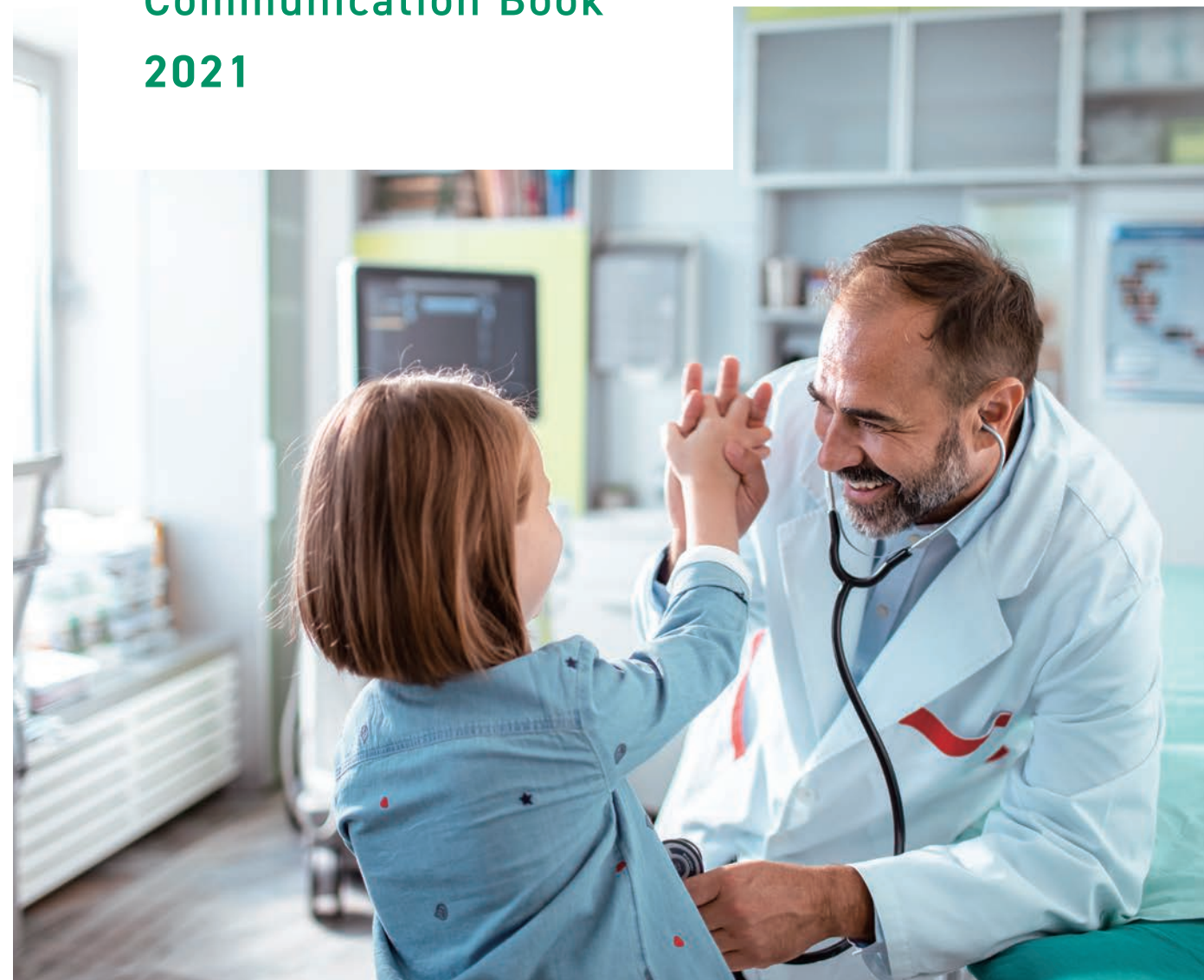


Sustainability Communication Book 2021



TERUMO CORPORATION

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Shinjuku-ku, Tokyo 163-1450, Japan

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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 healthcare 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.



Terumo celebrates its 100th anniversary in 2021.

100 years have passed since Terumo's foundation.

Its debut product, the domestically produced safe, high-quality thermometer, was launched on the market in the hope of delivering it to as many people as possible.

Under the corporate mission; Contributing to Society through Healthcare, we have since continually supported the medical arena worldwide with our innovative developments and quality, while working side by side with medical professionals active at the most critical point of human life.

Now, 100 years later, by coincidence, the world is facing once again a new and major challenge.

With our mission in mind, Terumo will, without resting on its laurels, continue to challenge the limits of medicine for further improvement of the medical care of tomorrow, through our passionate commitment for another 100 years.

“Stride Ahead” encompasses our belief that big steps forward will lead to a better future for medicine.

We are Terumo.

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About the Sustainability Communication Book

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. This Sustainability Communication Book provides an easy-to-understand, concise introduction to our initiatives that contribute to the realization of a sustainable society and the sustainable growth of the Terumo Group, targeting a wide range of stakeholders.

On the other hand, the Sustainability Report has been positioned as a supplementary tool to complement the Terumo Report, which is published primarily for shareholders and other investors.

Positioning of the Sustainability Communication Book

Business and Financial Information

Non-financial Information

Terumo Report

<https://www.terumo.com/investors/library/annual-reports/index.html>

Investor Relations (IR) website

<https://www.terumo.com/investors/>

- Financial results and presentation materials
- Mid- to Long-term Growth Strategy
- Information relating to the General Meeting of Shareholders
- Stock information, etc.

Terumo Corporation Consolidated Financial Statements and notes

<https://www.terumo.com/investors/library/annual-reports/>

* Please refer to the "Terumo Corporation Consolidated Financial Statements and notes" file on the webpage above.

Sustainability Report

<https://www.terumo.com/sustainability/reports/index.html>

* For fiscal 2020, this report was issued under the name Sustainability Data Book 2020.

Sustainability website

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

- Overview of sustainability activities
- GRI Standards Index, etc.

Sustainability Communication Book

<https://www.terumo.com/sustainability/reports/index.html>

* For fiscal 2020, this report was issued under the name Shared Value Book 2020.

