disaster response drills including firefighting, CPR, and rapid evacuation

Infectious Disease Countermeasures

Terumo has been designated as a specified public institution under Japan's Act on Special Measures for Pandemic Influenza and New Infectious Disease Preparedness and Response. Accordingly, we have developed an operation plan as required and have formulated a BCP that will enable us to continue operating even in the event of an outbreak of a new strain of influenza or other infectious diseases.

In addition, Terumo has prepared its infectious disease response manual to guide efforts to combat the various infectious diseases that are currently spreading around the world and to help halt the spread of such diseases. This manual lays out rules covering everything from infection prevention to the return to work of associates who have been infected in an effort to protect business operations from the impacts of infectious diseases. Terumo also monitors the status of infectious diseases around the world and issues travel precautions or restricts business travel for its associates, as conditions warrant.

Information Security

Basic Approach

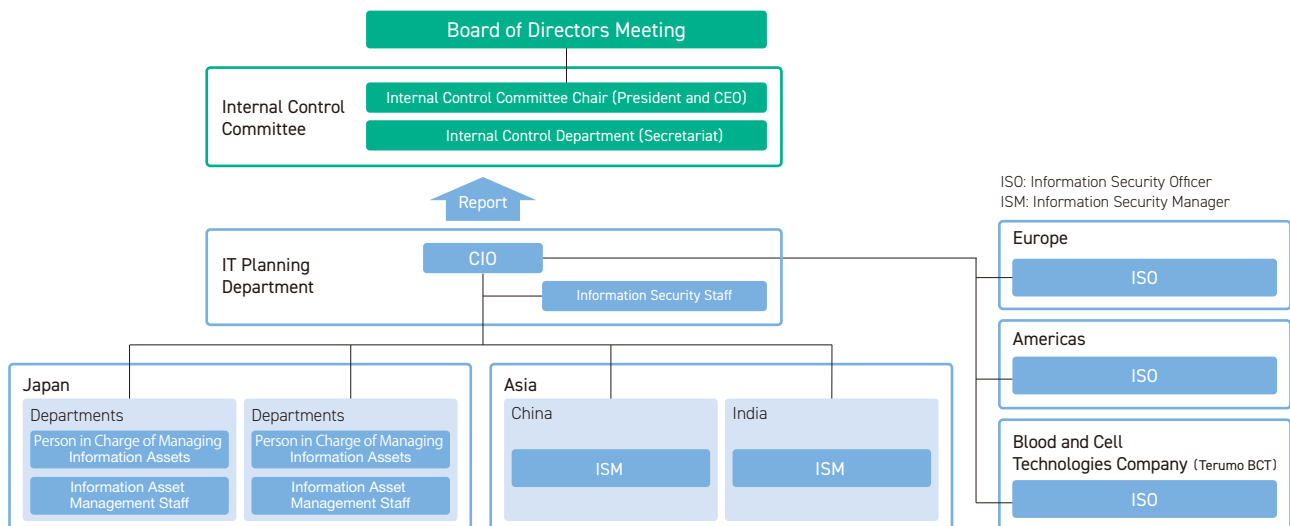
In pursuing business operations, we, at the Terumo Group, take measures to properly protect and ensure information safety with regard to confidential information of the Group as well as information entrusted to the Group by customers and business partners from all manner of threats, including unauthorized access by outside parties; information leaks due to negligence; information manipulation, destruction, and theft; information system malfunctions; and natural disasters. The Group Information Security Policy has been established as a shared global policy for information security, and region-specific information security rules have been formulated based on this policy. Regarding personal information, we have developed the Personal Information Protection Standard based on Japanese laws and regulations, including the Act on the Protection of Personal Information and Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures. We properly protect and manage all forms of personal information, including Individual Number (used for Japan's Social Security and Tax Number System), in accordance with these standards. Furthermore, we have established procedures to be globally compliant with the General Data Protection Regulation, a new personal information protection regulation implemented by the European Union in May 2018.

Information Security System

Under the direction of the Chief Information Officer (CIO), the Terumo Group develops global information security systems headed by the IT Planning Department. The formulation and enactment of standards and guidelines based on the laws and regulations of countries of operation and the education and training of associates are promoted on a global basis through these systems. In addition, global meetings are held regularly between representatives from Terumo’s IT Planning Department and information security divisions of Group companies. These meetings serve as opportunities to share information on cyber risks and other matters and to examine possible measures for strengthening information security.

In Japan, information security managers and management staff are appointed in each department of Terumo and in each Group company, as stipulated by the Group Information Security Policy and the information security rules. These individuals perform management and provide guidance to ensure that information in their departments is properly managed and protected. Outside of Japan, information security officers are selected for each region and information security managers are put in place at all affiliates to promote appropriate information protection and management throughout the Group.

