



**Sustainability
Report
2021**

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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.

Editorial Policy

Terumo prepares communication tools to provide stakeholders with straightforward reporting on the business activities it is pursuing in fulfilment of its Group mission—"Contributing to Society through Healthcare"—and to promote communication with society. This Sustainability Report contains wide-ranging information on the Terumo Group's initiatives for contributing to the development of a sustainable society while achieving sustainable growth for itself, along with relevant data. The Sustainability Report has been positioned as a supplementary tool to complement the Terumo Report, which is published primarily for shareholders and other investors.

Scope of this Report

This report focuses primarily on Terumo Corporation and its domestic and over-seas 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 2020 (April 1, 2020 through March 31, 2021)

This report also contains information on some activities prior to or after this period.

Publication Schedule

This report: October 2021 (Japanese version)

Previous report: September 2020 (Japanese version)

Referenced Guidelines

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

Positioning of the Sustainability Report

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>

* Scheduled to be issued in December 2021. For fiscal 2020, it was published under the name Shared Value Book 2020.

Corporate Governance Report

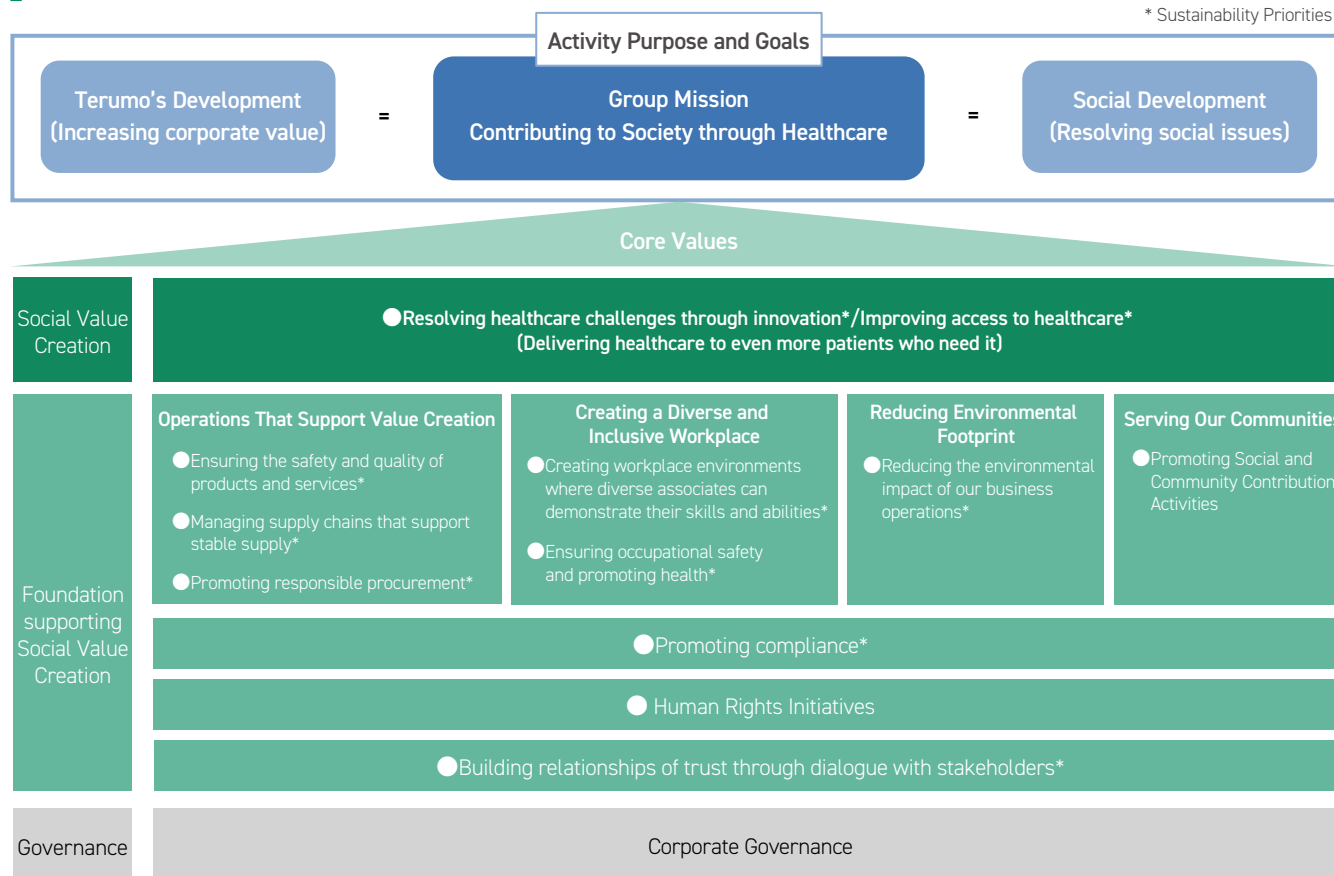
<https://www.terumo.com/about/governance/index.html>

Approach to Sustainability

Under the Group mission of “Contributing to Society through Healthcare,” and on the basis of the Core Values that Terumo associates throughout the world are expected to share, the Terumo Group strives to provide a stable supply of high-quality medical equipment and services to patients and medical settings all over the world. Turning to the environment surrounding companies, it is changing drastically, and issues related to healthcare, society, and

the global environment are becoming more diverse and complex every day. The Terumo Group determines sustainability priorities to resolve these issues, and works to realize a sustainable society and achieve the Group’s own sustainable growth, while listening carefully to the voices of various stakeholders.

An Overview of Sustainability at the Terumo Group and Sustainability Priorities



Sustainability Priorities and Related United Nations SDGs

The Terumo Group is working to resolve social and environmental issues, including issues in healthcare, 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:

STEP 1 Identify potential issues

Referring to sustainability guidelines and standards such as those published by GRI*1 and SASB,*2 comprehensively identify which sustainability issues concern the Terumo Group.

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

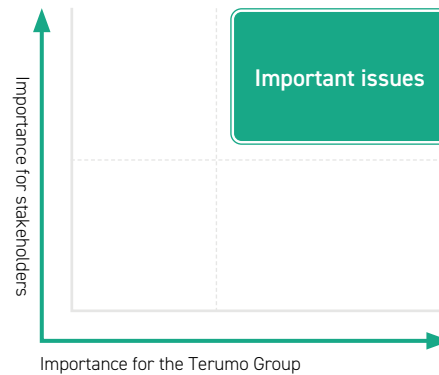
*2 SASB (Sustainability Accounting Standards Board): A nonprofit organization in the U.S. that aims to develop and spread sustainability accounting standards

STEP 2 Prioritize

Evaluate how important these issues are for the Terumo Group, in terms of their importance to stakeholders and relevance to our Group mission and other related policies. Select those that are highly important to both parties.

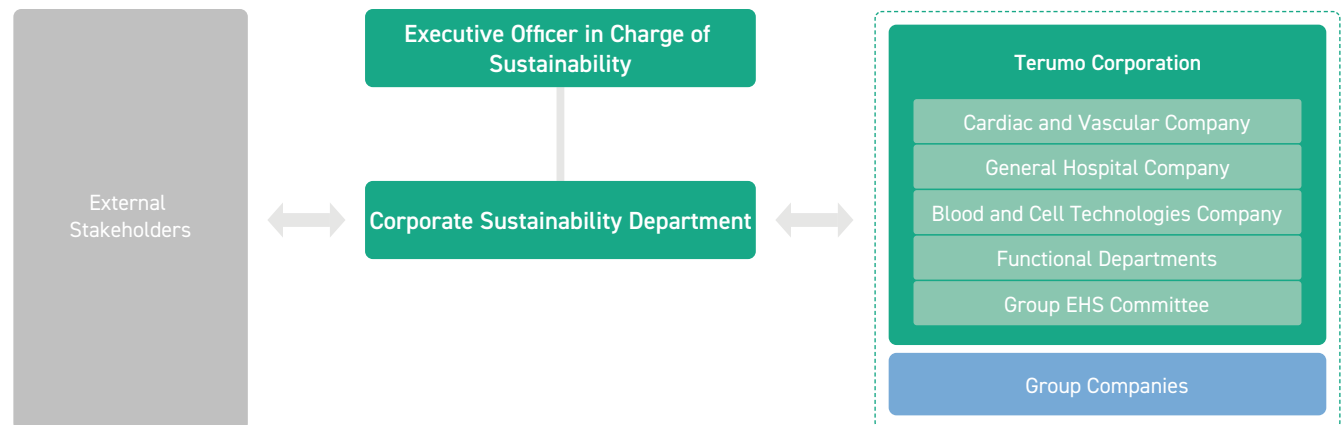
STEP 3 Determine priorities

Taking the current status of initiatives within the Terumo Group into consideration, determine the sustainability priorities from among those that have been selected for their high level of importance. The executive management meeting then deliberates over the priorities that were identified to confirm that they are appropriate.



Sustainability Management

The Corporate Sustainability Department coordinates and promotes initiatives related to corporate sustainability 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.



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 (GHG) 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.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

External Recognition

<p>FTSE4Good Index Series FTSE Blossom Japan Index</p>	<p>Terumo has been selected as a constituent stock of the FTSE4Good Index Series and the FTSE Blossom Japan Index (as of June 2021). 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.</p>	
<p>S&P/JPX Carbon Efficient Index</p>	<p>Terumo has been selected for inclusion in the S&P/JPX Carbon Efficient Index (as of March 2021). The S&P/JPX Carbon Efficient Index is an index that takes the Tokyo Stock Price Index (TOPIX) as the eligible universe, and allocates a weighting for each component stock based on each company's disclosure of environmental information and its carbon efficiency (i.e., carbon dioxide emissions per unit of revenue).</p>	
<p>SOMPO Sustainability Index</p>	<p>Terumo has been selected for inclusion in the SOMPO Sustainability Index (as of June 2021). The SOMPO Sustainability Index is a unique index compiled by Sompo Asset Management Co., Ltd. Every year, approximately 300 companies that have outstanding environmental, social and corporate governance (ESG) initiatives are selected for inclusion in this index, which is used by Sompo Asset Management for its SOMPO Sustainable Management.</p>	
<p>Health & Productivity Stock Selection</p>	<p>Terumo has been selected for inclusion in the Health & Productivity Stock Selection for seven consecutive years since fiscal 2014. This stock selection, determined jointly by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange, is intended to spotlight listed companies in which management addresses employee health management from a managerial perspective and implements strategic initiatives in this area. By introducing companies that have strong appeal in this area to investors who attach great importance to improving corporate value from a long-term perspective, the aim is to encourage firms to implement health management initiatives.</p>	
<p>Corporate Governance of the Year</p>	<p>Terumo was selected as a Winner Company in the Corporate Governance of the Year 2020 awards organized by the Japan Association of Corporate Directors (JACD). These awards have been held every year since fiscal 2015, with support from Japan's Financial Services Agency (FSA) and METI, with the aim of providing encouragement for business enterprises that use corporate governance to achieve healthy growth over the mid- to long-term. Three Winner Companies are chosen from the more than 2,000 companies listed on the First Section of the Tokyo Stock Exchange (TSE).</p>	

Basic Approach

Guided by its Group mission—"Contributing to Society through Healthcare"—the Terumo Group is turning an earnest eye to healthcare issues as it seeks to address the needs of patients and healthcare professionals through excellence in innovation. Moreover, we seek to ensure that people around the world in need of healthcare have access to the safe and high-quality healthcare services they require.

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) that is used to treat patients with COVID-19 in a 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 have donated Terumo products to healthcare institutions and made 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) production



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

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. To provide support for treatment that is tailored to the circumstances of each individual patient, we developed Japan's first detachable Insulin patch pump in 2018. In addition, we are also focusing on the development of IT systems and digital solutions that make effective use of artificial intelligence (AI) and digital technologies.

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.



Detachable insulin patch pump

*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>

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.

However, 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.

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 such as the centrifugal apheresis system, the cell expansion system, and the cell therapy fill and finish system that improve the efficiency of workflow from cell collection to the treatment of patients. 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.



Cell expansion system



Cell therapy fill and finish system

Aiming to Generate Innovation that Contributes toward the Future of Healthcare

Terumo Bay Area Innovation Lab

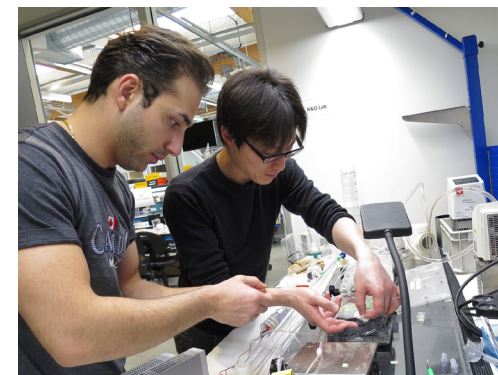
Terumo locates its R&D bases in the regions most appropriate for the products that they are working on, in order to respond to next-generation healthcare needs as speedily as possible. In 2018, we founded the Terumo Bay Area Innovation Lab (TBAIL), a new R&D base located in California's Silicon Valley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

The TBAIL R&D base was formed through the integration of Kalita 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.