Corporate Governance Report

<https://www.terumo.com/about/governance/index.html>

Message from the President and CEO



We will devote ourselves to creating valuable solutions and furthering the advancement of healthcare as we focus on the next 100 years.

I would like to express my sincere gratitude to all of our stakeholders for their continuous understanding and support of Terumo Group's business activities. I would also like to offer my heartfelt wishes for recovery for those affected by COVID-19 along with my condolences for those who have passed away.

Global healthcare is currently undergoing significant changes. Technological advancements are driving a paradigm shift in healthcare, and the ongoing global COVID-19 pandemic has spurred the adoption of new technologies. Additionally, society as a whole is reaching a crucial turning point. We are entering an age in which centenarians are increasingly common, and there are still numerous medical challenges to address.

On September 17, 2021, Terumo Group marked its 100th anniversary, and began its journey into the next 100 years. On this occasion, we also established the Terumo Group Sustainability Policy. This policy is meant to ensure that Terumo Group continues to provide value to society by addressing healthcare challenges from a long-term perspective, even amidst drastic changes in the environment surrounding healthcare. In line with our Group mission, "Contributing to Society through Healthcare," we will continue to pursue business activities that align with Terumo Group's purpose by working to advance healthcare and improve the quality of life of patients.

Specifically, we set up the following sustainability priorities related to social value creation: "providing healthcare that is closely aligned with the life of each individual," "co-creating a sustainable healthcare system," and "spreading medical technologies and services and improving access to healthcare." In the future, there will be demands to optimize healthcare by incorporating data into goods and services. Terumo plans to provide more effective and more valuable solutions by shifting from product-centered thought to customer-centered thought and by closely following the patient's journey from prevention to treatment to follow-up care. Another accelerating trend in the healthcare sector is the adoption of digital technologies, including IoT, AI, and robotics. Terumo Group recognizes the need to adapt to these changes and is implementing a group-wide digital transformation to ensure continuous growth.

As a leading company in the healthcare industry, we will continue to meet the expectations of a wide range of stakeholders by actively addressing issues that are important to society, including human rights and the global environment. I would like to ask all of our stakeholders for further understanding and support in the future.

President and CEO

For more information about the Terumo Group Sustainability Policy and our sustainability priorities, please refer to the website below.

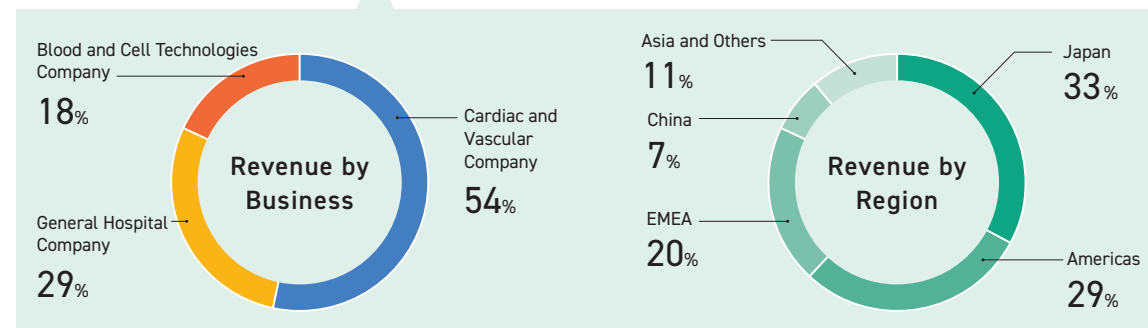
Terumo Group Sustainability <https://www.terumo.com/sustainability/management/>

At a Glance

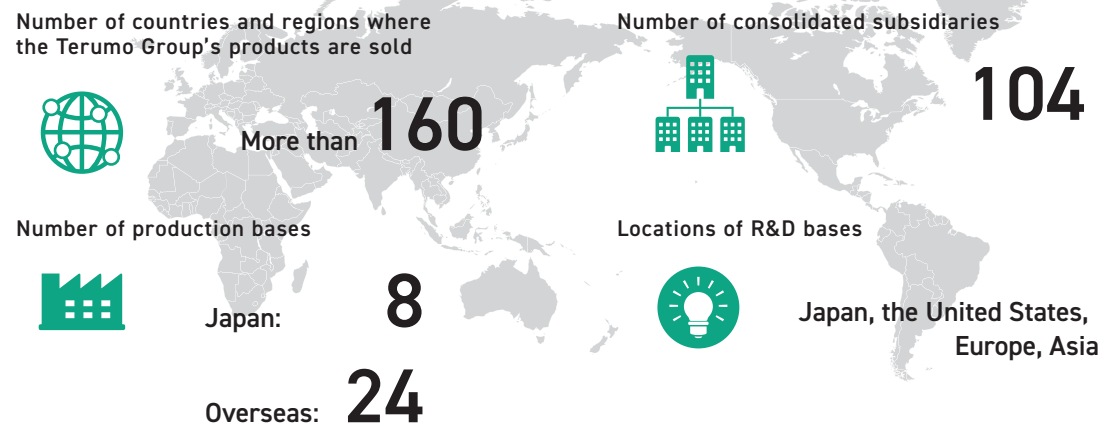
Overview of the Terumo Group in Fiscal 2020 (fiscal year ended March 31, 2021)

Performance (consolidated)

Revenue **¥613.8 billion** Adjusted Operating Profit **¥115.9 billion**



Business / Organization Scale



Participation in External 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.



Science Based Targets

Terumo Group's target for reducing GHG emission in fiscal 2030 was approved to be aligned with "well-below 2 degrees pathway" by the Science-Based Targets initiative. Note: The target was raised to "1.5 degrees pathway" in November 2021 and has been submitted to the Science-Based Targets initiative for validation of the alignment with "1.5 degrees pathway".