Global Information Security Management Organization



Measures for Strengthening Information Security

Terumo business locations throughout the world perform self-evaluations of their security status annually, and information security training for associates is conducted on a regional basis once a year. In addition, both internal and external audits are performed to confirm the status of compliance with the internal rules and regulations of the Company.

We have recently seen a rise in the various information security threats needing to be addressed, including targeted attacks, unauthorized access, and leaks of personal information. To combat such threats, we are implementing measures for strengthening information security to provide multilayered protection that includes countermeasures for scam emails, monitoring for unauthorized transmissions, and other provisions. Furthermore, we conduct drills on targeted email attacks for our associates around the world to raise their awareness of information security.

Social Contribution Activities

Basic Approach

While contributing to patients and medical professionals through its core business, the Terumo Group also engages in social contribution activities as a good corporate citizen based on its Group mission of “Contributing to Society through Healthcare.” We aim to help achieve a sustainable society by gaining a deeper understanding of the society, culture, and environment of each country and region and by pursuing activities that meet the expectations and demands of communities, mainly in our work to support the spread and development of healthcare.

Supporting the Spread and Development of Healthcare

Aid in Response to the Global COVID-19 Pandemic

Terumo has donated a total of US\$2.4 million in support of combating the global COVID-19 pandemic. These donations comprise US\$1.4 million in products, including thermometers and the extracorporeal membrane oxygenation (ECMO) systems for treating COVID-19 patients, and financial support as well as US\$1.0 million donated to the COVID-19 Solidarity Response Fund for WHO, established to support the World Health Organization.

The COVID-19 Solidarity Response Fund for WHO is a fund established by the United Nations Foundation and the Swiss Philanthropy Foundation to support efforts to combat the global COVID-19 pandemic. This fund is supporting research on COVID-19, infection prevention, treatment, and the provision of supplies and information to healthcare professionals active on the front lines of medicine. It is also promoting research on vaccines, testing systems, and treatment methods.

Terumo supplies a wide range of products for healthcare institutions, including ECMO systems, apheresis systems, and other devices for treating viruses as well as medical devices, pharmaceuticals, and nutrients used in daily treatments. We have also been coordinating with numerous healthcare professionals and government agencies to furnish flexible responses to the pandemic.

Blood Donation Activities in Countries throughout the World

Blood and Cell Technologies Company (Terumo BCT) develops and produces blood bags for blood collection and blood collection systems and provides these items to blood centers in countries around the world. Terumo also has its associates throughout the world continuously facilitate and engage in activities to promote blood donations while aiming to contribute to blood transfusion treatments.

Meanwhile, the global COVID-19 pandemic is placing a strain on global blood reserves. To address this issue, Terumo Group associates around the world have been taking part in blood donation drives. In Japan, we held internal blood donation drives at business sites nationwide over the period from February to April 2020. Approximately 400 associates took part in these drives.

Activities in Each Country

■ United States

- Terumo BCT's headquarters in Denver, Colorado hosted blood donation drives throughout fiscal 2019. In addition, we held the first annual Apheresis Awareness Day on September 17, 2019, which included a blood drive. Five other drives were also conducted. A total of 182 associates donated blood at these drives.

■ Japan

- In 2017, we created a community called Team KENKETSU (*KENKETSU* means blood donation), which encourages associates from Terumo Group companies to participate in blood donation drives. An aggregate total of 1,331 associates donated blood in fiscal 2019.

■ Belgium

- Terumo BCT's EMEA Headquarters conducted a blood donation drive in May 2019 in conjunction with Belgian Red Cross-Flanders. A total of 58 associates donated blood at this drive.

■ Turkey

- Four associates donated blood on World Blood Donor Day 2019.

■ China

- Blood donation drives were hosted in Beijing and Shenzhen at which a total of 11 associates donated platelets.

■ India

- In Trivandrum, where Terumo has a factory, associates planned various activities to encourage blood donations, and a total of 247 blood donation camps were arranged in 2019. In addition, blood donation awareness raising activities were held jointly with the All Kerala Blood Donors Association and other local organizations and educational institutions.
- A total of 637 associates donated blood in 2019.

Social Contribution Activities

Blood Drives around the World



United States



Japan



Japan



China



Turkey



India

Supporting the Leukemia & Lymphoma Society

Terumo BCT, Inc. provides support for the treatment of blood cancers, such as leukemia and lymphoma, while also offering aid to the Leukemia & Lymphoma Society, a U.S. NPO committed to improving the quality of life of patients and their families.

The Leukemia & Lymphoma Society's Rocky Mountain Chapter holds their donation drive, Light the Night, in Denver, Colorado, where Terumo BCT positions its headquarters. Terumo BCT has been participating in and supporting this event since 2007, with associates planning and holding various charitable events and taking part in the Light the Night Walk community walk event.