Going forward, TBAIL will continue to actively engage in technological collaboration within the Terumo Group and themes outside of the Cardiac and 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.



Evaluating a prototype

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.

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 continuing to implement measures aimed at achieving even higher levels of production and quality management on a Groupwide basis. We have also established manufacturing control procedures for each manufacturing process in accordance with the specific risks associated with each product. Based on these control procedures, we conduct strict control of manufacturing parameters as well as tests and inspections. By doing so, we have achieved a high level of manufacturing and quality control. Furthermore, we are continuously working to maintain or even enhance the level of manufacturing and quality control.

Meanwhile, global regulatory requirements are becoming more stringent in the pharmaceutical industry with regard to data integrity (DI) in relation to 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.

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 Company-wide 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.

In Japan, Terumo Group is working to ensure compliance with the revised version of Japan's PMD Act, which came into effect on August 1, 2021, and with the Japanese Guideline for Good Distribution Practice (GDP) for Medicinal Products that is scheduled to come into effect in the near future.

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.

Appropriate Collection and Disclosure of Information on Safety, Quality and Efficacy

Terumo has established frameworks for collecting information on safety, quality, and efficacy from customers and reporting this information to the relevant government authorities based on the laws and regulations of each country where we operate. 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)

■ 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 safety, quality and efficacy of our products.

Terumo Call Center

- As Terumo handles a wide range of products—from those designed for medical institutions to those for home medical care—the Terumo Call Center consists of experts in every required field to ensure that all inquiries are addressed promptly and appropriately. The Terumo Call Center in Japan receives around 200,000 telephone and email inquiries per year from ordinary 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.
- 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.

Post-Market Surveillance and Vigilance Department

- The Post-Market Surveillance and Vigilance Department collects and evaluates information on the safety, quality, efficacy, and proper use of post-market products, and issues reports on these matters to government authorities in accordance with relevant laws and regulations.
- We are committed to prompt and detailed communication to ensure the proper use of our products, including the provision of necessary information through Information on Precautions, etc., our corporate website, and participation in industry organiza-

tions. Also, MRs visit medical institutions to collect and provide information. Furthermore, we use the accumulated information to develop, refine, and improve products and support medical safety training at medical institutions (T-PAS*).

- We conduct vigilance training via e-learning for all associates in Japan to give them a more in-depth understanding of Good Vigilance Practice (GVP).
- 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 10](#).

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 in Shonan Center, Terumo's R&D base in Kanagawa Prefecture, as a facility dedicated to developing and disseminating healthcare technologies. It is a vast facility with a total area of 14,000m², consisting of Pranex West, which opened in 2002, and Pranex East, which was added in 2007. Terumo Medical Pranex faithfully reproduces a hospital environment such as medical wards, operating rooms, and catheterization laboratories, and also has an exhibition room that introduces the history and technology of Terumo. In this way, this facility allows visitors to better understand the Company from various points of view.

Initially launched as a training center to help healthcare professionals learn how to use Terumo products properly, Terumo

Medical Pranex has continuously expanded its facilities and equipment to make it more beneficial to everyone involved in healthcare. We offer a wide variety of programs, from training in treatment techniques for physicians to multidisciplinary simulation trainings. We also focus on the development of original simulation models and programs for training leaders in the medical field, and we provide them to overseas associations. Sincerely addressing the needs of the medical field, Terumo Medical Pranex has hosted over 160,000 visitors since its opening in 2002.

Through these activities, Terumo aims to offer new solutions that can address issues relating to medical safety and efficiency, and support improvements in healthcare quality so that patients receive better treatment, while also aiming to develop next-generation medical devices.



Training being performed at Terumo Medical Pranex

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,* emphasize critical points in the use of individual devices among those described in Information on Precautions, etc., and enable medical professionals to learn through hands-on training scenarios. 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 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.

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



Terumo Medical Pranex (Japanese only)
<https://www.terumo.co.jp/about/pranex/>

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. Terumo's basic approach, based on the Terumo Group Code of Conduct, is to strive to ensure quality and stable supply in the procurement of goods and services 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. To realize these goals, Terumo has 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. We conduct our procurement activities based on these documents.

The Terumo Group Procurement Policy comprises six items: Quality and Safety; Stable Procurement, Promotion of Compliance; Fair Procurement; Consideration for Human Rights and the Environment; and Mutual Prosperity based on Reliability with Suppliers. In line with this Policy, Terumo has drawn up the Supplier Guidelines, which specify Terumo's requirements for suppliers. All suppliers that do business with Terumo are required to comply with the Supplier Guidelines.



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 and implementing procurement-related rules and procedures, and in taking other steps to promote responsible procurement in line with society's demands and expectations. At Terumo, fulfilling social responsibilities across the supply chain through coordination with suppliers is viewed as an important part of procurement. When selecting new suppliers, we

present them with our Supplier Guidelines and ask for their commitment to socially responsible procurement activities and that they sign an acknowledgment. This is an important condition when selecting a new supplier. Domestic suppliers are asked to sign an acknowledgement of our Supplier Guidelines. As of March 31, 2021, a total of 545 direct material suppliers and 822 indirect material suppliers had signed such acknowledgments. Since fiscal 2021, Terumo's affiliates in Europe, the Americas, and Asia have also started asking suppliers in these regions to acknowledge the Supplier Guidelines. With regard to new suppliers and suppliers in regions with a high level of country risk, we have begun conducting supplier audits based on a self-assessment questionnaire (SAQ) the content of which covers human rights, and environment, occupational health and safety (EHS).

In the procurement of materials used in production, domestic and overseas procurement and purchasing departments manage suppliers based on the Quality Management System. The Procurement Department coordinates with each department to facilitate purchasing activities that are optimal from a Group-wide perspective, taking quality, prices, and supply reliability into account.

Procurement Systems for Ensuring Supply Reliability

With quality and supply reliability as its top priority, Terumo strives to purchase goods and services from the most suitable locations. In accordance with the basic supply policy of maintaining a stable supply of products to continuously meet healthcare needs, we are developing systems for securing stable supplies together with suppliers. Based on our experience with the Great East Japan Earthquake, the 2016 Kumamoto earthquakes, and the global COVID-19 pandemic, we evaluate the supply risk according to the particular business or product in question, secure the understanding and cooperation of suppliers, and strive to ensure that alternative suppliers are available and that appropriate inventory levels are maintained.

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. In addition, Terumo is taking steps to reduce GHG 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.

Procurement-related Compliance

When undertaking purchasing, it is vitally important to comply with relevant laws and regulations, and to undertake transparent transactions based on a fair, equitable relationship with suppliers. To ensure thorough implementation of purchasing-related compliance, Terumo has put in place purchasing processes based on clear purchasing rules, and undertakes fair transactions in accordance with these rules, with prohibitions on conflict of interest, insistence on compliance with relevant laws and regulations such as the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and a formal system of rules for supplier qualification registration. Furthermore, in order to promote responsible procurement, when beginning to engage in transactions with a new supplier,

er, Terumo requires that supplier to sign an agreement regarding exclusion of anti-social forces (i.e., organized crime groups), and Terumo will not do business with suppliers that refuse to acknowledge the Supplier Guidelines, Terumo's code of conduct for suppliers.

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."

Basic Approach

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. Terumo is also contributing to its own growth.

With the rapid pace of change in the environment in which we operate our business and in which our associates work, it is becoming ever more vitally important to synchronize our human resources strategies with our management strategies. By implementing our global human resources strategies and supporting our associates to perform at their best, we are driving the development of global management for the Company.

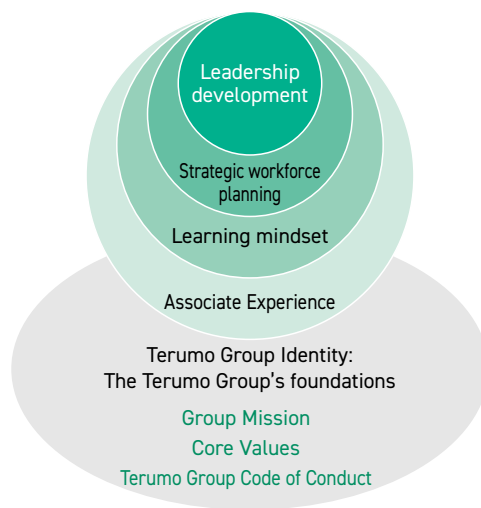
We will realize the enhancement of corporate value by strengthening associates’ identification with our Group mission of “Contributing to Society through Healthcare,” and fostering a shared sense of Terumo’s purpose.

Human Resources Development

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.

To support the Groupwide implementation of these strategies, the Global Human Resources Department has been established under the Chief Human Resources Officer (CHRO). The department

Global Human Resources Strategy



collaborates with human resources departments of Group companies in Japan and overseas to share the measures and issues at each company. In addition, we have a dedicated human resources team comprising members from various regions and organizations to advance shared human resources measures.

Global Human Resources Development

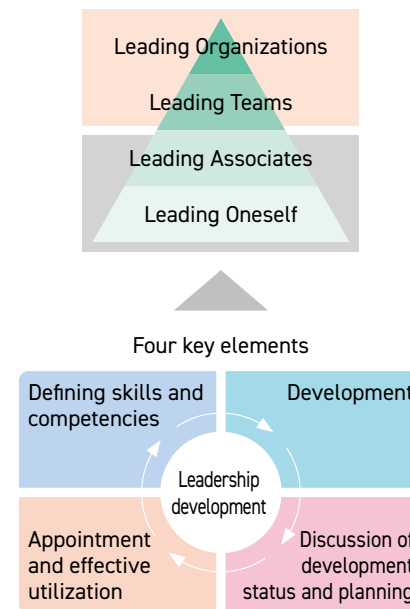
With operations in more than 160 countries worldwide, the Terumo Group is promoting the development of human resources capable of excelling on the global stage. We have clearly presented a global common framework for sustainable pipeline of leadership development at each management level and designed initiatives based on four consistent elements. In fiscal 2019, 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 this 18-month program, associates selected globally who are potential candidates for managerial positions in the future take on the challenge to generate new value for Terumo through collaboration with one another.

In addition, starting from fiscal 2021, information about the

Terumo Group’s key talent is shared among senior management and presidents of Terumo entities for discussions on development, deployment of those talents across the Group to expand the pipeline of global leaders and strengthen the organization. In addition, we are undertaking systematic continuous succession planning of potential successors of our business unit entities CEO positions incorporating external objective assessment based on a common global framework so that the CEOs are able to lead sustainable business growth.

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 cultivating 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.

Leader Development Framework



Human Resources Development/Training 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.

Level-Based Training

Terumo supports the ongoing growth of its associates through training designed to help them acquire the skills necessary at various levels—including new associates, associates who have been at the Company for two years, mid-level associates, and managers—and in various roles. In fiscal 2018, we launched 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 (VUCA). We have also introduced a new career design training program targeting associates who have been with the Company for 10 and 20 years, and associates reaching the age of 50, with the aim of helping associates to take more control over their own career development.

Self Development

At Terumo, a diverse range of learning 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 formulates and reviews succession plans on an annual basis, with the aim of realizing the systematic development of

candidates for both senior management and individual departmental leader positions. While on-the-job training through work plays a fundamental role, in order to speed up the personal growth process, we implement trainings for selected associates, including associates during their first five years with the company, in mid-level positions, in early-stage management positions, and in general manager positions. Participants in these trainings include not only associates who have been instructed to participate, but also associates who have proactively volunteered to participate. The training thus helps to identify new candidates for leadership positions. 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 in Japan and overseas. 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, make a partial contribution 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.

Development of R&D Talent

Terumo conducts research and development on an ongoing basis with the aim of contributing to the advancement of healthcare 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 utilize internal social media services to promote networking among engineers and facilitate in-house development, and perform medical device surveys through means that go beyond the standard connections between business sites. We have also been implementing a wide range of related initiatives for many years now, including incorporating training on the Biodesign Program, a medical device development approach originating from the United States, providing education on new development approaches, and arranging observation tours of medical settings. All training programs are carefully planned based on the concept of instructional design to set the necessary goals for associates engaged in research and development and to ensure that the learning content necessary to achieve the goals is acquired effectively and efficiently while stimulating trainees' interest.

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.