Human Resources

Number of associates (employees)

Terumo Group (consolidated)

26,482

Terumo Corporation (non-consolidated)

5,247

Ratio of female associates*1

17.4%

Number / ratio of female managers*2

69/8.1%

Number / ratio of applicable male associates taking childcare leave*3

89/63.1%

*1, 2, 3 Scope: Terumo Corporation

Environment

Greenhouse Gas (GHG) emissions reduction mid- to long-term targets*4 (from a 2018 base year)

Scope 1 and Scope 2

50% reduction (fiscal 2030) **Carbon neutrality** (fiscal 2040)

Scope 3

60% reduction (fiscal 2030) GHG emissions per unit of revenue

Water use (intake) per unit of revenue mid- to long-term reduction target*5 (from a 2018 base year)

Water use (intake) per unit of revenue **At least a 20%** reduction (fiscal 2030)

Waste recycling rate mid- to long-term target*6

90% or higher (fiscal 2030)

*4, 5, 6 Scope: Terumo Group business sites in Japan and manufacturing sites overseas

External Recognition

FTSE4Good Index Series
FTSE Blossom Japan Index

The FTSE4Good Index Series is an index series created by FTSE Russell, a global index provider, and consists of companies demonstrating strong environmental, social, and governance (ESG) practices. The FTSE Blossom Japan Index is an index, also created by FTSE Russell, which consists of Japanese companies demonstrating strong ESG practices.



S&P/JPX Carbon Efficient Index



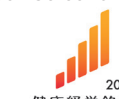
(As of March 2021)

SOMPO Sustainability Index



(As of June 2021)

Health & Productivity Stock Selection



(Selected for seven consecutive years since fiscal 2014)

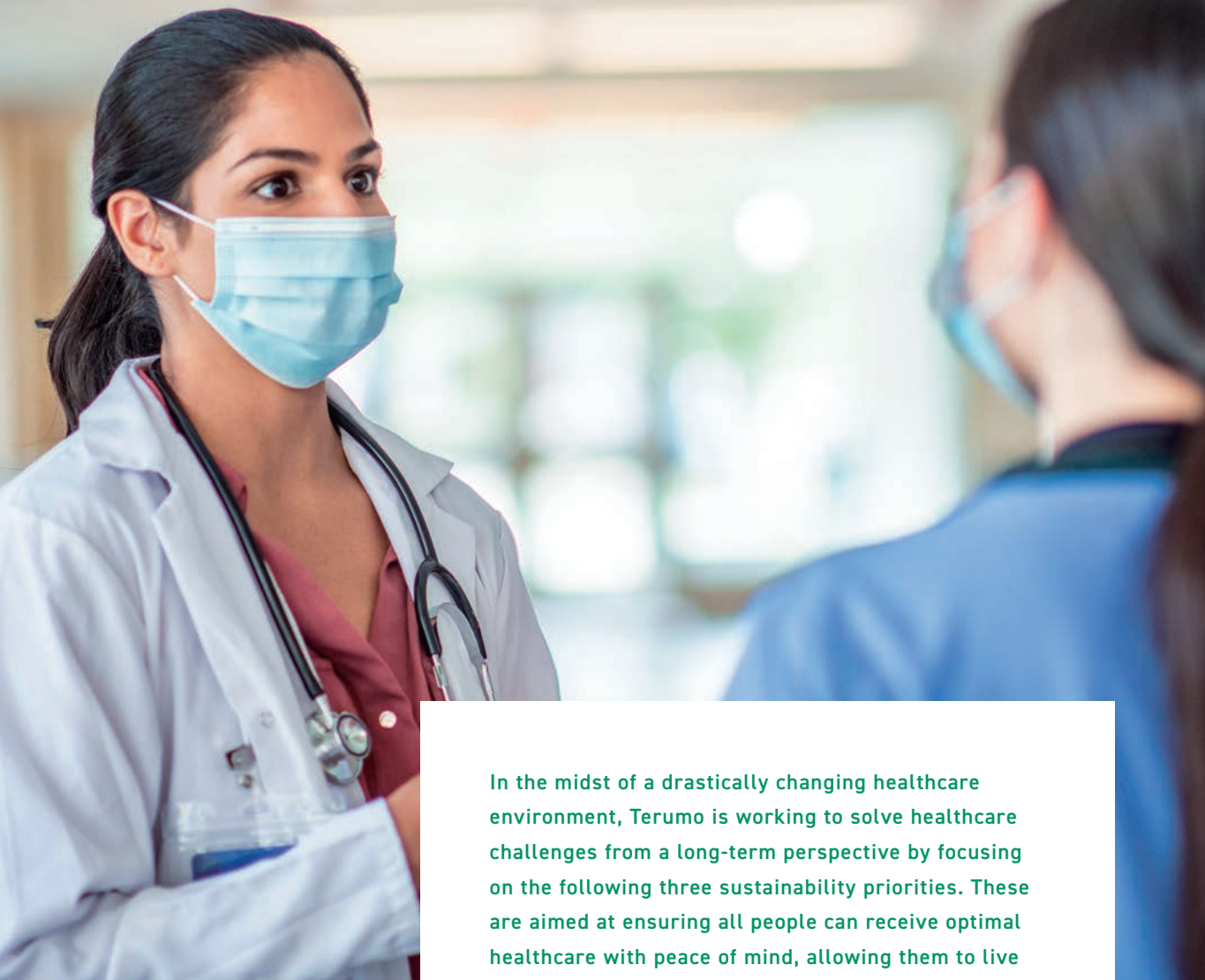
Corporate Governance of the Year®



(Awarded in fiscal 2020)

Resolving Healthcare Challenges

Enriching LIFE with Healthcare Solutions



In the midst of a drastically changing healthcare environment, Terumo is working to solve healthcare challenges from a long-term perspective by focusing on the following three sustainability priorities. These are aimed at ensuring all people can receive optimal healthcare with peace of mind, allowing them to live fulfilling lives in line with their individual lifestyles.

- Providing healthcare that is closely aligned with the life of each individual
- Co-creating a sustainable healthcare system
- Spreading medical technologies and services and improving access to healthcare

Aiming to Make a Positive Contribution to Diabetes Treatment Providing Products and Solutions to Support Each Individual Patient

Diabetes is well-known for leading to complications (such as retinopathy, neurological disorders, renal disease, myocardial infarction, strokes, etc.), and treatment of diabetes must be tailored to the pathology of the individual patient. As of 2019, worldwide, around 463 million people*1 were suffering from diabetes. In Japan, according to survey results compiled by the Ministry of Health, Labour and Welfare (MHLW), since 1997 there has been a steady increase in the number of people who are strongly suspected of having diabetes, and the total is estimated to have reached around 10 million people*2 in 2016.