In 2019, we planned and hosted multiple charity events, including food and wine tastings, games, and bicycle races, raising more than US\$172,000.



Terumo BCT team that attended the Light the Night Walk

Social Contribution Activities

Supporting Early Diagnosis of Children with Congenital Heart Disease in India

Congenital heart disease (CHD) is a neonatal birth defect resulting from the abnormal development of the heart that can affect the interior walls of the heart, the valves inside the heart, or the arteries and veins that carry blood to the heart or the body. It is said that nine out of 1,000 newborns in India have CHD, and it is one of the leading causes of infant mortality in this country. However, roughly 90% of these infants can be treated if their CHD is detected through early examinations.

Terumo Group subsidiary Terumo India Private Ltd. (TIPL), which sells oxygenators and other devices used in cardiac surgeries, partners with Bangalore-based NGO Aishwarya Trust to conduct prescreening camps in order to identify children suffering from CHD and support those diagnosed with the disease in undergoing surgical correction. In fiscal 2019, TIPL was able to support 48 camps that screened 7,152 underprivileged and high-risk children susceptible to CHD and provided surgical treatment and care to 93 children from these camps diagnosed with CHD.



Prescreening camp

Medical Experience Program for Junior High School Students

Since 2018, we have been holding the Terumo Junior Medical Challenge medical experience program for junior high school students. This hands-on program was designed with the goal of helping participants choose their future career path and sparking their interest in various medical professions through intravenous injection and catheter surgery training and product development experiences. The Terumo Junior Medical Challenge took place at Terumo Medical Pranex, a training facility that recreates hospital and other medical settings. In fiscal 2019, a total of 60 students from the applicable junior high schools in Kanagawa Prefecture, where the facility is located, participated.



Endovascular treatment experience

TERUMO LIFE SCIENCE FOUNDATION —Contributing to Improvements in Medicine and in the Health of All People through the Advancement of Life Science Technologies

The TERUMO LIFE SCIENCE FOUNDATION was established through contributions by Terumo Corporation in 1987 with the aim of contributing to improvements in medicine and in the health of all people through the advancement of life science technologies. The foundation focuses its activities on three areas: subsidies for domestic and overseas research and development programs for creating technologies in the field of life science, awards for researchers that have made excellent achievements through subsidized research projects, and educational activities to share the appeal of life science with younger generations.

Targets of subsidies include research and development projects for creating new value in medical settings in Japan and for improving healthcare and public hygiene in developing countries. In addition, subsidies are provided to fund social contribution activities and workshops for enhancing medicine and healthcare levels. In fiscal 2019, subsidies totaling ¥280 million were provided to 153 projects.

Educational activities include the operation of the Life Sciences DOKIDOKI Laboratory website for junior high and high school students. The site provides young users—leaders of the future—with the basic knowledge required to understand life sciences as well as information from the front lines of life science fields presented in an easy-to-understand format. In 2020, popular website content was compiled to publish our fourth book, which presents information on jobs in life science fields through the words of 23 frontline researchers.

The TERUMO LIFE SCIENCE FOUNDATION will continue such initiatives going forward with the aim of contributing to the improvement of medicine and healthcare.



TERUMO LIFE SCIENCE FOUNDATION
<https://www.terumozaidan.or.jp/english/>



Life Sciences DOKIDOKI Laboratory (Japanese only)
<https://www.terumozaidan.or.jp/labo/>

Support for Disaster-Stricken Areas

Guided by its Group mission of “Contributing to Society through Healthcare,” the Terumo Group provides relief to areas impacted by earthquakes, typhoons, and other natural disasters through financial assistance as well as donations of thermometers, blood pressure monitors, and other Terumo products.

In fiscal 2019, we donated a total of ¥12.0 million (including roughly ¥3.5 million collected from associates) to the Japanese Red Cross Society to provide disaster relief support following Typhoon Hagibis, which devastated East Japan in October 2019.

Furthermore, in March 2020 Terumo Asia Holdings Pte. Ltd. (Singapore), Terumo BCT (Colorado, United States), Terumo BCT Australia Pty. Ltd., and Terumo Australia Pty Ltd. collectively donated US\$100,000 to Samaritan’s Purse Australia Limited, an NPO that provides disaster relief, and BlazeAid Inc., an Australian volunteer support organization, to support recovery efforts for the Australian bushfire disaster. Furthermore, supportive Australian associates volunteered at a food bank. Terumo also offered support to wildlife organizations through the donation of medical products, such as syringes and the blood bags used for transfusions, to aid the recovery of injured animals.



Associates volunteering at foodbank

Support for Local Communities

Efforts in Europe, the Middle East, and Africa

Terumo Europe NV implements an EMEA-wide corporate citizenship program. In this program, CSR ambassadors are appointed at each EMEA subsidiary and base, and these associates play a central role in advancing support activities through close coordination with local communities.