Main Content of the Human Resources Development System (Terumo Corporation)

Level-Based Training	Training for personnel appointed to new positions (including officers, general managers, managers, and mid-level associates), second-year training, training for new associates, career design training, and communication training
Self Development	Business dojo, management school support, online business training, internal English conversation school, internal recruitment of project members, and WAIGAYA TALK
Development of Management Leaders	Individual training for officer candidates, management dojo, development training for new generation leaders, system for supporting associates to study for MBAs (for associates who have completed at least one year with the Company and are no older than 39), acquisition support for MBAs (for associates who have completed at least two years with the Company), fast-track development system for young associates, and overseas training for development of global human resources
Development of R&D Talent	<ul style="list-style-type: none"> •Advanced Terumo Medical Academy (ATOM) •MOT and Biomedical, and R&D-related cross-industry exchange and training, etc.
Development of Monozukuri Associates	<i>Ikuseijuku</i> training to help associates learn the principles of <i>Gemba</i> (field/floor), <i>Genbutsu</i> (actual product), and <i>Genjitsu</i> (reality)

Evaluation Feedback and Career-Planning Interviews

At Terumo, supervisors hold meetings with associates twice a year at which they provide the associates with feedback on how they have been evaluated. During these meetings, besides informing the associates of their evaluation results, the supervisors also talk with the associates to share areas for improvement and actions that need to be taken, so that the associates can obtain insights and be able to achieve growth.

Terumo also holds annual career-planning interviews that 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. 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.

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.

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.

“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.

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. We also work to enable a free and vigorous exchange of views throughout the Company through surveys and feedback via the workers' union.

Associate Engagement Surveys

In order for associates to be able to fully exercise their capabilities, it is important that their experience of working at Terumo is enriched as much as possible, and for them to be able to feel a sense of purpose, and engaged. Terumo calls this the “Associate Experience.”

In fiscal 2020, Terumo implemented its first Group-wide global survey of the Associate Experience. The survey results showed that, positive answers to the question on whether the work is meaningful accounted for the largest share, responses varied by entities or department on other question categories which highlighted opportunities for improvement at each organization. On the basis of these results, we will identify key areas to focus on going forward by each organization which will enable us to take meaningful actions. We are working to promote generating synergies on these efforts by coordinating the various initiatives being implemented, so as to enhance Associate Experience throughout the Terumo Group as a whole.

Within Japan, we implement the associate engagement surveys. 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 expectations and levels of satisfaction with regard to the Company, workplace, and supervisors. In fiscal 2020, 92.4% of associates responded to the surveys. The findings of these surveys are relayed to associates' respective organizations to enable these organizations to objectively analyze their current organizational status, so as to formulate and implement action plans aimed at realizing improvement. Other initiatives for utilizing survey findings to drive positive change include cross-divisional workshops and communication training sessions.

Employee Shareholding Association

An employee shareholding association system has been adopted for associates at Terumo Corporation and at its domestic subsidiaries. In encouraging associates to hold shares in the Company, we are aiming to cultivate a stronger sense of associate participation in management. At the same time, the Company provides associates with additional bonus payments based on how much they have invested in company stock, which helps associates to build up their financial assets.

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 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.

In promoting such efforts, we created an original 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.



Promotion System

At Terumo, the Human Resources Department and Global Human Resources Department collaborate with individual Group companies, both within and outside Japan, to promote diversity and inclusion on a Groupwide basis from a variety of perspectives, with the Diversity Promotion Department playing a central role. Reports are submitted to the Board of Directors on a regular basis regarding planning and initiatives for diversity promotion. In fiscal 2020, the Board discussed issues affecting women's advancement within Japan and future measures in this area, and various suggestions based on diverse perspectives were received from independent directors.

Diversity Management

Terumo is developing workplace environments that are conducive to contributions by its diverse associates to underscore their 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 Implemented So Far

- Female independent directors and external lecturers give lectures and workshops for senior managers, individual departments and factories, and sales managers
- Managers announce what initiatives they will be implementing in their own department to promote diversity, and post this information on the Company intranet
- Holding of diversity management training session for managers (with content including: management approaches that can effectively draw out the skills of diverse associates, including women and non-Japanese individuals, and how to interact with subordinates from diverse backgrounds)

- Conduct of level-based trainings on the skills needed to be able to effectively manage diverse talents and work-styles, and on unconscious bias
- Implementation of awareness raising activities and training sessions on unconscious bias for all Terumo associates (included seconded personnel)

Promotion of Active Participation by Female Associates

To strengthen initiatives aimed at promoting active participation by female associates, which is one facet of the Company’s diversity management efforts, Terumo has established a project team for promoting active participation by female associates, and is implementing various related measures.

In the General Employers Action Plan formulated in fiscal 2019 based on Japan’s Act on the Promotion of Female Participation and Career Advancement in the Workplace, 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. To realize the goal outlined above, besides continuing to require that at least 50% of new associates recruited for planning and sales positions are women, we are also implementing measures for the systematic development of female leaders. In addition, with regard to mid-career hiring, we are actively promoting recruitment of female talent as candidates for future management positions, as well as for specialist positions such as lawyers, and for managers and manager candidates.

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, 2021, 17.4% of Terumo Corporation’s associates and 8.1% of its managers were women.

Number and Percentage of Female Managers (Terumo Corporation)

	FY2017	FY2018	FY2019	FY2020
No. (employees)	55	59	67	69
Percentage (%)	6.4	6.9	7.7	8.1

Systematic Development of Female Leaders

Terumo is implementing various initiatives to develop female leaders in a systematic manner.

Major Initiatives Implemented So Far

- Engaged in initiatives for improving diversity management skills in managers that have responsibility for developing female leaders
- 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
- Adopt a flexible stance 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 goal of International Women’s Day, and holds various events worldwide relating to it.

Major Initiatives Implemented So Far

- Dissemination of messages from senior management (a discussion session with participation from female leaders is held at the same time)
- Holding of unique events by group companies throughout the world

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, 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.

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. In fiscal 2020, individuals with disabilities made up 2.27% of our workforce in Japan.

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.

In January 2017, a clear stipulation prohibiting harassment on the basis of sexual orientation or gender identity was included in Terumo's work regulations. In addition, the revised Terumo Group Code of Conduct, which was announced in April 2019, included a commitment to maintaining a workplace environment in which people would not be unfairly favored or disadvantaged on the basis of sexual orientation or gender identity.

Topics pertaining to the prevention of harassment based on sexual orientation and gender identity were incorporated into the harassment training provided to all associates. We are also striving to enhance associates' understanding of LGBT issues through measures such as the installation of unisex restrooms, and the holding of LGBT sensitivity training sessions by external lecturers.

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.

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

To promote the enhancement of working efficiency, besides implementing rigorous management of daily working hours, Terumo is also promoting the building of a workplace environment in which "work time is for work and off-time is for rest."

Major Initiatives Implemented to Enhance Working Efficiency and Ensure Appropriate Working Hours

- Using new technology to reduce production process manpower requirements
- Saving labor through the adoption of automation technologies such as robotic process automation (RPA)
- Adjusting operations and making them more efficient
- Establishing a minimum of one "no overtime" day per week
- Sending alerts when hours worked outside normal working hours reach a specified level
- Providing managers with periodic notifications and training
- Establishing Company holidays
- Promoting the taking of paid vacation days

Ratio of Paid Vacation Days Taken (Terumo Corporation)

	FY2018	FY2019	FY2020
Ratio of days taken (%)	71.0	72.0	59.9

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.

Childcare and Nursing Care Support Systems (Terumo Corporation)

	System	Description
Childbirth	Maternity leave	Up to six weeks' leave can be taken before childbirth, and up to eight weeks' leave after childbirth.
	Parental leave for spouses	Two days' leave can be taken within one month of the spouse giving birth.
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). Up to 30 days of expired paid leave can be used at the beginning of leave. Leave available to male associates within eight weeks of spouse giving birth, and another period of leave that can be taken until the child reaches the age of 14 months if initial leave is used within the first eight weeks (up to twice).
	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).
	Exemption from working outside normal working hours	Until the child reaches the age of three: The associate concerned can submit an application to the Company to be exempted from working outside normal working hours, and to be exempted from late-night working. Between the child's third birthday and starting elementary school (approximately age seven): The associate concerned can be exempted from working more than 24 hours a month or 150 hours a year outside normal working hours, and to be exempted from late-night working.
	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.

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 for their supervisors. At these seminars, we invite female associates that have experience with adjusting to changes in the balance between work and child-rearing to offer their insights regarding this adjustment. These associates also outline key developments at the Company that have taken place while the returning associates have been on leave and the preparations and attitude needed for a smooth return to work.

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. In fiscal 2020, this was implemented not only in our head office, our sales offices, and our Shonan Center, but also at individual factories.

Encouraging 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. The Company has also introduced a system whereby, if an associate takes childcare leave within eight weeks of their spouse giving birth, they can subsequently take a further period of childcare leave, to be taken before the child reaches the age of 14 months. Interviews with associates that have made use of the system are posted on the Company intranet to spread awareness of the system and help create an environment where it is easier for men to participate in child-rearing. As a result of these measures, Terumo has seen a steady rise in the number of male associates opting to take childcare leave. In fiscal 2020, a total of 89 male associates, or 63.1% of all applicable associates, took child-

care 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 workstyle 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)

	FY2016	FY2017	FY2018	FY2019	FY2020
Associates taking childcare leave (employees)	68	72	82	90	89
Percentage of applicable associates taking leave (%)	50.0	48.6	53.9	63.4	63.1

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 Employers 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.



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 every associate may 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 a specialized lecturer 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.

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 (Please visit the Regulations and Standards section of Terumo's corporate website.)
<https://www.terumo.com/about/regulation/>

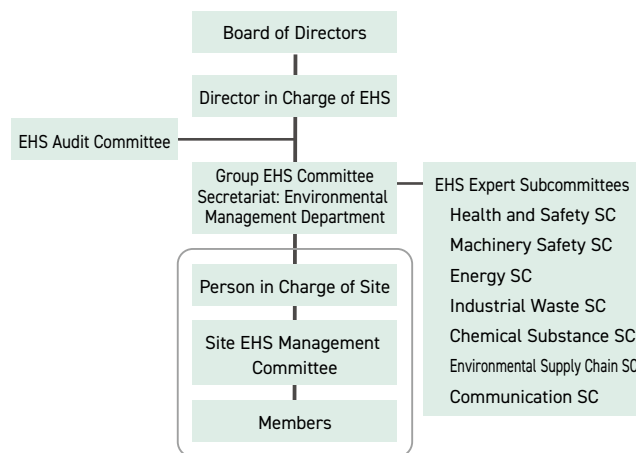
Management System

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 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 and ISO 45001 international standards.

Facilities with Third-Party Certifications

Company name	Site	Environment	Occupational Health and Safety
		ISO14001: 2015	ISO45001: 2018
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	○	—
Vascutek Ltd.	Vascutek factory	○	—

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. (For more information about the number of work-related accidents resulting in lost work days, please refer to "Data Sheets" on p. 47.)

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.

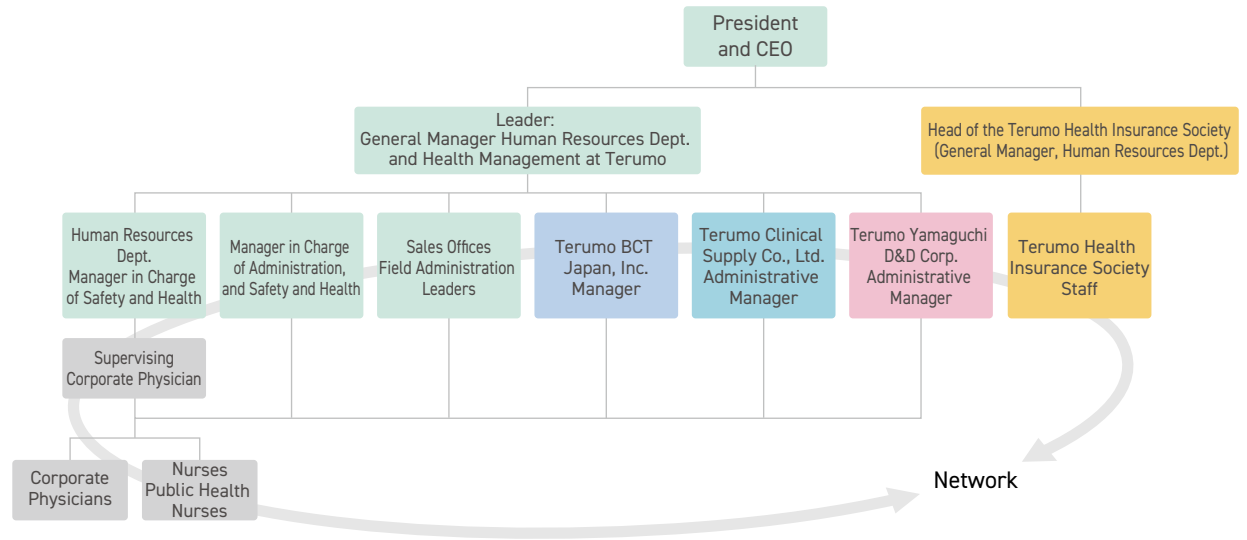
Message from Senior Management

Shinjiro Sato, President and CEO, Terumo Corporation

Recognizing that the contributions of each and every associate drive the ongoing growth of the Company, Terumo is promoting work-style innovation and “Kenko Keiei” to enable all associates to fully exercise their talents. In responding to the COVID-19 pandemic, we have made the health and safety of all associates a top priority, and we have continued to implement activities that make a positive contribution to medical settings.