When treating diabetes, it is important to prevent the disease from progressing, and to prevent the development of complications. For this reason, patients need to control their blood glucose levels carefully on a daily basis. Besides the challenges posed by daily care, patients are also affected by the constraints on their day-to-day activities and by society's attitudes towards them, and as a result they often experience not only physical problems but also mental and emotional stress.

For approximately 40 years, Terumo has provided the products needed for the diagnosis and treatment of diabetes, including the insulin syringe with staked needle, which was introduced in 1982, the blood glucose monitoring system, in 1993, and the world's thinnest pen needle for insulin use, in 2005. We aim to develop and provide products and systems that reflect an understanding of diabetes patients' daily lives and feelings, and which provide value for both patients and healthcare professionals.

The world's thinnest pen needle for insulin use, launched in 2005, was developed with the aim of reducing the physical and mental burden of daily injections on patients, and contributing to improving their quality of life. To reduce the pain of the needle puncture, the tip was designed with an asymmetrical blade surface structure so that it makes a small cut with a razor-sharp edge rather than having the needle pierce the skin.

In 2018 we launched sales of Japan's first insulin patch pump. Insulin pumps are used to administer insulin to those with Type 1 diabetes or to people with Type 2 diabetes whose insulin secretion has significantly dropped. Terumo has eliminated the tubing that connects the insulin infusion unit to the pump and integrated the pump function into the infusion unit to create a patch-type structure that can be operated with a remote control so that patients carry out their daily lives normally, including work and housework. In addition to this diverse product portfolio, we are focusing on developing IT systems and digital solutions utilizing AI and other digital technology to support treatment aligned with the status of each individual patient.

In 2020, Terumo and MICIN, Inc. began joint development in Japan of a diabetes digital treatment support system. The goal is to support the treatment of diabetes based on information about individual patients' blood glucose levels, diet, exercise, and medications.

Overseas, in 2020 we began joint development of an automated insulin delivery system with Diabeloop of France. Linked to glucose concentrations in subcutaneous interstitial fluid measured with a continuous glucose monitoring device, the system automatically administers the right dose of insulin from an insulin pump according to the patient's condition. In 2021, we also partnered with Glooko, a U.S.-based company, with the goal of advancing the digitalization of diabetes treatment. Glooko is developing



Needle for pen injector used for self-injection



Detachable insulin patch pump



Patient wearing the detachable insulin patch pump

Resolving Healthcare Challenges

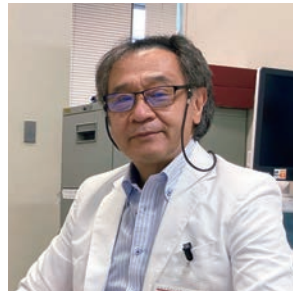
Enriching LIFE with Healthcare Solutions

diabetes data solutions that allow centralized management of data related to diabetes treatment, including blood glucose levels and insulin dosage, and currently provides solutions in 27 countries. By managing and visualizing data from Terumo's insulin patch pumps and blood glucose meters on the system, we aim to utilize the data to allow patients who use these devices to manage their disease themselves, as well as in examinations and guidance by medical professionals.

The year 2021 marks the 100th anniversary of the discovery of insulin, and also the 100th anniversary of the founding of Terumo. Going forward, Terumo will continue to provide support to help build a better future for diabetes patients, by paying attention to the daily lives and feelings of diabetes sufferers, and by providing products, systems and solutions that create value for both patients and healthcare professionals.

*1 International Diabetes Federation (IDF), *IDF Diabetes Atlas* 9th edition, 2019, Estimated number of adults with diabetes <https://diabetesatlas.org/en/>

*2 Ministry of Health, Labour and Welfare (MHLW), 2016 National Health and Nutrition Survey (Japanese only) <https://www.mhlw.go.jp/stf/houdou/0000177189.html>



Tomoyuki Kawamura, M.D., Ph.D.
Department of Pediatrics, Osaka City University Graduate School of Medicine

Voice

I have been treating patients with Type 1 diabetes for more than 30 years. Type 1 diabetes absolutely requires blood glucose monitoring several times a day and insulin injections along with diet and exercise. The patient needs to self-manage their blood glucose level daily to ensure it stays within the target range. Failure to do so increases the risk of future complications. Type 1 diabetes occurs regardless of lifestyle habits or constitution. The sudden onset of the disease in a healthy person places a heavy psychological burden on the patient, and blood glucose monitoring and insulin injections can be painful and difficult.

Products related to the treatment of Type 1 diabetes include Terumo's blood glucose meters and insulin needles, as well as an insulin patch pump, which I assisted in developing. What I sense in using these Terumo products is a closeness between the engineers and developers, and between the patients and us—and I think this is one of the strengths of being a domestic manufacturer. With some of these products, we have had the opportunity to sit down with patients and listen to their opinions, and the experience of seeing improvements made that quickly incorporated that feedback. I look forward to seeing Terumo continue to demonstrate these strengths in many directions.

Delivering Efficiency and Quality to Cell Therapy Manufacturing

Applying Automation to the Challenges of Manual Cell Therapy Manufacturing

Cell therapy, which is the practice of processing and culturing harvested cells and using them to treat disease, and gene therapy, which is the treatment of disease by administering gene-modifying agents or gene-modified cells into the human body, are resulting in new treatment methods. Research and development is actively ongoing in various disease areas, and practical application of these methods is steadily progressing. For example, CAR-T cell therapy, which was approved as a new treatment for leukemia, is an autoimmune therapy in which a protein receptor called a chimeric antigen receptor (CAR) is introduced into T cells taken from the patient's own blood. These cells are multiplied in the lab, then reinfused to the patient, and the CAR T cells fight the cancer cells. As another example, mesenchymal stem cells from the bone marrow of a healthy donor can be cultured and transplanted into a patient.