CSR ambassadors from various countries

Support for International Exchange

Terumo takes part in the “Get to Know Japan and Japanese Companies” Project in which students from China are invited to observe Japan and Japanese companies. This project was organized by the Japanese Chamber of Commerce and Industry in China, the Japan–China Economic Association, and the China–Japan Friendship Association. The project has been conducted every spring and fall since 2007. Students are selected from universities in Beijing to be invited to Japan. While in Japan, the students get the chance to visit Japanese companies and observe several other aspects of the country, such as culture and social and industrial circumstances. They are also given opportunities for interaction and exchange with Japanese university students and homestays with Japanese families.

Every year since 2013, Terumo has been cooperating with the homestay portion of the program to give students the chance to directly experience Japanese life and culture, allowing them to feel the warmth and welcoming nature of their hosts. More than 50 Chinese university students have been hosted by Terumo associates to date. We hope that these students will develop a deeper understanding of Japan and help bridge the gap between China and Japan in the future.



Welcome party for the 25th “Get to Know Japan and Japanese Companies” Project

Building Relationships of Trust through Dialogue with Stakeholders

The Terumo Group greatly values communications with its various stakeholders. We do our best to listen to what they have to say, earnestly respond to their desires and expectations, and endeavor to make information disclosures that are timely and appropriate. These efforts are an important means by which we are striving to be a company that is trusted, and needed, by society.

Stakeholder Engagement

The table below provides information on major initiative themes and communication methods that have emerged as high priorities in the Terumo Group's relationships with stakeholders. Page numbers next to specific items indicate availability of additional information.

	Terumo's Major Initiative Themes	Main Communication Channels
Patients	<ul style="list-style-type: none"> Provision of safe, high-quality products Achievement of better medical outcomes and contributions to greater QOL Provision of environmentally conscious products Provision of information on health and disease 	<ul style="list-style-type: none"> Call Center (responding to patients' questions) ▶ P11 Online inquiry submission form Postcard survey of purchasers (for certain products) Instruction tools for patients (for certain products) Health information website
Medical settings	<ul style="list-style-type: none"> Provision of products and services that respond to market needs Stable provision of safe, high-quality products and services Contributions to improvement of efficiency of treatments and care Provision of environmentally conscious products Collection and dissemination of information on appropriate product use and safety 	<ul style="list-style-type: none"> Activities of medical representatives (MRs) ▶ P11-12 Fee-based medical training for medical professionals Academic conference exhibits, seminars, etc. Call Center (responding to inquiries from medical professionals) ▶ P11 Product information website Online inquiry submission form
Shareholders and other investors	<ul style="list-style-type: none"> Enhancement of corporate value Stable shareholder returns Timely, appropriate information disclosure 	<ul style="list-style-type: none"> General meeting of shareholders, financial results briefings, investor and shareholder briefings IR conferences, IR meetings Annual reports (Terumo Report), shareholder newsletters (in Japan) The Investor Relations section of Terumo's website IR inquiry contact (Corporate Communication Department) Share inquiry contact (Corporate Affairs)
Suppliers	<ul style="list-style-type: none"> Procurement of products and services with the required quality and safety Stable procurement Promotion of compliance Fair procurement Consideration for human rights and the environment in procurement activities Mutual prosperity founded on trust-based relationships with suppliers 	<ul style="list-style-type: none"> Requests for compliance with Supplier Guidelines ▶ P14 Procurement business continuity plans ▶ P14 Surveys regarding EHS initiative status ▶ P15 Supplier Diversity ▶ P15
Associates	<ul style="list-style-type: none"> Rewarding work environments and provision of opportunities Promotion of associate health Occupational health and safety measures Promotion of diversity Development and application of human resources Promotion of work-style innovations 	<ul style="list-style-type: none"> Venues for dialogue with senior management ▶ P20 Employee engagement surveys ▶ P20 Terumo Patient's Day internal event ▶ P19 Training and education systems ▶ P16-18 Occupational Health and Safety Management Committee ▶ P29 Health management support: support for prevention, early detection, and treatment ▶ P29-35 Promotion of diversity ▶ P20-23 Promotion of work-style innovations ▶ P23-26 Internal whistle-blowing system ▶ P54 Dialogue between management and the workers' union ▶ P20 Company newsletter, intranet
Local communities	<ul style="list-style-type: none"> Social contribution activities that leverage Terumo's business activities Support for research that contributes to the development of healthcare Collaboration with local communities Reduction of environmental impacts on local communities 	<ul style="list-style-type: none"> Social contribution activities ▶ P62-67 Environmental impact reduction activities ▶ P27-28, P36-52

Data Sheets

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Human Resources and Labor Data