From the point of view of safeguarding associates’ health, the rapid changes in the working environment during the COVID-19 pandemic have created a situation where communication tends to be reduced, and so it is very important to create an environment where our associates can work with peace of mind, with less of a psychological burden in terms of worry and stress. Based on our awareness of this need, we have been driving both Companywide initiatives and initiatives at the level of the individual workplace. Going forward, we will be working to build an environment in which every associate is able to work enthusiastically with good physical and mental health.

Terumo “Kenko Keiei” Promotion Team



The “Kenko Keiei” System

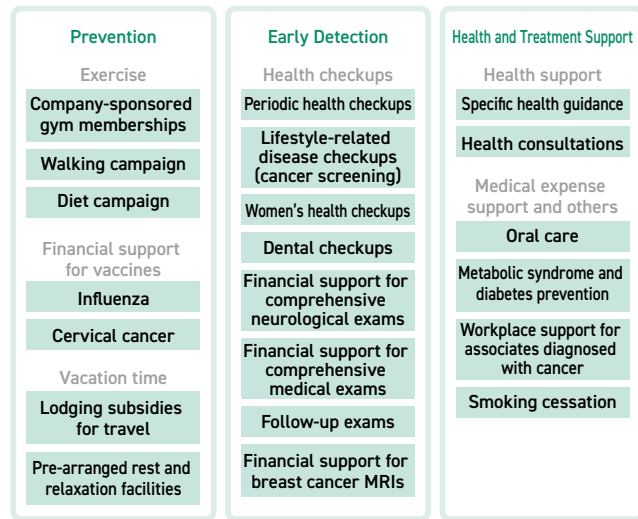
To promote “Kenko Keiei,” we have formed a team, with members drawn from across Terumo Group companies in Japan, to work with the Terumo Health Insurance Society to undertake “collaboration of health”* initiatives. In addition, led by a supervising corporate physician, corporate physicians, nurses, public 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

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



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%.

【Major Initiatives】

- Discouraging smoking: Prohibition on smoking at work, holding of 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, and prohibition on smoking on the premises of the Company and Group companies
- Prevention of Metabolic Syndrome: Special health guidance, and holding of special walking and dieting events

【Initiative Results】

- Discouraging smoking: These initiatives have been steadily generating results, and by fiscal 2020 the ratio of smokers had been reduced to 20.2%. We will continue to implement activities in this area with the aim of reducing the ratio of smokers to less than 20%.

- Prevention of Metabolic Syndrome: By implementing measures that enable associates to improve their lifestyle habits while having fun, for example by providing diet programs based on the recording of data that make use of Terumo products, and through the holding of periodic events, we are able to strengthen the motivation of associates while enabling them to receive more effective advice from public health nurses.

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.

【Major Initiatives】

- Full compensation of fees by the Terumo Health Insurance Society for checkups for lifestyle-related diseases (cancer screening), making it easier to receive such checkups by enabling associates to have them during working hours together with regular checkups required by law, encouraging associates to have secondary examinations when the initial examinations indicate that more detailed examination is needed, and a system to help associates to continue to work while undergoing cancer treatment

【Initiative Results】

- In fiscal 2020, all associates underwent regular checkups required by law and more than 90% received secondary examinations when warranted.

3. Women's Health

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

【Major Initiatives】

- Seminars on the importance of receiving breast cancer and cervical cancer screening, financial support for receiving cervical cancer vaccines, and 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.

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

For more information about these initiatives, please refer to "Data Sheets" on p. 47.

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, "Your Health, Your Happiness, Our Priority," and logo for internal use, and designated five shared themes which we recognize as being particularly important. This tagline encapsulates the shared desire of associates and the entire Terumo Group to protect the health of all associates.

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

External Recognition

In recognition of the effectiveness of its "Kenko Keiei" initiatives, Terumo has been selected for inclusion in the Health & Productivity Stock Selection for seven consecutive years since fiscal 2014. Terumo has also been included in the Excellent Enterprise of Health and Productivity Management—White 500 selection for five 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.



Major "Kenko Keiei" Selections, Certifications, and Awards

- Health & Productivity Stock Selection (Seven consecutive years since fiscal 2014 to fiscal 2020)
- Excellent Enterprise of Health and Productivity Management (Five consecutive years since fiscal 2016 to fiscal 2020)
- Tokyo Sports Promotion Company (Six consecutive years since fiscal 2015 to fiscal 2020)
- Sports Yell Company (Four consecutive years since fiscal 2017 to fiscal 2020)
- 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 2020, such audits were conducted at 11 business sites.

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.

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 2020, we conducted audits at 39 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.

Response Training for Environment-related Emergencies and Accidents

Individual business sites have established emergency response procedures to prevent accidents and disasters, and to lessen the severity of such incidents should they occur. They also conduct emergency response training and review the results on a regular basis. In fiscal 2020, there were no serious environment-related accidents or leaks.

Compliance with Environmental Laws and Regulations

In fiscal 2020, 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

Every year, we present the 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.

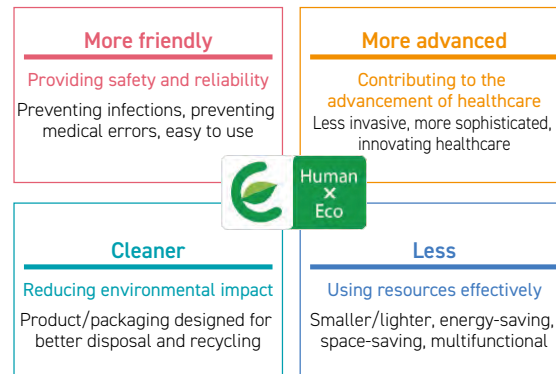
Development of Environmentally Friendly and Safe Products

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.



TRI introducer kit

Guiding Catheter for TRI—Minimally Invasive, Medically Cost Efficient, and Resource Conserving

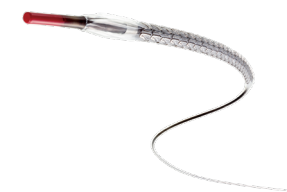
Used together with Terumo’s TRI introducer kit, this guiding catheter makes it possible to perform TRI for treating peripheral artery diseases. Compared with the transfemoral approach, TRI is less invasive, places less of a burden on medical professionals and patients, and is more medically cost efficient. 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

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 contraction or blockage of the coronary artery of the heart. Terumo has proceeded to refine the delivery systems of its drug-eluting stents to improve



Drug-eluting stent

ease of use and passage in order to facilitate smooth treatment of even complicated lesions. 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.

**Intravascular Ultrasound Catheter—
Shortened Examination Times and Improved Efficiency**

Intravascular ultrasound catheters are used when performing intravascular ultra-sounds, 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**

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

**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)

**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

**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

We offer an angiographic kit which consists of products needed to perform angiography for interventional therapies in a single set. Combining all necessary products in a single kit contributes to reducing the packaging materials, as well as the time and effort needed to manage the products. In addition, 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 products.



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 has 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.

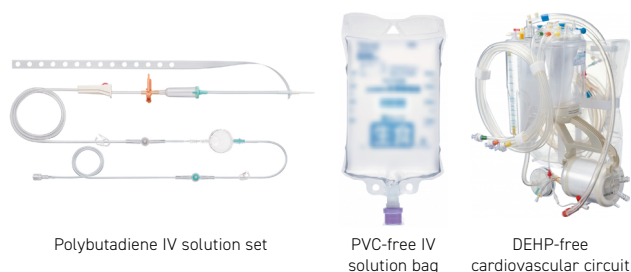


Digital thermometer

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.



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 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. 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).

A new project has been launched starting in fiscal 2021 with the aim of realizing the goal of becoming carbon neutral.* Under the project, we are considering re-setting the GHG emissions reduction targets and also promoting measures to reduce GHG emissions through collaboration between related departments. Going forward, guided by these targets, we will be engaged in a concerted Group effort to reduce climate change risk, which is an issue of global concern.

* 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 and Initiatives from Fiscal 2020

Scope 1* and Scope 2*:

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

Scope 3*:

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



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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

* 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 (Emissions from other companies in raw material production, transportation, disposal, and other activities related to the company's business operations)

Reduction of GHG Emissions

Scope 1 and Scope 2

The Terumo Group is reducing GHG by improving energy efficiency through the adoption of high-efficiency equipment and by using facilities more efficiently, as well as by switching over to clean energy that has low GHG emissions.

In fiscal 2020, although there was an increase in energy use due to the operation of new buildings at our factories in Japan and in the Asia region, we reduced the Group's overall energy use by 2.4% compared to the previous fiscal year by implementing 97 energy efficiency improvement projects, including upgrading of utilities facilities and production equipment, along with an improvement of operational methods. In addition, the Haasrode Factory of Terumo Europe NV (located in Belgium) switched over to using

100% renewable energy starting from 2021, thereby realizing a reduction in GHG emissions of around 900 tons (estimated annual reduction: around four thousand tons). As a result of these measures, the Group's overall GHG emissions in fiscal 2020 were down 2.8% year on year, and down 2.6% compared to fiscal 2018.

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 fiscal 2020, we launched a new shared transportation initiative within Japan for product delivery. Starting from fiscal 2021, we are further expanding the scope of this project, with a plan to reduce CO₂ emissions associated with product delivery.

CO₂ Emissions (Scope 1 and 2)

	FY2018	FY2019	FY2020
Japan (t-CO₂)	152,287	156,814	154,277
Overseas (t-CO₂)	129,091	125,225	119,839
Total (t-CO₂)	281,378	282,038	274,116

Scope: Terumo Group business sites in Japan and manufacturing sites overseas
 Note: Starting from fiscal 2020, CO₂ emissions are calculated by using the CO₂ emission coefficients for electricity for each fiscal year provided by power companies. Accordingly, CO₂ emissions for the past fiscal years are also calculated by the same method.

CO₂ Emissions in Fiscal 2020 (Scope 1 and Scope 2)

	Scope 1	Scope 2	Total
Japan (t-CO₂)	44,043	110,234	154,277
Overseas (t-CO₂)	18,042	101,796	119,839
Total (t-CO₂)	62,085	212,031	274,116

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

For more information about CO₂ emissions (Scope 3), energy consumption, and renewable energy use, please refer to ["Data Sheets" on p. 48.](#)

Responding to the Risks and Opportunities Resulting from Climate Change (Information Disclosure Based on the TCFD Recommendations)

Terumo undertakes analysis of risks and opportunities in order to

identify the impacts that climate change will have on our business activities. In fiscal 2020, we utilized the Task Force on Climate-related Financial Disclosures (TCFD) framework proposed by the Financial Stability Board (FSB) to collate the following items.