Manufacturing cell and gene therapy products requires an enormous amount of work, including the collection and cultivation (expansion) of cells, formulation and filling of final cell therapy products in bags, and data recording and other documentation. Currently, many of these tasks are done manually, and in addition to the time required, there are issues such as the cost of clean rooms and other facilities, labor costs, risk of contamination during the process and risk of bacterial contamination.

Contributing to the Field of Cell Therapy R&D and Manufacturing by Automating the Process

Terumo Blood and Cell Technologies, one of the Terumo Group's three companies, has been automating the collection and processing of blood and cells for decades. Utilizing the technology cultivated through years of experience, the company aims to contribute to the research, development and manufacturing of cell and gene therapy products, which require a lot of manual work, by providing products that improve the efficiency of workflow from cell collection to the treatment of patients.

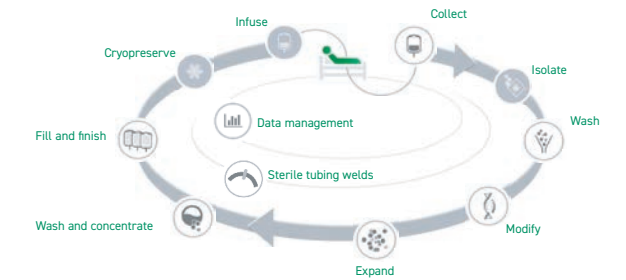
The company's centrifugal apheresis system is used in therapeutic apheresis: The blood of a donor or patient is circulated outside the body, certain blood components are extracted or removed by centrifugation, and the other components are returned to the body. Recently, the system has also been used to collect cells that are the raw material for various cell therapies, such as CAR-T cell therapy.

In the cell expansion process, it is important to increase the number of cells efficiently while maintaining quality. Terumo Blood and Cell Technologies' cell expansion system is equipped with sterile disposable cell expansion sets in a closed system where the cells do not come in contact with the outside air. By automating tasks such as performing media exchanges to feed cells and remove wastes, which are time-consuming and error-prone when done manually, we aim to achieve more efficient and stable cell expansion compared to conventional manual expansion while maintaining cell quality.

While the processes of cell collection and expansion are becoming increasingly automated, the filling and finishing processes are often done manually, which may affect the viability and functionality of the cells. The fill and finish system of Terumo Blood and Cell Technologies automates the filling process and allows the user to change the settings according to the type of cell therapy product and the required volume. The electronic recording of the work process also facilitates compliance with current good manufacturing practices (cGMP).

By providing such products as a system, Terumo Blood and Cell Technologies will contribute to the development and spread of cell and gene therapy, increasing treatment options for patients.

The Cell and Gene Therapy Production Cycle
(Process details vary depending on therapy application)



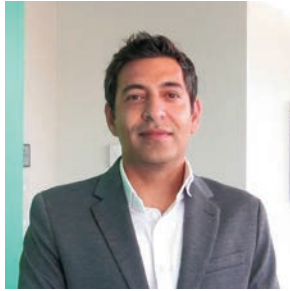
Cell expansion system



Cell therapy fill and finish system

Resolving Healthcare Challenges

Enriching LIFE with Healthcare Solutions



Dalip Sethi, Ph.D.
Scientific Affairs Director,
Terumo Blood and Cell Technologies

Voice

The production and delivery of cell-based therapies is a complex and logistically challenging process. Cell production and formulation processes are often developed in research laboratories and typically include many labor-intensive tasks with the risk of error. Therefore, there is a huge demand to automate those manual processes. This is where our automated cell expansion system and fill and finish system make an enormous contribution in taking those processes from manual to automated. These systems are also expected to lower the risk of contamination as they are functionally closed systems which reduce open events. With our technologies, we help cell therapy developers and researchers simplify processes while increasing accuracy, consistency, reliability and reproducibility to deliver the therapies that patients need.

Aiming to Generate Innovation that Contributes toward the Future of Healthcare Terumo Bay Area Innovation Lab

A Group of Experts with Diverse Nationalities and Backgrounds

Terumo locates its R&D bases in the regions most appropriate for the products that they are working on, in order to respond to next-generation healthcare needs as speedily as possible. In 2018, we founded the Terumo Bay Area Innovation Lab (TBAIL), a new R&D base located in California's Silicon Valley which has brought together technologies and engineers from all over the world.

The TBAIL R&D base was formed through the integration of Kalila Medical, Inc. (KMI), a U.S. company that became part of the Terumo Group in January 2017, and Terumo's Silicon Valley Lab (SVL), the associates of which included personnel on assignment from Terumo's Corporate R&D Center in Japan; both of these organizations had facilities located in the Bay Area. TBAIL has approximately 50 associates whose work is primarily centered in product development for the Cardiac and Vascular Company (one of Terumo's three companies), research and development, pilot production, and bridge production (small-scale production conducted prior to ramping up to large-scale).

The associates who work at TBAIL come from diverse nationalities and backgrounds, many of them have specialized in medical devices in their careers, and each of them is an expert with specialized knowledge and skills. Like a start-up company, we bring our technologies and know-how to each other in order to commercialize our products and promote projects speedily through cooperation.



Terumo Bay Area Innovation Lab (TBAIL)



Associates Working at TBAIL

Leveraging Silicon Valley's Geographical Advantages to Contribute to the Future of Healthcare

In Silicon Valley, there are many start-ups with new technologies in the medical device field, companies that own production facilities and are responsible for production, and consulting companies that specialize in collaborations with U.S. medical facilities and regulatory applications, forming an industrial cluster.

In order to take advantage of this environment to search for new technologies and ideas and to promote the initial development of products, Terumo invested in a Silicon Valley venture fund in 2013, and in 2014 established Terumo Medical Innovation Inc. (TMI), a development subsidiary located in a hospital. In 2018, TBAIL was established based on the concept of "Terumo's R&D campus that anyone can use," and the development projects that were initially developed at TMI were transferred to TBAIL. TBAIL will also be expected to promote research and development by the entire Terumo Group in a rapid, more innovative manner through joint development with start-ups and academia.