Associate Data

		FY2017	FY2018	FY2019
Number of associates by geographic area (consolidated)*1	Japan	5,417	5,692	6,000
	Europe	2,510	2,326	2,274
	Americas	9,582	10,761	11,256
	Asia and others	5,810	6,599	6,908
	Total	23,319	25,378	26,438
Number of associates (non-consolidated)*2	Male	4,079	4,150	4,240
	Female	702	758	847
	Total	4,781	4,908	5,087
	Ratio of female associates (%)	14.7	15.4	16.6
Average age*2	Male	42.50	42.31	42.17
	Female	36.97	37.08	37.10
	Total	41.70	41.52	41.36
Average years of service*2	Male	19.3	19.0	18.8
	Female	12.7	12.7	12.5
	Total	18.4	18.1	17.8
Average salary (yen)*2	Male	-	-	-
	Female	-	-	-
	Total	7,433,730	7,530,739	7,493,828
Number of new graduate hires*2	Male	90	149	136
	Female	45	47	54
	Total	135	196	190
Number of mid-career hires*2	Male	45	63	66
	Female	12	16	15
	Total	57	79	81
Voluntary turnover (resigning due to personal reasons) (employees)*2	Male	57	91	75
	Female	29	20	17
	Total	86	111	92
Employee turnover rate (%)*2	Male	1.4	2.1	1.9
	Female	4.1	2.7	2.2
	Total	1.8	2.2	1.9

*1 Scope: Terumo Group

*2 Scope: Terumo Corporation

Promotion of Diversity

		FY2017	FY2018	FY2019
Number and ratio of female managers	Number of female managers	55	59	67
	Ratio of female managers (%)	6.4	6.9	7.7
Number and ratio of retirees rehired under TES	Retirees	75	108	106
	Number of retirees rehired under TES	65	84	83
	Ratio of retirees rehired under TES (%)	87	78	78
Ratio of employees with disabilities (%)		2.16	2.24	2.20

(Scope: Terumo Corporation)

Work-Life Balance

		FY2017	FY2018	FY2019	
Number of associates taking maternity and childcare leave	Associates taking maternity leave	47	58	38	
	Associates taking childcare leave	Female	78	97	99
		Male	72	82	90
	Ratio of associates returning to work after maternity leave (%)	Female	100	98	100
		Male	100	100	100
	Ratio of applicable male associates taking childcare leave (%)		48.6	53.9	63.4
Average number of childcare leave days taken by applicable male employees		-	16.9	12.4	
Number of associates taking nursing care leave	Associates taking long-term nursing care leave	2	6	3	
	Associates taking leave (nursing care/family illness)	20	34	23	
Number of former associates rehired	Registered former associates	5	5	2	
	Rehired associates	1	1	2	
Ratio of paid vacation days taken (%)		68.0	71.0	72.0	
Average number of paid vacation days taken		12.8	13.5	13.3	

(Scope: Terumo Corporation)

Initiatives to Prevent Work-Related Accidents

	FY2017	FY2018	FY2019
Accidents resulting in lost work days	3	0	1
Frequency rate	0.34	0.00	0.10
Severity rate	0.85	0.00	0.00

(Scope: Terumo Corporation)

Promotion of “Kenko Keiei”

1. Reduction of Ratio of Smokers and Ratio of Associates Diagnosed with Metabolic Syndrome

Ratio of Smokers and Ratio of Associates Diagnosed with Metabolic Syndrome*

	FY2015	FY2016	FY2017	FY2018	FY2019
Ratio of smokers (%)	31.2	25.8	24.7	23.4	23.4
Ratio of associates diagnosed with metabolic syndrome (%)	24.5	23.8	23.8	24.0	28.0

* The ratio of associates diagnosed with metabolic syndrome is calculated based on the number of associates whose body metrics have surpassed the threshold for being judged to have metabolic syndrome and those that are at risk of surpassing this threshold.

2. Early Diagnosis and Treatment of Cancer to Enable Associates to Return to the Workplace

Ratio of Associates Undergoing Cancer Screening in Fiscal 2019

	FY2018	FY2019
Stomach (%)	90.1	90.9
Colon (%)	85.3	85.7
Upper abdomen (%)	91.0	90.2
Lung (sputum) (%)	22.9	33.6
PSA (%)	82.9	88.5
Breast (%)	68.6	64.2
Cervix (%)	60.6	67.3

3. Women's Health

Breast Cancer and Cervical Cancer Screening Rates

	FY2015	FY2016	FY2017	FY2018	FY2019
Breast cancer screening rate (%)	68.9	71.5	69.9	68.6	64.2
Cervical cancer screening rate (%)	60.9	62.4	61.0	60.6	67.3

Environmental Data

CO₂ Emissions

	FY2005	FY2015	FY2016	FY2017	FY2018	FY2019
Japan (t-CO ₂)	111,690	126,904	128,591	128,979	130,270	136,828
Overseas (t-CO ₂)	78,860	132,982	132,886	139,410	143,958	146,929
Total (t-CO ₂)	190,550	259,886	261,477	268,389	274,228	283,757
Index of emissions per revenue (FY2005=100)	100	64	66	59	59	58

(Scope: Terumo Group business sites in Japan and manufacturing sites overseas)

Note: The CO₂ emissions coefficients for electricity are the fiscal 2005 coefficients provided by electric power providers.