Based on analysis of the potential impact on Terumo's business of the above-mentioned risks and opportunities in both the 4.0-de-

Governance	<ul style="list-style-type: none"> The director in charge of EHS, who is a member of the Board of Directors of Terumo Corporation, has responsibility for oversight relating to environmental matters, including climate change. The Group EHS Committee, which is chaired by the director in charge of EHS, is the Company's highest decision-making body in regard to matters relating to climate change. The Committee identifies climate change related risks and opportunities, formulates and revises related policies, strategies, and targets, monitors the achievement status of targets, and reports to the Executive Management Meeting. The Group EHS Committee meets three times a year, and has established an Energy Subcommittee (Energy SC) under it as an EHS Expert Subcommittee. The Energy SC conducts progress management in regard to energy-related targets, and submits periodic reports to the Group EHS Committee. A project aimed at making the Company carbon-neutral has been launched under the director in charge of EHS. The project team collaborates cross-functionally with the Production Department as well as other functional departments at the head office, including the Treasury Department, to formulate and revise policies, strategies, and targets aimed at reducing GHG emissions, monitor the achievement status of targets, and report to the Board of Directors.
Strategy	<ul style="list-style-type: none"> Under the Group mission of "Contributing to Society through Healthcare," the Terumo Group recognizes that ensuring an uninterrupted supply of medical devices and pharmaceuticals to safeguard people's lives and health is its most important task. We also believe that, by providing new treatments, we can help to make healthcare provision more efficient and facilitate the reduction of GHG emissions deriving from medical settings. Regarding climate change scenarios, we are focusing on two scenarios: the scenario that assumes the highest level of physical risks, with average global temperatures rising by 4.0 degrees compared to the situation prior to the Industrial Revolution (RCP8.5), and the scenario that assumes the highest level of transitional risk, with the rise in average global temperature kept down to within 1.5 degrees (RCP1.9). For these two scenarios, we have collated the potential opportunities, and the potential risks that might affect our business, as shown in the table below.
Risk Management	<ul style="list-style-type: none"> The Group EHS Committee identifies climate change related risks and opportunities, evaluates the potential impact on the Company's business operations, directs related departments to implement management in a way that will reduce risk and maximize opportunities, and manages progress status. The process used to identify serious risks as part of the Terumo Group's risk management incorporates climate change related risks noted by the Group EHS Committee. The climate related risks are evaluated by the Risk Management Committee and monitored based on the risk management plan.
Indicators and Targets	<ul style="list-style-type: none"> Terumo has set GHG emissions reduction targets that conform to the levels required by the Paris Agreement on climate change. We are aiming to reduce Scope 1 and 2 GHG emissions by 30% by fiscal 2030 (compared to fiscal 2018), and reduce Scope 3 GHG emissions per unit of revenue by 60% by fiscal 2030 (compared to fiscal 2018). These targets have been certified as being science-based by the international Science Based Targets initiative. In addition, with the aim of realizing our goal of making the Company carbon neutral, we are considering re-setting our GHG emissions reduction targets.

Risks Affecting Our Business Activities

Risks	Risk Content
Physical risks	• Damage to buildings, facilities, or inventory in the event of a natural disaster occurring, and lost opportunities resulting from the disruption of supply of products due to temporary cessation of operations
	• Increased energy costs and reduced labor productivity due to steady temperature rise or water shortages, and lost opportunities due to temporary disruption of operations
	• Sudden, rapid increase in demand for specific products due to the impact of natural disasters on the healthcare system (which constitutes important social infrastructure), and negative impact on revenue resulting from an extended deterioration or stagnation in the functioning of the healthcare system
Transition risks	• Increased energy costs and raw material costs in the event of the introduction or raising of carbon tax
	• Replacement of equipment and accompanying increase in capital expenditure costs, resulting from the tightening up of environmental regulations such as those governing CO ₂ emissions
	• Increased costs in the event of an increase in demand for GHG emissions reduction or demand for the supply of environmentally-friendly products from customers or business partners, and loss of opportunities in the event that it is difficult to respond effectively to such demands

Opportunities Relating to Our Business Activities

Opportunities	Opportunity Content
Physical opportunities	• Provision of products in response to changes in long-term disease patterns as a result of climate change, and provision of products that contribute toward strengthening the resilience of the healthcare system
Transition opportunities	• Reduced costs due to enhancement of energy efficiency in production and in the supply chain
	• Provision of products that contribute toward enhanced efficiency in medical settings or toward reduction of GHG emissions

gree scenario and the 1.5-degree scenario, it is anticipated that the following risks could have a comparatively high impact.

4.0-Degree Scenario

- Damage to buildings, facilities, or inventory in the event of a natural disaster occurring, and lost opportunities resulting from the disruption of supply of products due to temporary cessation of operations

1.5-Degree Scenario

- Damage to buildings, facilities, or inventory in the event of a natural disaster occurring, and lost opportunities resulting from the disruption of supply of products due to temporary cessation of operations
- Increased energy costs and raw material costs in the event of the introduction or raising of carbon tax

Regarding the response to risks relating to business continuity such as natural disasters, etc., the Group Business Continuity Management (BCM) Policy clearly stipulates the Terumo Group's shared basic approach to business continuity and the related systems and response measures. The risk management representatives at individual production sites, functional departments at the head office involved with raw materials procurement, distribution, etc., individual companies, and overseas subsidiaries liaise with one another and draw up 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. If a serious risk emerges that could affect business continuity, the Countermeasures Headquarters, led by the President and CEO of Terumo Corporation, will be established to swiftly initiate response activities. If it becomes apparent that the Terumo Group's supply chain or operations will be temporarily interrupted, we will strive to restore normal supply chain and operational functions as quickly as possible.

With regard to a possible increase in energy costs or raw materials costs, we are continuing to implement measures to adopt production equipment with high energy efficiency, and to develop products that can be manufactured with less raw materials and less energy.

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 (i.e., practice material recycling) internally. We do, however, strive to reduce the amount of waste generated in manufacturing processes and from business activities in offices. In addition, we segregate various types of waste from such processes and activities, and, with the cooperation of a recycling company, turn it into plastic products, refuse plastic fuel (RPF), and organic fertilizer.

In fiscal 2020, the recycling rate (for Terumo Group business sites in Japan and manufacturing sites overseas) was 88.2%. Final waste disposal accounted for 0.16% 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 Targets from Fiscal 2020 to Fiscal 2022

- Waste recycling rate for the Terumo Group (Terumo Group business sites in Japan and manufacturing sites overseas): 88% or higher
- Final waste disposal amount of all Terumo Group business sites in Japan: 0.3% or less of total waste generated

Mid- to Long-term Target (Fiscal 2030)

- Waste recycling rate for the Terumo Group (Terumo Group business sites in Japan and manufacturing sites overseas): 90% or higher

Recycling Volume and Rate

	FY2018	FY2019	FY2020
Recycling volume(t)	17,710	17,872	18,232
Recycling rate(%)	86.3	83.8	88.2

Scope: Terumo Group business sites in Japan and manufacturing sites overseas
 Note: Figures for fiscal 2018 and fiscal 2019 have been restated to rectify past errors in the collection of data.

Final Waste Disposal

	FY2018	FY2019	FY2020
Total emissions (t)	10,309	10,304	10,427
Final waste disposal(t)	16	16	16
Ratio of final waste disposal to total emissions (%)	0.16	0.15	0.16

Scope: Terumo Group business sites in Japan
 Note: Figures for fiscal 2018 and fiscal 2019 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. (For more information about performance in relation to the collecting and recycling of small rechargeable batteries, please refer to "Data Sheets" on p. 49.)

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 2020, Terumo Group business sites in Japan sent a total of 28 tons of paper to contracted recycling firms, along with 208 tons of plastic packaging materials, for a combined total of 236 tons.

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 2020, overall water use per unit of revenue for the Terumo Group (Terumo Group business sites in Japan and manufacturing sites overseas) was reduced by 7.3% year on year. We will continue Groupwide efforts to promote the effective use of water resources going forward.

Medium-term Target (from Fiscal 2020 to Fiscal 2022)

- Overall water use (water withdrawal) per unit of revenue for the Terumo Group (Terumo Group business sites in Japan and manufacturing sites overseas): At least a 10% reduction compared to fiscal 2018

Mid- to Long-term Targets (Fiscal 2030)

- Overall water use (water withdrawal) per unit of revenue for the Terumo Group (Terumo Group business sites in Japan and manufacturing sites overseas): At least a 20% reduction compared to fiscal 2018

Water Use (Water Withdrawal) Volume

	FY2018	FY2019	FY2020
Japan (1,000 m ³)	3,712	3,867	3,512
Oversea (1,000 m ³)	1,715	1,801	1,616
Total (1,000 m ³)	5,427	5,668	5,128
Index of water use per unit of revenue (FY2018=100)	100	99.6	92.3

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

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.

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 exhaust gas treatment systems to limit emissions and regularly check the concentration of emissions at outlets. In addition, we have voluntarily set a target for atmospheric concentrations at the boundaries of sites, and we perform periodic monitoring.

Substitutes for HCFC-225

In light of the Montreal Protocol, an international agreement regulating the use of substances that deplete the ozone layer, it has been decided that the production and importation of HCFC-225 will be prohibited in developed countries beginning in 2020. Terumo has already completed its transition to HCFC-225 substitutes.

Tracking and Management of PRTR* Substances

At Terumo, we undertake monthly tracking of usage and emissions volumes for PRTR substances, and we also work to reduce emissions of such substances.

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

For more information about emissions of dichloromethane, ethylene oxide, and HCFC-225, and about amount used, amount released, and amount transferred of PRTR substances, please refer to "[Data Sheets](#)" on p. 50.

Proper Disposal of Polychlorinated Biphenyls

Terumo's business sites in Japan have ceased the use of all equipment (transformers, capacitors, etc.) containing polychlorinated biphenyls (PCBs), and have completed the process of disposing of such equipment.

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, Authorization 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 2020, it was not possible to implement any large-scale activities due to the impact of the COVID-19 pandemic. However, we did undertake forest improvement work necessary for the cultivation of the tree seedlings that had been grown, including cutting back the undergrowth and reinforcing the netting used for protection against damage by deer.

Results of Activities under 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.



Tree planting activity

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. 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. Points were calculated based on the results of participating associates, and Terumo translated 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 1,141 schools in the Philippines have participated, and have planted around 2.95 million trees to date.*

* Based on information available on OISCA's website (as of March 31, 2021)



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, sand-storms, 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, the project has received a total of ¥850 million in donations, and more than 370 thousand trees have been planted.



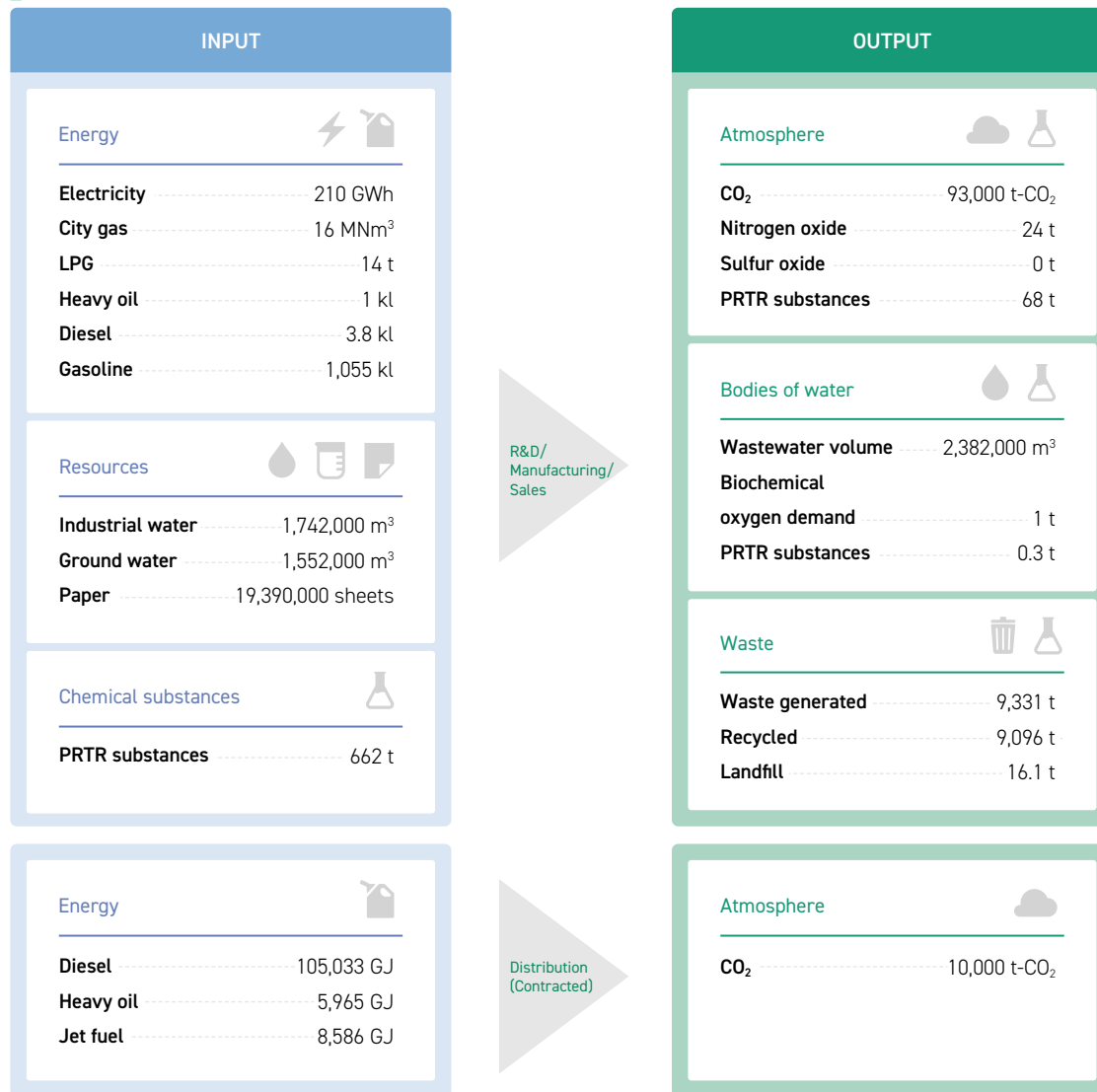
Tree planting activities

The total amount of funds dedicated to biodiversity preservation projects in Japan in fiscal 2020, including donations to the Mt. Fuji Reforestation Project and other biodiversity preservation projects, was approximately ¥1.4 million.