To date, TBAIL has mainly been developing devices used in interventional therapy for cardiovascular and peripheral diseases. Among them, a steerable sheath used in the treatment of arrhythmia called catheter ablation has been launched in the U.S., Japan and other countries and is being used in medical settings. Going forward, TBAIL will continue to actively engage in technological collaboration within the Terumo Group and themes outside of the Cardiac & Vascular Company, while also strengthening our search for and development of technologies in fields essential to future healthcare, such as biotechnology and digital health, with the aim of creating new innovations that will contribute to future healthcare.



Yuichi Tada
Principal R&D Engineer,
Silicon Valley Lab

Voice

We moved our base of operations from Japan to the U.S. in order to launch our newly developed products based on the needs of the medical field in the U.S., the largest market in the world. We often face difficult technical challenges, but we overcome them with positive thinking and smiles together with local associates who have different expertise and cultural backgrounds. We are also searching for new technologies to realize the future of medicine, and developing products through partnerships with start-ups. We will continue to contribute to the creation of healthcare that the era to come will need by demonstrating the true spirit of corporate R&D, which is based on taking on challenges and trial and error.



Irene Tan
TBAIL Director/Site Leader

With TBAIL being a small environment, my responsibilities include hands-on involvement with production of our commercially released device and Design control activities for four R&D projects. I have observed that having a small group onsite advantageously allows team members from each project to share equipment, ideas and past experiences that can benefit current projects. Associates are cooperative with each other and communicate well. Within each project, I openly share my experiences, suggest improvements, and ensure that quality procedures are being followed. I hope to guide the project teams in an efficient manner and contribute to the design, testing, manufacturing, and release of future Terumo products.

Creating a Diverse and Inclusive Workplace

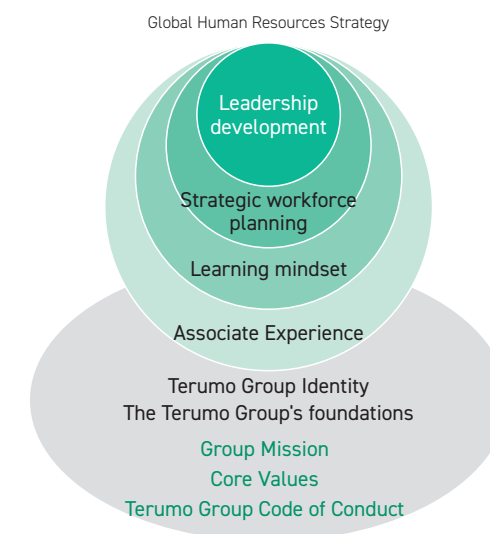
Development of an Organization in which All Associates Can Exercise Their Individuality and Talents



The Terumo Group refers to all of its employees as “associates” to reflect the fact that they are viewed as valued colleagues. The growth of Terumo comes through the diverse associates around the globe who have joined Terumo to work, learn and grow vigorously in a way that suits each of them. By implementing our global human resources strategies and supporting our associates to perform at their best, we are driving the development of global management of the Company. We will realize the enhancement of corporate value by strengthening associates’ identification with our Group mission of “Contributing to Society through Healthcare,” and fostering a shared sense of Terumo’s purpose.

Human Resources Development at the Terumo Group

We recognize that the development of human resources is imperative to the implementation of Terumo Group growth strategies. With this in mind, we are implementing human resources strategies oriented toward supporting the Group’s management and businesses. Specifically we are focusing on leveraging and developing diverse leaders who will support our global business and strategic workforce planning to build new capabilities for the organization as a whole with an eye on future management strategies. In addition, we are building an environment in which associates are able to fully exercise their ability. To this end, we encourage each associate to adopt a “learning mindset” to continue to learn new things on an ongoing basis and we assist their continued growth. We are also focusing on promoting effective collaboration beyond the boundaries of specific businesses, functions, and regions to realize a better Associate Experience.



TOPICS

Developing Human Resources to Lead Global Management

The Terumo Group is working on various initiatives to support its associates flourish in our global organization. As one of such initiatives, we defined the leadership skills and competencies that will be required in order to meet the Terumo Group’s future business challenges, and we launched the Global Leadership Development Program for executives to develop global management talent that possesses these skills and competencies in fiscal 2019. In this 18-month program, associates selected globally who are potential candidates for managerial positions in the future take on the challenges to generate new value for Terumo through collaborations with one another.

In addition, we launched a global internship program in fiscal 2019. The program was targeted at students who graduated from overseas universities or foreign students, with the aim of recruiting excellent talent regardless of nationality. After experiencing working at Terumo in Japan and learning about its businesses through the internship program, two students from Taiwan and Vietnam joined Terumo in fiscal 2020.



Associates who joined Terumo after going through the global internship program

Creating a Diverse and Inclusive Workplace

Development of an Organization in which All Associates Can Exercise Their Individuality and Talents

Diversity and Inclusion

At the Terumo Group, as a global corporation with unique excellence, we position diversity and inclusion as a shared foundation for the entire Group. We promote acceptance of diverse associates, of all ethnicities, nationalities, genders, religions, and disabilities, and we promote mutual respect for one another as 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 fostering mutual recognition of diversity, we are promoting diversity management with the aim of being a company where varying 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.

Promoting Active Participation by Female Associates

As one facet of Terumo's diversity management efforts, senior management is committed to promoting active participation by female associates and reinforcing such initiatives. In Japan, we set the target of having at least 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 reflect the ability to make decisions based on their own diverse perspectives.

We are also working to promote diversity and inclusion as Groupwide efforts, such as female associate networking and other activities tailored to local characteristics. As one of these initiatives, we have started events in conjunction with International Women's Day since 2020. These include messages to associates from senior management, lectures, and other original events held by Group companies.



Shinjiro Sato
President and CEO

Message from the President and CEO for Promoting Active Participation by Female Associates

To ensure the Terumo Group continues growing in a diversified global society, we are working on diversity management as an important issue for the Company. Diversity requires management. As a greater variety of people interact, we sometimes see an increase in inefficiency. This is why the desired effect cannot be achieved simply by increasing the number of people. Promoting diversity, however, leads to an increase in more diverse personnel, which generates new ideas and new value. By setting and managing numerical targets, we can achieve a more effectively diverse society. Corporate growth cannot be achieved without diversity.