CO₂ Emissions in Fiscal 2019 (Scope 1 and Scope 2)

	Scope 1	Scope 2	Total
Japan (t-CO ₂)	42,111	94,717	136,828
Overseas (t-CO ₂)	18,663	128,266	146,929
Total (t-CO ₂)	60,775	222,982	283,757

(Scope: Terumo Group business sites in Japan and manufacturing sites overseas)

Note: The CO₂ emissions coefficients for electricity are the fiscal 2005 coefficients provided by electric power providers.

CO₂ Emissions in Fiscal 2019 (Scope 3)

(t-CO₂)

Category	Emissions Volume	Method of Calculation
Category 1	2,270,428	Multiplying emission intensity of each department by revenue using relevant industry charts
Category 2	264,920	Multiplying emission intensities per capital goods price by annual capital expenditure amounts
Category 3	18,323	Multiplying emission intensities by electricity and steam consumption amounts
Category 4	732,480	Multiplying emission intensity of each department by revenue using relevant industry charts
Category 5	10,972	Multiplying emission intensities by waste amounts
Category 6	3,437	Multiplying emission intensities by employee numbers
Category 7	5,420	Multiplying emission intensities by employee numbers
Category 8	-	Leased Company vehicles have been excluded from the scope of calculation to reflect the adoption of calculations based on Scope 1.
Category 9	466,376	Multiplying emission intensity of each department by revenue using relevant industry charts
Category 10	-	Not applicable as emissions from processing within the Group are included under Scope 1 and Scope 2
Category 11	9,036	Calculated based on life span and electricity consumption of principal medical electronics (pumps)
Category 12	1,056	Multiplying emission intensity of each department by revenue using relevant industry charts
Category 13	-	Not applicable as emissions associated with leased assets are accounted for under use of sold products
Category 14	-	Not applicable as no facilities considered franchises exist
Category 15	-	Not applicable as no emissions were generated through investments
Total	3,782,448	

(Scope: Terumo Group)

Note: Emission intensities used in calculations are based on the database of emission intensities for calculating organization greenhouse gases across the supply chain provided by the Ministry of the Environment (Ver. 3.0).

Energy Consumption

Fuel Type	FY2016	FY2017	FY2018	FY2019
Electricity (GJ)	1,525,594	1,554,916	1,591,233	1,651,126
City gas (GJ)	1,011,506	1,070,740	1,059,261	1,146,755
LPG (GJ)	25,336	28,169	30,212	35,359
Heavy oil (GJ)	20,064	19,941	18,889	21,484
Diesel oil (GJ)	13,222	4,338	3,611	4,312
Steam (GJ)	157,221	160,491	157,845	150,106
Gasoline (GJ)	380.6	362.5	31,956	32,779
Total (GJ)	2,753,324	2,838,957	2,893,006	3,041,920
Consumption per revenue (GJ/¥100 million)	535	483	483	484

(Scope: Terumo Group business sites in Japan and manufacturing sites overseas)

Notes: 1 Based on the GHG Protocol, gasoline consumption by Company vehicles have been included in the scope of calculations since fiscal 2018, resulting in an increase in gasoline consumption.

2 Figures for fiscal 2016, fiscal 2017, and fiscal 2018 have been restated to rectify past errors in the collection of data.

Renewable Energy Use in Fiscal 2019

Photovoltaic power (kWh)	289,613
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(Scope: Terumo Group)

Recycling Volume and Rate

		FY2015	FY2016	FY2017	FY2018	FY2019
Japan	Total waste (t)	8,878	8,857	8,972	9,521	9,341
	Volume recycled (t)	8,647	8,545	8,616	9,358	9,246
	Recycling rate (%)	97.4	96.5	96.0	98.3	99.0
Overseas	Total waste (t)	7,255	7,755	9,044	10,224	11,013
	Volume recycled (t)	5,052	5,411	6,655	7,639	7,819
	Recycling rate (%)	69.6	69.8	73.6	74.7	71.0
Total	Total waste (t)	16,133	16,612	18,017	19,744	20,355
	Volume recycled (t)	13,699	13,956	15,270	16,997	17,064
	Recycling rate (%)	84.9	84.0	84.8	86.1	83.8

(Scope: Terumo Group business sites in Japan and manufacturing sites overseas)

Note: Figures for fiscal 2018 have been restated to rectify past errors in the collection of data.