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.

Material Flow



Scope: Terumo Corporation business sites in Japan

Note1: The volume of energy use and CO₂ emissions to atmosphere associated with distribution indicate the volume resulting from distribution in Japan.

2: The volume of energy use associated with distribution is the converted value calculated using the ton-kilometer method defined by the Act on Rationalizing Energy Use.

3: The CO₂ emissions coefficients for electricity are the fiscal 2020 coefficients provided by power companies.

Basic Approach

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.

Supporting 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 taken 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 the 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 are qualified doctors or nurses 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.



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.



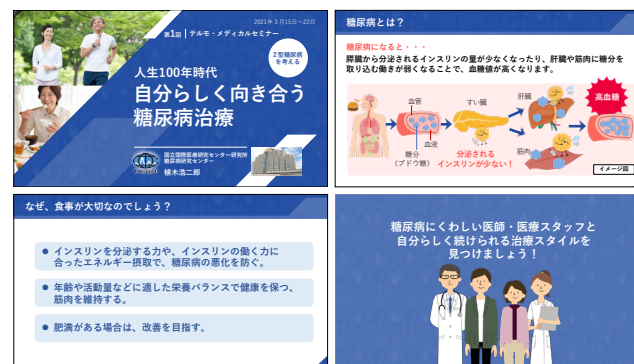
Prescreening camp

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)

Sponsorship for Nursing Day and Nursing Week Activities

Terumo provided sponsorship for Nursing Day and Nursing Week activities implemented throughout Japan by the Japanese Nursing Association (JNA) and the Ministry of Health, Labour and Welfare (MHLW) from May 9 until May 15, 2021. Terumo has continued to provide sponsorship since these activities were first held in 1991. This marks 31 consecutive years of support.

Nursing Day was instituted in 1990 by what was then the Ministry of Health and Welfare, with the aim of cultivating the spirit of caring, nursing, and helping each other among people of all ages and both genders. Nursing Day is celebrated every year on May 12, which was the birthday of Florence Nightingale, the founder of modern nursing. The period of one week from Sunday to Saturday that includes May 12 is designated as Nursing Week.

Recognizing the need to encourage more people to consider nursing as a career in order to maintain the systems for providing healthcare and nursing care in today's era of declining birthrate and an aging population, starting from 2021 the main focus in the Nursing Day and Nursing Week activities is on spreading awareness of the appeal of nursing among the younger generation. Terumo agrees with the purpose of the Nursing Day and Nursing Week activities, and by supporting these activities, we are able to make a contribution to society through healthcare.



JNA "Nursing Day" official website (Japanese only)

<https://www.nurse.or.jp/home/event/simin/index.html>

TERUMO LIFE SCIENCE FOUNDATION— Contributing to Improvements in Medicine and in the Health of All People through the Ad- vancement 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 2020, subsidies totaling ¥290 million were provided to 128 projects.

Educational activities include the operation of the Life Sciences DOKIDOKI Laboratory website, which is mainly intended 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. This year, new quiz contents were added that will help people to develop an interest in the life sciences while having fun.

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 2020, we donated emergency relief supplies with a value totaling around ¥10 million through the Japanese Red Cross Society to help areas affected by the Heavy Rain Event of July 2020 that struck Kyushu region. We also presented a monetary donation of ¥1 million to Kumamoto Prefectural Government.

To provide support for the areas affected by the large-scale explosion that occurred in Beirut, Lebanon in August 2020, Terumo Europe NV and Terumo BCT, Inc. donated a combined total of US\$15,000 to the Lebanese Red Cross and to DSC Lebanon, an NGO that organizes blood donation activities in Lebanon. In addition, Terumo Americas Holding, Inc. and other Terumo Group companies based in the US made a combined donation of US\$40,000 to the American Red Cross to help areas affected by the wildfires that occurred in California in October 2020.

Basic Approach

Earning the trust of society is critical for Terumo to continue to fulfill its Group mission of “Contributing to Society through Health-care.”

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 occurs, 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.

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. With this in mind, the Terumo Group has established the Group Compliance Violations Reporting and Anti-Retaliation Policy, which encourages associates to promptly report any compliance concerns internally, while clearly stipulating that any retaliation against associates who have submitted such reports in good faith is strictly prohibited, so that associates will feel able to submit reports with peace of mind. The Policy also clearly stipulates those reports may be submitted anonymously, in countries where this is permitted by law.

Based on this policy, the Terumo Group has established and operates the Terumo Integrity Helpline, a Groupwide whistle-blowing system through which associates at all business locations can make reports or receive consultation with regard to compliance violations. Reporting via the Helpline can be conducted anonymous-

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 for associates being promoted to mid-level and management positions	Once a year
Officer training	Officers	Group training	Important compliance topics	Once every two–three months
Education relating to the restriction on advertising specified by Japan’s PMD Act	All associates	E-learning program	Compliance with the restriction on advertising specified by Japan’s PMD Act	Once a year
Education relating to the Terumo Group rules for dealing with off-label use	All associates	E-learning program	Compliance with the Terumo Group rules for dealing with off-label use	Once a year
Harassment prevention training	All associates	E-learning program	Harassment awareness and prevention	Once a year

ly. Reports can be submitted through the Helpline not only by Terumo Group associates, but also by the directors, officers, and employees of business partners that do business with any Terumo Group company. A link to the Helpline has been posted on the Terumo website.

In Japan, besides the Terumo Integrity Helpline referred to above, Terumo has also established internal contact points, a legal advisor, and external whistle-blowing contact points operated by independent third parties, which accept reports and consultations via e-mail, mail, or telephone. 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. Associates can seek consultations regarding harassment not only from their supervisors and the Human Resources Department, but also from the company's internal hotline and the external hotline, where consultations can be kept completely anonymous. Whichever channel an associate decides to use, consultations are conducted in an appropriate manner so that the associate's privacy is well protected, that confidentiality is enforced, and any retaliation against the associate seeking consultation is prohibited.

In addition, as an educational activity to prevent harassment, December and January have been designated as harassment prevention reinforcement months since FY2017 in Japan. During these periods, all associates receive email messages, complete surveys, and take part in e-learning programs. 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. (For more information about the progress of harassment-related education, please refer to ["Compliance Education" on p. 36.](#))

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 hotline 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.

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 Terumo Group Code of Conduct and the Group Anti-Corruption and Anti-Bribery Policy, which make clear our commitment to preventing corruption and engaging in fair business practices. All Terumo Group associates receive annual training on the Terumo Group Code of Conduct. In addition, we have established the Group Policy for Third Party Anti-Corruption and Anti-Bribery, and we require our business partners to comply with anti-corruption laws.

If any associate has concerns about possible corruption, including the giving or receiving of bribes, they can report these concerns using Terumo's internal whistle-blowing system. (For more information about the internal whistle-blowing system, please refer to ["Whistle-Blowing System" on p. 36.](#))

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. (For more information about the implementation status of education on ethical interactions with healthcare professionals, please refer to "[Compliance Education](#)" on p. 36.)

Advertisements and Other Activities for Providing Product Information and Sales Promotions

Terumo strives to conduct appropriate promotional activities. To facilitate these efforts, Terumo 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 established by the Japan Federation of Medical Devices Associations (JFMDA). The relevant divisions review promotional materials prior to use to confirm their legality and the accuracy of the information they contain. In addition, in order 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, the Promotional Activities Control Department was established in the Head Office in July 2019. The department roles are to monitor the appropriateness of materials used in prescription drug marketing information provision activities and the activities themselves. 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. (For more information about the implementation status of education relating to advertisements and other activities for providing product information and sales promotions, please refer to "[Compliance Education](#)" on p. 36.)

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, Terumo has formulated its Transparency Guidelines for the Relationships between Corporate Activities and Medical Institutions in compliance with the Clinical Trials Act and voluntary industry rules. Based on these guidelines, we disclose the status of funding to medical institutions and medical professionals.

Basic Policy on Tax

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

■ Compliance with Laws and Regulations

Terumo Group complies with international taxation rules, such as the OECD Transfer Pricing Guidelines, and the laws of all countries in which it conducts business activities, to maintain tax compliance.

■ Proper Tax Payment

Terumo Group, as a responsible corporate citizen, aims to contribute to society by properly paying taxes in the countries where Terumo Group conducts business activities.

■ Transparency

Terumo Group discloses tax-related information appropriately to relevant parties, such as the tax authorities in each country, shareholders, and society as a whole, to ensure transparency in taxation practices as a highly socially responsible corporation.

■ Relationship with the Tax Authorities

Terumo Group builds and maintains appropriate relationships with the tax authorities in each country where Terumo Group conducts business activities, and does not attempt to obtain unfair benefits from the tax authorities.

■ Tax Planning

Terumo Group does not implement tax planning that is not in line with its business substance and/or is intended to avoid taxes.

■ Corporate Value

Through the tax management outlined above, Terumo Group 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 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 Japan's Ethical Guidelines for Medical and Biological Research Involving Human Subjects in Japan, Terumo has prescribed the rules related to the organization of the Ethical Review Committee, a set of basic policies regarding respect for human rights and dignity in clinical research. The Terumo Research Ethics Committee, which includes members from outside of the Group, has been formed in accordance with these regulations to evaluate the social value 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; an investigator and staffs responsible for the clinical trials, 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.

Basic Approach

Since its founding in 1921, Terumo has carried out its corporate activities while respecting the human rights of patients, healthcare professionals, associates and other stakeholders, in line with the Group mission of “Contributing to Society through Healthcare.”

In 2012, Terumo became a signatory to the United Nations Global Compact, reflecting Terumo’s agreement with the principles of the Compact, which seeks to encourage business enterprises to undertake initiatives that embody respect for human rights. Our Core Values, which were formulated in April 2019 and constitute shared values linking Terumo associates throughout the world, include respect for others, acting with integrity, and empathy for patients. Awareness of the importance of respect for human rights is a common value for all associates. The Terumo Group Code of Conduct, our code of conduct for associates which was revised at around the same time, also states the importance of respect for human rights as every associate’s guide to day-to-day business activities.

The Terumo Group Human Rights Policy was formulated in December 2019 to clarify the Terumo Group’s position on and responsibility toward human rights, and to express the Group’s commitment to living up to the expectations of society with regard to human rights.

Terumo Group Human Rights Policy

The Terumo Group Human Rights Policy expresses Terumo’s support and respect for international human rights codes such as the International Bill of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, as well as for the Ten Principles of the UN Global Compact. As a company that provides products and services that are closely related to people’s lives and health, the Terumo Group Human Rights Policy defines priority themes related to human rights such as creating safe and worker-friendly environments, complying with fair labor practices, ensuring the quality and safety of products and services, and complying with ethical standards in research and development, in line with the UN Guiding Principles on Business and Human Rights (UNGPs).

When purchasing materials and services from outside sources, besides respecting human rights in accordance with the Terumo Group Procurement Policy and Supplier Guidelines, we also ask our suppliers to respect human rights.



Terumo Group Human Rights Policy (Please visit the Regulations and Standards section of Terumo’s corporate website.)

<https://www.terumo.com/about/regulation/>



The Terumo Group Procurement Policy and the Supplier Guidelines

<https://www.terumo.com/about/procurement/>

Promotion System and Major Initiatives

To support the implementation of human rights due diligence (i.e., assessing, preventing, and reducing the adverse impacts on human rights that our business activities may have in society) in line with the Terumo Group Human Rights Policy, a working group was established 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. This working group has already begun to implement various initiatives. The working group reports on the implementation status of these initiatives to the Executive Officer in Charge of Sustainability.