Internal events held on International Women's Day
Terumo (Thailand) Co., Ltd. (left), Terumo Europe NV (right)

Enhancing Associate Experience

In order for associates to be engaged at work, grow and fully exercise their capabilities, it is important that they are able to feel a sense of purpose and engagement working at the Terumo Group. We are thus promoting a variety of initiatives to enhance the "Associate Experience," which is the outcome of the sense of purpose, engagement, and the experience gained through working at the Terumo Group.

Promoting a Global Wellness Program

The Terumo Group aims to empower all associates in their work and have them feel the value of working at the Group. In this light, we are advancing global wellness programs with this goal. In 2020, we prepared a shared global common tagline, "Your Health, Your Happiness, Our Priority," and logo for internal use, and designated five shared themes which we recognize as being particularly important, including exercise, a healthy diet, mental health, prevent and care for illness and family care. This tagline encapsulates the shared desire of associates and the entire Terumo Group to protect the health of all associates. By learning from initiatives implemented worldwide and making progress together, we are fostering a sense of solidarity among Group associates.

TOPICS

Terumo Group Companies in India, Chile, Brazil, and Colombia Earn Great Place to Work* Certification

* Great Place to Work® is a professional organization that conducts surveys and analyses of job satisfaction in about 60 countries around the world, announcing through leading media in each country those companies and organizations that have been recognized as having reached a certain level of satisfaction. Companies that exceed a certain level of job satisfaction are recognized as Great Places to Work, and the top companies are recognized as Best Workplaces.

Comments from Human Resources Departments



Terumo India Pvt. Ltd.

Terumo India has earned this recognition for nurturing a great work culture that has been built on the foundation of its values of respect and care. The timing of the certification coming during a particularly challenging period of balancing associate safety and wellness with the organization's business goals, is particularly heartening.



Terumo Medical do Brasil Ltda.

For us, it is really a great honor that the efforts of all our associates in improving our work environment and our employee value proposition have been recognized. The objective of participating in the survey is really to build a work environment with a culture of openness and respect while further improving people management practices.



Terumo Chile Ltda.

The survey provides us the opportunities to listen to the voices of all associates and to measure where we need to improve. We strive to create a culture of respect and trust by making improvements in the work environment as well as through management practices based on the survey results.



Terumo Colombia Andina S.A.S.

At Terumo Colombia Andina, our associates are the backbone of our organization. For this reason, we would like each of our associates to get to know and communicate with us closely, with a genuine interest in developing and building a culture based on the pillars of respect, camaraderie and pride.

Reducing Environmental Footprint

Preservation of a Healthy Global Environment for Future Generations

Corporate business activities are supported by the global environment as well as by various resources. Reducing environmental impacts and effectively using resources is an important responsibility as a company that develops its business on the earth. Moreover, these efforts are an indispensable part of the Terumo Group's efforts to achieve sustainable growth by continuing to contribute to society through healthcare. Based on this recognition, we have established the Terumo Group Environment, Health and Safety (EHS) Policy, which guides our efforts to reduce environmental impacts and effectively utilize resources across the entire Group.

Initiatives to Address Climate Change

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. In 2020, Terumo set new medium- to long-term GHG emissions reduction targets which comply with the levels requested by the Paris Agreement. In addition, the target for fiscal 2030 was approved to be aligned with "well-below 2 degrees pathway" and is considered science-based by the international organization known as Science Based Targets initiative (SBTi). In November 2021, the target for scope 1 and 2 was updated to 50% reduction compared to fiscal 2018, which is aligned with "1.5 degrees pathway", in order to accelerate the climate change measures. The Terumo Group also aims to achieve carbon neutrality* by 2040 and sets a new target for the ratio of renewable energy use. In addition, we identified the risks and opportunities for our business operations which might be caused by climate change by utilizing the Task Force on Climate-related Financial Disclosures (TCFD) framework. (For details, please refer to the Sustainability Report 2021.)

* Being carbon neutral means having net zero emissions after deducting carbon dioxide absorbed by forests, etc. or sequestered underground from the organization's GHG emissions.

The Terumo Group's Medium- to Long-Term Greenhouse Gas (GHG) Emissions Reduction Targets (from November 2021)

Scope 1 and Scope 2*:

- Reduce absolute GHG emissions 50% by 2030 from a 2018 base year
- Increase a ratio of renewable electricity use up to 50% by 2030
- Achieve carbon neutrality by 2040

Scope 3*:

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



*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)

TOPICS

Terumo Europe Haasrode Factory Has Switched to Electricity from 100% Renewable Energy Sources

In January 2021, the Haasrode factory of Terumo Europe NV switched over to using electricity generated from 100% renewable energy sources, thereby realizing a reduction in GHG emissions of around 900 tons in fiscal 2020 (which is estimated to be equivalent to around 4,000 tons on an annualized basis). This is the first Terumo Group business site to switch completely to renewable energy for its electricity.

Comment from the Head of EHS, Terumo Europe

In 2021, we have switched all of the electricity used at the Haasroad factory to electricity generated from 100% renewable energy sources. Our ongoing efforts also include upgrading to more energy-efficient production equipment and utility facilities and promoting a switch of company vehicles to electric and hybrid cars. In addition, we are working to reduce GHG emissions throughout the supply chain, for example by switching from land transportation to water transportation, which emits less CO₂. Going forward, we will further develop action plans in order to achieve carbon neutrality.



Reducing Environmental Footprint

Preservation of a Healthy Global Environment for Future Generations

Development of Environmentally Friendly and Safe Products

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.

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 and is also expected to reduce costs and resource usage associated with post-procedure complications.