Final Waste Disposal

	FY2015	FY2016	FY2017	FY2018	FY2019
Total emissions (t)	8,878	8,857	8,972	9,521	9,341
Final waste disposal (t)	17	18	17	11	8
Ratio of final waste disposal to total emissions (%)	0.19	0.20	0.19	0.12	0.09

(Scope: Terumo Group business sites in Japan)

Note: Figures for fiscal 2018 have been restated to rectify past errors in the collection of data.

Collection and Recycling of Small Rechargeable Batteries in Fiscal 2019

Nickel-cadmium batteries (kg)	2,032
Nickel-metal hydride batteries (kg)	2,468
Lithium-ion batteries (kg)	872
Sealed lead-acid batteries (kg)	161

(Scope: Terumo Corporation business sites in Japan)

Water Use (Water Withdrawal) Volume

	FY2015	FY2016	FY2017	FY2018	FY2019
Japan (1,000 m ³)	3,710	3,734	3,741	3,712	3,867
Overseas (1,000 m ³)	1,469	1,456	1,567	1,715	1,801
Total (1,000 m ³)	5,179	5,190	5,308	5,427	5,668
Water use per revenue (1,000 m ³ /100 millions of yen)	0.987	1.009	0.903	0.905	0.901

(Scope: Terumo Group business sites in Japan and manufacturing sites overseas)

Dichloromethane Emissions

	FY2015	FY2016	FY2017	FY2018	FY2019
Emissions (t)	77	76	68	63	57

(Scope: Terumo Group business sites in Japan)

Amount of Ethylene Oxide Used and Ethylene Oxide Emissions

	FY2015	FY2016	FY2017	FY2018	FY2019
Amount used (t)	89	90	88	105	96
Emissions (t)	3	3	3	2	2

(Scope: Terumo Corporation business sites in Japan)

HCFC-225 Emissions

	FY2015	FY2016	FY2017	FY2018	FY2019
Emissions (t)	26	21	20	24	12

(Scope: Terumo Corporation business sites in Japan)

Amount of PRTR Substances Used, Emitted, and Transferred in Fiscal 2019

(t)

Substance		Fujinomiya Factory	Ashitaka Factory	Kofu Factory	R&D Center (Shonan Center)	Total
ethylene oxide	Amount used	7.7	77.8	10.3	0.1	95.9
	Amount emitted	0.2	1.6	0.3	0.0	2.1
	Amount transferred	0.0	0.0	0.0	0.0	0.0
1, 2-dichloroethane	Amount used	-	1.9	-	-	1.9
	Amount emitted	-	2.0	-	-	2.0
	Amount transferred	-	0.3	-	-	0.3
HCFC-225	Amount used	4.6	11.9	4.1	-	20.6
	Amount emitted	0.6	9.9	1.1	-	11.6
	Amount transferred	0.0	1.0	0.0	-	1.0
dichloromethane	Amount used	-	4.5	154.5	0.0	159.0
	Amount emitted	-	3.5	53.5	0.0	57.0
	Amount transferred	-	2.0	0.0	0.0	2.0
toluene	Amount used	0.6	-	4.8	0.5	5.9
	Amount emitted	0.4	-	0.8	0.0	1.2
	Amount transferred	0.2	-	0.0	0.5	0.7
bis (2-ethylhexyl) phthalate	Amount used	316.9	1.3	84.7	-	402.9
	Amount emitted	0.0	0.0	0.0	-	0.0
	Amount transferred	0.0	0.0	2.9	-	2.9
hydrogen fluoride and its water-soluble salts	Amount used	-	18.6	0.1	-	18.7
	Amount emitted	-	0.8	0.0	-	0.8
	Amount transferred	-	0.0	0.0	-	0.0
n-hexane	Amount used	-	4.7	-	-	4.7
	Amount emitted	-	3.8	-	-	3.8
	Amount transferred	-	1.0	-	-	1.0
N, N-dimethylformamide	Amount used	-	8.9	-	-	8.9
	Amount emitted	-	7.1	-	-	7.1
	Amount transferred	-	1.8	-	-	1.8

(Scope: Terumo Corporation business sites in Japan)