Major Initiatives

Category	Subjects
Compliance with Labor-related Laws, and Prevention of Harassment*1	Conducting surveys administered to Terumo Group business sites in Japan and manufacturing sites overseas to verify the state of compliance and of measures implemented
Ensuring the safety and quality of products and services*2	Verifying compliance and the response to laws and regulations
Initiatives targeting suppliers*3	Asking suppliers to sign an acknowledgement of the Supplier Guidelines
Complying with ethical standards in research and development*4	Verifying the status of reviews conducted by the Terumo Research Ethical Review Committee Verifying compliance and the response to laws and regulations relating to clinical trials
Bribery prevention and anti-corruption*5	Building compliance activity plans, including bribery prevention and anti-corruption, dealing with healthcare professionals in an ethical manner, and verifying the state of progress in plan implementation of each region and business

*1 For more information about harassment prevention initiatives, please refer to [“Prevention of Harassment” on p. 37.](#)

*2 For more information about initiatives relating to ensuring the safety and quality of products and services, please refer to [“Ensuring the Safety and Quality of Products and Services” on p. 8-10.](#)

*3 For more information about initiatives targeting suppliers, please refer to [“Managing Supply Chains That Support Stable Supply / Promoting Responsible Procurement” on p. 11-12.](#)

*4 For more information about the main initiatives relating to compliance with ethical standards in research and development, please refer to [“R&D Ethics” on p. 39.](#)

*5 For more information about the main initiatives relating to bribery prevention and anti-corruption, please refer to [“Anti-Corruption” on p. 37.](#)

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) ▶ P9 • Online inquiry submission form • Postcard survey of purchasers (for certain products) • Instruction tools for patients (for certain products) • Health information website • Terumo Medical Seminar ▶ P34
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) ▶ P9-10 • Fee-based medical training for medical professionals • Academic conference exhibits, seminars, etc. ▶ P9 • Call Center (responding to inquiries from medical professionals) • 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 (Investor Relations 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 ▶ P11 • Procurement business continuity plans ▶ P11 • Surveys regarding EHS initiative status ▶ P11 • Supplier Diversity ▶ P12
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 ▶ P15 • Employee engagement surveys ▶ P16 • Terumo Patient's Day internal event ▶ P15 • Training and education systems ▶ P14-15 • Occupational Health and Safety Management Committee ▶ P21 • Health management support: support for prevention, early detection, and treatment ▶ P21-24 • Promotion of diversity ▶ P16-18 • Promotion of work-style innovations ▶ P18-20 • Internal whistle-blowing system ▶ P36 • Dialogue between management and the workers' union ▶ P15 • 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 ▶ P33-35 • Environmental impact reduction activities ▶ P21,24-32

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 has established the Group Risk Management Policy and has been working on 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 trust 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 the 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 Risk Management Committee consists of directors who also serve as Executive Officers, 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 organiza-

tions promptly through functional departments and the relevant departments of subsidiaries when a significant issue arises.

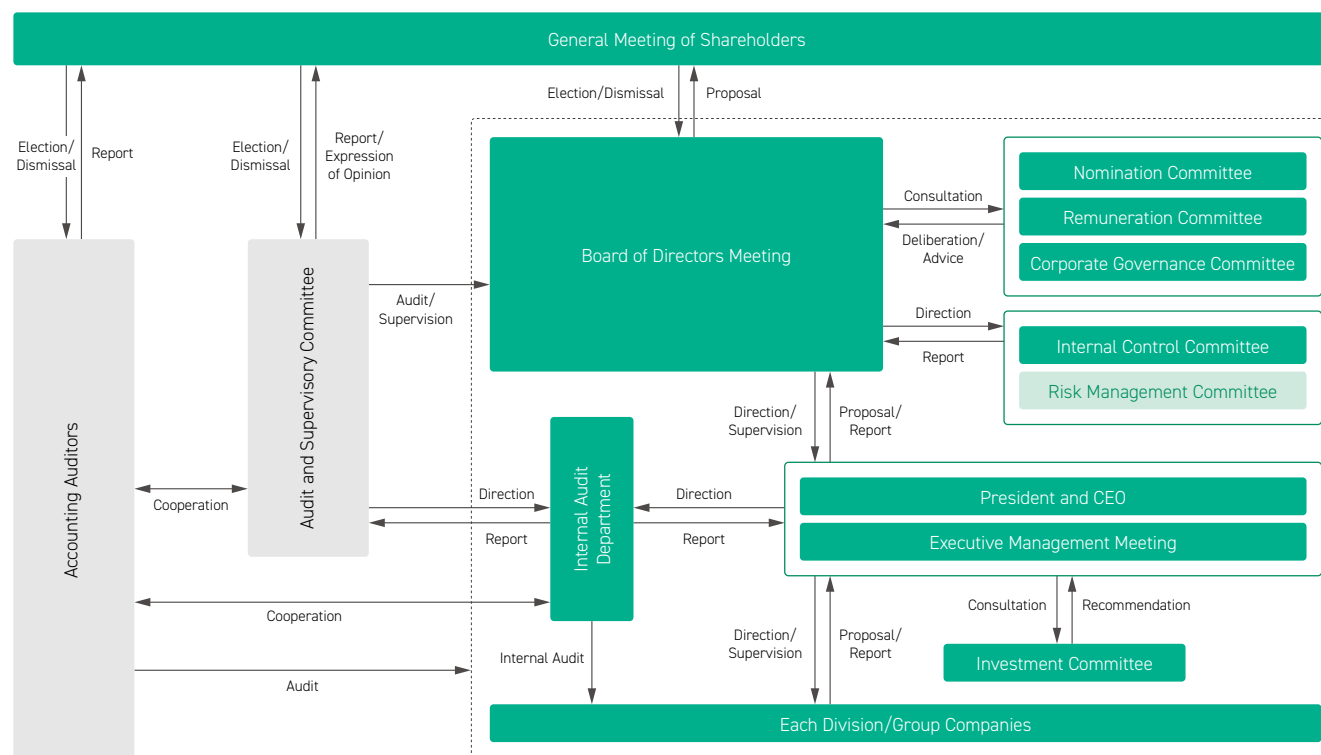
Risk Management Education

Since fiscal 2016, Terumo has been including content emphasizing the importance of risk management in briefings for department heads and conducting participatory workshop training for associates. Through such initiatives, Terumo is 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.

Risk Management System



Business Continuity Management (BCM) and Business Continuity Plans (BCP)

Basic Approach

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.

To fulfill this responsibility, the BCM Policy clearly stipulates the Terumo Group's basic approach to business continuity and the related systems and response measures. The scope of application of this Policy includes not only natural disasters but also a wide range of other risks that could affect business continuity. Based on the following three basic policies: 1) protect our associates and their families worldwide, 2) fulfill our social responsibility. That impacts to the healthcare system should be minimized whenever possible, and 3) protect our assets, we will prepare for emergencies during normal times, and strive to ensure that we can maintain or restore our business operations in the event of an incident.

Promotion System and Major Initiatives

Corporate Affairs Department at the head office plays a key role in promoting relevant activities throughout the Terumo Group.

If a serious risk emerges that could affect business continuity, the Countermeasures Headquarters, led by the President and CEO of Terumo Corporation, will be established to swiftly initiate response activities.

In the event of a large-scale disaster, the Countermeasures Headquarters will determine and implement necessary measures by gathering information, including information regarding the safety of associates and their family members, damage to suppliers, and the situation in the affected areas. At the same time, the Countermeasures 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, we will strive to restore normal supply chain and operational functions as quickly as possible.

In normal time, Business Continuity Plans (BCPs) are prepared by the collaboration of personnel responsible for risk management at each factory, functional department involved with raw material procurement or distribution, company, and subsidiary outside Japan. The BCPs aim to

prevent operations from being disrupted even in emergency situations, and to ensure that operations can be quickly restored and resumed should they be disrupted. In addition, each Terumo Group business site conducts drills, such as those noted below.

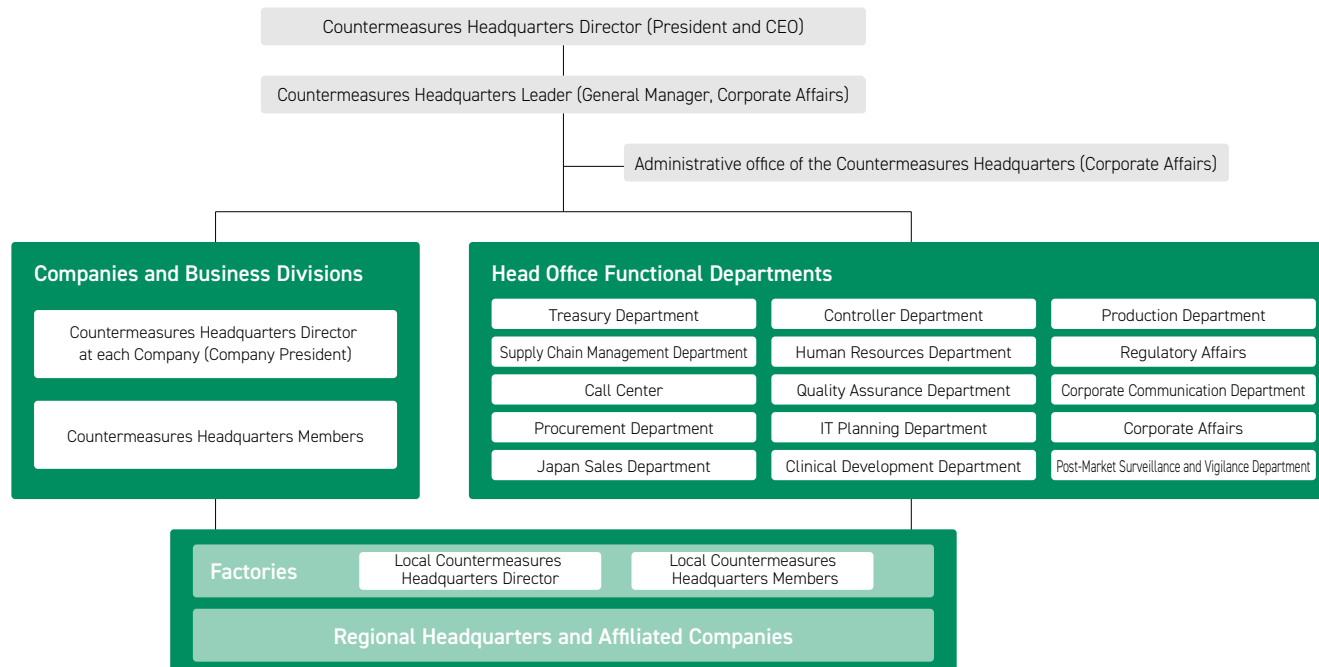
- Establishment of a disaster response headquarters following a major earthquake, confirmation of the roles of individual staff, and other BCP-related drills
- Implementation of systems for rapidly ascertaining the condition of associates and their families and training on their use
- Comprehensive disaster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

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.

Example of a Countermeasures Headquarters Structure That Could Be Used in the Event of a Large-Scale Disaster



To support medical settings and professionals fighting COVID-19, and enable as many patients as possible to receive needed healthcare, Terumo, based on its Group mission of "Contributing to Society through Healthcare," Core Values, and BCP Policy, has established the following three key policies regarding COVID-19 as it conducts business activities.

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 in and contribute to the prevention and treatment of the disease, by maximizing the Terumo Group's expertise and technologies

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

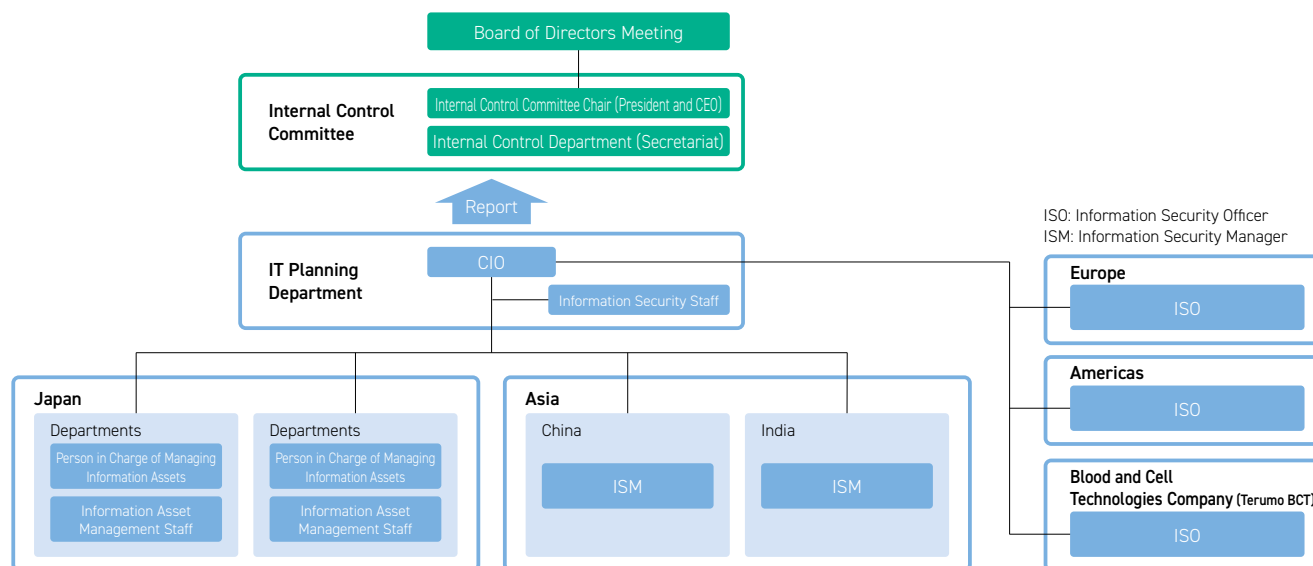
place at all affiliates to promote appropriate information protection and management throughout the Group.