TRI introducer kit

Condensed Liquid Nutrients— Conservation of Resources and Improvement of Quality of Life

Condensed liquid nutrients make it possible for people to receive greater amounts of calories and nutrition while eating and drinking less. 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

Intravascular Ultrasound Catheter— Shortened Examination Times and Improved Efficiency

Intravascular ultrasound catheters are used when performing intravascular ultrasounds (IVUS), 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

IV (Intravenous) Solution Bag— Conservation of Resources and Reduction of Waste

We have developed 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 the new IV solution bags weigh 23% less than prior bags, we expect them to generate less waste and reduce overall impact on the environment.



IV solution bag

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. 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.

Results of Activities under the Shizuoka Mirai-no-Mori Supporter Pact (Fiscal 2011–2020)

- Total number of participants: 2,315
- 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.



Voluntary Efforts by Associates—ECO Challenge

Terumo holds the ECO Challenge program in which volunteer associates in Japan and their families conduct voluntary environmental preservation activities. Points are calculated based on the activities of the participants, and Terumo translates these points into a monetary value for donations to the environmental activity programs noted below, arranged by the Organization for Industrial, Spiritual, and Cultural Advancement—International (OISCA). In fiscal 2020, a total of 6,163 people took part in the ECO Challenge, undertaking seven energy-saving and resource conservation activities that will contribute toward reducing CO₂ emissions.

Environmental Activity Programs by OISCA Receiving Donations from Terumo

- 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.
- 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.



Serving Our Communities

Support for Lives and Health in Local Communities



While contributing to patients and healthcare 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.

Aid in Response to the Global COVID-19 Pandemic

Terumo has donated a total of more than US\$4 million in support of combating the global COVID-19 pandemic in the various different parts of the world where the Company operates. These donations include products such as thermometers and Extracorporeal Membrane Oxygenation (ECMO), as well as monetary donations made to several organizations, including the COVID-19 Solidarity Response Fund for WHO (SRF).

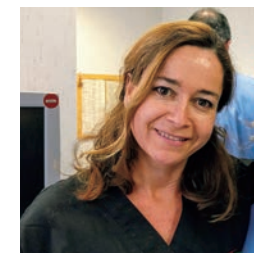
The SRF was established in March 2020, with the WHO Foundation (which has its headquarters in Geneva, Switzerland) acting as its secretariat. The SRF uses donations received from enterprises and individuals throughout the world to support measures undertaken by the WHO in response to COVID-19, including research on vaccines and testing equipment; education to prevent the spread of the pandemic; provision of medical supplies; activities to ensure an equitable allocation of vaccines, which has become an urgent social issue; as well as treatment, diagnosis, and testing, supply of personal protective equipment, and strengthening of healthcare systems. Terumo has donated a combined total of US\$2 million to the SRF in 2020 and 2021.

Amid the struggles of local medical institutions in Europe in dealing with COVID-19 pandemic, Terumo Europe NV, a Terumo Group company, has put in place a system that enables associates to take paid leave in order to participate in volunteering activities, so that associates who have clinical or medical backgrounds can volunteer to assist in medical settings. Through this system, associates in various European countries who possess clinical or other medical skills have been able to volunteer at hospitals and senior care facilities, providing useful support for these institutions' activities.



Associate Who Joined the Civil Protection Service in Spain

As a volunteer, I joined the civil protection service where I helped COVID-19 patients with prescriptions and went shopping for elderly people. One of the main reasons I started volunteering was that my mother, who lives by herself, has my siblings living nearby to support her. I signed up because I realized that there are people who are in similar circumstances but without any family help.



Associate Who Provided Medical Assistance at Hospital in Spain

I volunteered to call patients who are awaiting catheterization and are homebound because of the pandemic. My task was to ask them how they were doing and give them the much-needed courage to endure the wait until catheterization. All the patients have been very grateful for the calls.



Terumo's Response to COVID-19
<https://www.terumo.com/covid-19/>

Blood Donation Activities in Countries throughout the World

Terumo Blood and Cell Technologies is a global leader in blood component, therapeutic apheresis and cellular technologies. They believe in the potential of blood to do even more for patients than it does today. This belief inspires innovation and strengthens collaboration with customers—which is why Terumo Blood and Cell Technologies' associates throughout the world continuously facilitate and engage in activities to promote blood donations while aiming to contribute to blood transfusion treatments.

They launched their "From the Heart" program in January 2021, a global blood donation awareness program designed to provide associates with the tools they need to get involved, whether that's donating, volunteering or simply helping spread the word to colleagues, friends and family. The mission of the project is to contribute to a safe, accessible and sustainable blood supply. From the Heart has set an aggressive goal of obtaining 6,000 units of blood from associate donors in fiscal 2021. The program also organizes and sponsors community blood drives, where thousands of units of blood are expected to be collected.



Terumo Groups Associates have been participating in blood donation and related awareness raising activities



The logo of the From the Heart blood donation awareness program

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 2020, the COVID-19 pandemic posed several challenges in conducting the screening camps. The travel restrictions combined with concerns around Associate Safety and availability of resources made the overall process very difficult. Despite these challenges, TIPL was able to support 25 camps that screened 2,584 underprivileged and high-risk children susceptible to CHD and provided surgical treatment and care to 74 children diagnosed with CHD by donating 2.04 million India Rupees to the Aishwarya Trust.



Prescreening camp

Holding Terumo Medical Seminars for the General Public

To mark the 100th anniversary of the company's founding, in March 2021 Terumo held a Terumo Medical Seminar for the general public. The goal was to disseminate appropriate medical information, including the latest findings, to patients and their family members, and to spread awareness of the importance of disease prevention, early diagnosis, early treatment, and preventing conditions from worsening.

The topic of this year's Terumo Medical Seminar was type 2 diabetes. Dr. Kohjiro Ueki, Director of the Diabetes Research Center, Research Institute, the National Center for Global Health and Medicine, gave a talk on the provision of appropriate treatment that is tailored to individual patients' circumstances and life stage. The seminar was provided in an on-demand format. We intend to continue holding Terumo Medical Seminars on a regular basis, once a year. As an enterprise involved with healthcare, going forward, we will continue to implement measures that are of value to patients, healthcare professionals and society as a whole, and we will strive to make a contribution toward the realization of a healthier, better future for humanity.



Slides from the seminar (extract)