Site Data (Manufacturing and R&D Sites) for Fiscal 2019

Region	Site	Location	CO ₂ Emissions (t)	Water Use (1,000 m ³)	Total Waste (t)	Recycled Amounts (t)
Japan	Fujinomiya Factory	Fujinomiya, Shizuoka	40,699	1,791	2,312	2,311
	Ashitaka Factory	Fujinomiya, Shizuoka	23,864	550	2,036	2,035
	Kofu Factory	Nakakoma, Yamanashi	43,711	1,249	3,887	3,833
	ME Center	Suntou, Shizuoka	383	5	104	104
	R&D Center (Shonan Center)	Ashigarakami, Kanagawa	5,862	67	189	158
	Terumo Clinical Supply Co., Ltd.	Kakamigahara, Gifu	872	6	37	37
	Terumo Yamaguchi Corp. Terumo Yamaguchi D&D Corporation	Yamaguchi, Yamaguchi	19,810	193	667	660
Americas	Terumo Medical Corp. and Terumo Cardiovascular Systems Corp.	Maryland, USA	18,055	63	813	296
	Terumo Cardiovascular Systems Corp. and Terumo Heart, Inc.	Michigan, USA	3,793	5	78	20
	Terumo Cardiovascular Systems Corp.	Massachusetts, USA	526	2	188	188
	MicroVention, Inc.	California, USA	5,143	16	585	212
	Terumo BCT, Inc.	Colorado, USA	14,599	102	1,643	886
	Bolton Medical, Inc.	Florida, USA	1,001	3	456	324
	Terumo Puerto Rico LLC	Commonwealth of Puerto Rico	1,315	2	81	38
	MicroVention Costa Rica, S.r.l	San Jose, Costa Rica	437	21	367	345
Europe	Terumo Europe NV	Leuven, Belgium	8,338	40	749	448
	Terumo UK, Ltd.	Liverpool, UK	198	1	120	90
	Vascutek Ltd.	Glasgow, UK	3,017	31	326	290
	Terumo BCT, Ltd.	Larne, UK	5,219	120	247	174
Asia	Terumo Medical Products (Hangzhou) Co., Ltd.	Zhejiang, China	33,883	553	1,142	917
	Terumo (Philippines) Corp.	Laguna, Philippines	21,955	309	1,814	1,683
	Terumo Penpol Pvt. Ltd.	Kerala, India	9,457	29	576	555
	Terumo Vietnam Co., Ltd.	Vinh Phuc, Vietnam	9,404	215	614	458
	Terumo BCT Vietnam Co., Ltd.	Dong Nai, Vietnam	10,592	288	1,214	894

Corporate Information

Company Name

Terumo Corporation

Founded

September 17, 1921

Tokyo Office

Tokyo Opera City Tower,
3-20-2 Nishi Shinjuku, Shinjuku-ku,
Tokyo 163-1450 Japan

Head Office

2-44-1 Hatagaya, Shibuya-ku,
Tokyo 151-0072, Japan

Business

Manufacturing and sale of medical devices and pharmaceuticals

Share Capital

¥38.7 billion

Revenue (Consolidated)

¥628.9 billion (For the fiscal year ended March 31, 2020)

Employees (As of March 31, 2020)

Consolidated: 26,438

Non-consolidated: 5,087

Group Companies (As of March 31, 2020)

Consolidated subsidiaries: 101

Directors

Takayoshi Mimura	Chairman of the Board
Shinjiro Sato	President and CEO
Toshiaki Takagi	Director and Senior Managing Executive Officer Supervising Executive Officer for Quality Assurance Dept., Post-Market Surveillance and Vigilance Dept., Regulatory Affairs, Promotional Activities Control Dept., Clinical Development Dept., Production Dept., Supply Chain Management Dept., CIO Office, IT Planning Dept., Terumo Medical Pranex Executive Officer in charge of Intellectual Property Dept.
Shoji Hatano	Director and Managing Executive Officer Supervising Executive Officer for Corporate Affairs Dept., Legal and Compliance Dept., Japanese Sales Management Dept., Terumo Call Center, Procurement Dept. Executive Officer in charge of Corporate Communication Dept., Investor Relations Dept., Strategic Branding Dept., Corporate Sustainability Dept., Design Planning Dept., Environmental Management Dept.
Kyo Nishikawa	Director and Senior Executive Officer Chief Human Resources Officer (CHRO) Supervising Executive Officer for Human Resources Dept., India and Asia Pacific Region Executive Officer in charge of Global Human Resources Dept., Human Resources Development Dept., Diversity Promotion Dept.
Ryuzo Ueda	Independent Director Professor, Dept. of Tumor Immunology, Aichi Medical University
Yukiko Kuroda	Independent Director Managing Director and Founder, People Focus Consulting Co., Ltd.
Hidenori Nishi	Independent Director

(As of September 1, 2020)

Directors (Audit and Supervisory Committee Members)

Yoshihiro Kimura	Director (Audit and Supervisory Committee Member)
Masaichi Nakamura	Independent Director (Audit and Supervisory Committee Member) Certified Public Accountant
Soichiro Uno	Independent Director (Audit and Supervisory Committee Member) Lawyer

(As of September 1, 2020)

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TERUMO CORPORATION

Tokyo Office

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