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.

In response to the rise in the various information security threats that need to be addressed, including targeted attacks, unauthorized access, and leaks of personal information, as well as changes in work-styles such as the growth of remote working, we are implementing measures for strengthening information security to provide multi-layered protection that includes countermeasures for scam emails, monitoring of 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.

Global Information Security Management Organization



Data Sheets

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Human Resources and Labor Data

Associate Data

		FY2018	FY2019	FY2020
Number of associates by geographic area (consolidated)*1	Japan	5,692	6,000	6,201
	Europe	2,326	2,274	2,311
	Americas	10,761	11,256	11,337
	Asia and others	6,599	6,908	6,633
	Total	25,378	26,438	26,482
Number of associates (non-consolidated)*2	Male	4,150	4,240	4,332
	Female	758	847	915
	Total	4,908	5,087	5,247
	Ratio of female associates (%)	15.4	16.6	17.4
Average age*2	Male	42.31	42.17	41.35
	Female	37.08	37.10	36.56
	Total	41.52	41.36	40.54
Average years of service*2	Male	19.0	18.8	18.3
	Female	12.7	12.5	12.1
	Total	18.1	17.8	17.2
Average salary (yen)*2	Male	-	-	-
	Female	-	-	-
	Total	7,530,739	7,493,828	7,441,630
Number of new graduate hires*2	Male	149	136	167
	Female	47	54	62
	Total	196	190	229
Number of mid-career hires*2	Male	63	66	56
	Female	16	15	23
	Total	79	81	79
	Mid-career hires as ratio of all regular, full-time associates hired in that year (%)	29	30	26
Voluntary turnover (resigning due to personal reasons) (employees)*2	Male	91	75	64
	Female	20	17	19
	Total	111	92	83
Associate turnover rate (%)*2	Male	2.1	1.9	1.6
	Female	2.7	2.2	2.3
	Total	2.2	1.9	1.7

*1 Scope: Terumo Group

*2 Scope: Terumo Corporation

Promotion of Diversity

		FY2018	FY2019	FY2020
Number and ratio of female managers	Total number of associates in managerial positions	862	865	852
	Number of female associates in managerial positions	59	67	69
	Ratio of female associates in managerial positions (%)	6.9	7.7	8.1
	Total number of general managers (or equivalent)	165	166	170
	Number of female general managers (or equivalent)	8	8	12
	Ratio of female general managers (or equivalent) (%)	4.8	4.8	7.1
	Total number of managers (or equivalent)	697	699	682
	Number of female managers (or equivalent)	52	59	57
Number and ratio of newly-appointed female associates in managerial position	Ratio of female managers (or equivalent) (%)	7.5	8.4	8.4
	Total number of associates newly-appointed to managerial positions	55	51	54
	Number of female associates newly-appointed to managerial positions	4	6	4
Number and ratio of female chiefs	Ratio of female associates newly-appointed to managerial positions (%)	7.3	11.8	7.4
	Total number of chiefs	1,137	1,168	1,206
	Number of female chiefs	139	155	184
	Ratio of female chiefs (%)	12.2	13.3	15.3
Number and ratio of retirees rehired under TES	Retirees	108	106	130
	Number of retirees rehired under TES	84	83	110
	Ratio of retirees rehired under TES (%)	78	78	85
Ratio of associates with disabilities (%)	2.24	2.20	2.27	

Scope: Terumo Corporation

Work-Life Balance

		FY2018	FY2019	FY2020
Number of associates taking maternity and childcare leave	Associates taking maternity leave	58	39	58
	Associates taking spousal childbirth leave	1	5	2
	Associates taking childcare leave (Female)	97	99	92
	Associates taking childcare leave (Male)	82	90	89
	Ratio of associates returning to work after childcare leave (%) (Female)	98	100	100
	Ratio of associates returning to work after childcare leave (%) (Male)	100	100	100
	Ratio of applicable male associates taking childcare leave (%)	53.9	63.4	63.1
	Average number of childcare leave days taken by applicable male associates	16.9	12.4	13.6
Number of associates taking nursing care leave	Associates taking long-term nursing care leave	6	3	0
	Associates taking leave (nursing care/family illness)	34	23	15
Number of former associates rehired	Registered former associates	5	2	6
	Rehired associates	1	2	1
Ratio of paid vacation days taken (%)		71.0	72.0	59.9
Average number of paid vacation days taken		13.5	13.3	11.4
Average hours of overtime worked per month		16.6	16.3	16.1

Scope: Terumo Corporation

Initiatives to Prevent Work-Related Accidents

	FY2018	FY2019	FY2020
Accidents resulting in lost work days	0	1	2
Frequency rate	0.00	0.10	0.19
Severity rate	0.00	0.00	0.73

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*

	FY2016	FY2017	FY2018	FY2019	FY2020
Ratio of smokers (%)	25.8	24.7	23.4	23.4	20.2
Ratio of associates diagnosed with metabolic syndrome (%)	23.8	23.8	24.0	28.0	24.7

* 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
Cancer Screening Rates

	FY2018	FY2019	FY2020
Stomach (%)	90.1	90.9	98.0
Colon (%)	85.3	85.7	91.7
Upper abdomen (%)	91.0	90.2	84.0
Lung (sputum) (%)	22.9	33.6	40.7
PSA (%)	82.9	88.5	97.7
Breast (%)	68.6	64.2	64.7
Cervix (%)	60.6	67.3	65.8

3. Women's Health

Breast Cancer and Cervical Cancer Screening Rates

	FY2016	FY2017	FY2018	FY2019	FY2020
Breast (%)	71.5	69.9	68.6	64.2	64.7
Cervix (%)	62.4	61.0	60.6	67.3	65.8

Environmental Data

CO₂ Emissions (Scope 1+2)

	FY2018	FY2019	FY2020
Japan (t-CO ₂)	152,287	156,814	154,277
Overseas (t-CO ₂)	129,091	125,225	119,839
Total (t-CO ₂)	281,378	282,038	274,116
Index of emissions per unit of revenue (FY2018=100)	100	95.5	95.1

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

Note: Starting from fiscal 2020, the CO₂ emissions are calculated by using the CO₂ emission coefficients for electricity for each fiscal year provided by power companies. Accordingly, the CO₂ emissions for the past fiscal years are also recalculated by the same method.

CO₂ Emissions in Fiscal 2020 (Scope 1 and Scope 2)

	Scope1	Scope2	Total
Japan (t-CO ₂)	44,043	110,234	154,277
Overseas (t-CO ₂)	18,042	101,796	119,839
Total (t-CO ₂)	62,085	212,031	274,116

CO₂ Emissions in Fiscal 2020 (Scope 3)

(t-CO₂)

Category	Emissions Volume	Method of Calculation
Category 1 Purchased goods and services	1,064,315	Multiplying amounts of purchased components, materials by their respective emission intensities
Category 2 Capital goods	228,512	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)	49,191	Multiplying amounts of purchased fuel, electricity and heat by their respective emission intensities
Category 4 Upstream transportation and distribution	35,610	Multiplying product transportation, in ton-kilometers, by the emission intensity for each type of transportation
Category 5 Waste generated in operations	2,570	Multiplying amounts of waste generated by the emission intensity for each category of waste
Category 6 Business travel	3,453	Multiplying the number of employees by emission intensity per employee
Category 7 Employee commuting	8,149	Multiplying the number of employees by emission intensity per category of work or area classification
Category 8 Upstream leased assets	-	Emissions associated with leased company vehicles and leased office buildings are included under Scope 1 and Scope 2
Category 9 Downstream transportation and distribution	3,185	Multiplying product weight by emission intensities using a standard transportation and distance model
Category 10 Processing of sold products	-	Intra-group processing is included under Scope 1 and Scope 2
Category 11 Use of sold products	9,935	Calculated based on lifespan and electricity consumption of principal medical engineering products (pumps)
Category 12 End-of-life treatment of sold products	148,505	Multiplying weight of shipped products by emission intensity for waste processing
Category 13 Downstream leased assets	-	Emissions associated with products leased to customers are included under "Use of sold products"
Category 14 Franchises	-	Not applicable as facilities classed as franchise operations are not owned
Category 15 Investments	-	Not applicable as no emissions were generated through investments
Total	1,553,425	

Scope: Terumo Group

Note: Starting from fiscal 2020, the calculation method has been revised, and is now based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver. 2.3) compiled by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.

CO₂ Emissions (Scope3)

	FY2018	FY2019	FY2020
Index of emissions per unit of revenue (Fiscal 2018 = 100)	100	103.7	107.5

Scope: Terumo Group

Note: Starting from fiscal 2020, the calculation method has been revised, and is now based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver. 2.3) compiled by the Ministry of the Environment and the Ministry of Economy, Trade and Industry. Accompanying this change, the figures for previous years have been recalculated using this same method.

Energy Consumption

Fuel Type	FY2018	FY2019	FY2020
Electricity (MWh)	442,274	458,936	453,461
City gas (MWh)	303,070	318,543	306,428
LPG (MWh)	12,577	9,822	12,577
Heavy oil (MWh)	4,214	5,968	4,214
Diesel oil (MWh)	1,013	1,198	590
Steam (MWh)	43,259	41,696	36,037
Gasoline (MWh)	8,099	9,105	11,561
Total (MWh)	814,506	845,267	824,868
Index of emissions per unit of revenue (Fiscal 2018 = 100)	100	98.9	98.9

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

Renewable Energy Use in Fiscal 2020

Renewable energy use (MWh)	5,062
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Scope: Terumo Group

Recycling Volume and Rate

		FY2018	FY2019	FY2020
Japan	Total waste (t)	10,309	10,304	10,427
	Volume recycled (t)	10,071	10,054	10,186
	Recycling rate (%)	97.7	97.6	97.7
Overseas	Total waste (t)	10,224	11,013	10,242
	Volume recycled (t)	7,639	7,819	8,046
	Recycling rate (%)	74.7	71.0	78.6
Total	Total waste (t)	20,533	21,317	20,669
	Volume recycled (t)	17,710	17,872	18,232
	Recycling rate (%)	86.3	83.8	88.2

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

Note: Figures for performance in fiscal 2018 and 2019 have been restated to rectify past omissions in the collection of data.

Final Waste Disposal

	FY2018	FY2019	FY2020
Total emissions (t)	10,309	10,304	10,427
Final waste disposal (t)	16	16	16
Ratio of final waste disposal to total emissions (%)	0.16	0.15	0.16

Scope: Terumo Group business sites in Japan

Note: Figures for performance in fiscal 2018 and 2019 have been restated to rectify past errors in the collection of data.

Collection and Recycling of Small Rechargeable Batteries in Fiscal 2020

Nickel-cadmium batteries (kg)	683
Nickel-metal hydride batteries (kg)	1,077
Lithium-ion batteries (kg)	386
Sealed lead-acid batteries (kg)	178

Scope: Terumo Corporation business sites in Japan

Water Use (Water Withdrawal) Volume

	FY2018	FY2019	FY2020
Japan (1,000 m ³)	3,712	3,867	3,512
Overseas (1,000 m ³)	1,715	1,801	1,616
Total (1,000 m ³)	5,427	5,668	5,128
Index of emissions per unit of revenue (Fiscal 2018 = 100)	100	99.6	92.3

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

Dichloromethane Emissions

	FY2018	FY2019	FY2020
Emissions (t)	63	57	52

Scope: Terumo Group business sites in Japan

Amount of Ethylene Oxide Used and Ethylene Oxide Emissions

	FY2018	FY2019	FY2020
Amount used (t)	105	96	100
Emissions (t)	2	2	2

Scope: Terumo Corporation business sites in Japan

HCFC-225 Emissions

	FY2018	FY2019	FY2020
Emissions (t)	24	12	0.6

Scope: Terumo Corporation business sites in Japan

Amount of PRTR Substances Used, Released, and Transferred in Fiscal 2020

(t)

	Total	
ethylene oxide	Amount used	100.0
	Amount released	1.9
	Amount transferred	0.0
1, 2-dichloroethane	Amount used	1.8
	Amount released	1.6
	Amount transferred	0.0
dichloromethane	Amount used	160.4
	Amount released	51.7
	Amount transferred	0.0
toluene	Amount used	4.0
	Amount released	0.4
	Amount transferred	3.6
bis (2-ethylhexyl) phthalate	Amount used	361.6
	Amount released	0.0
	Amount transferred	3.1
hydrogen fluoride and its water-soluble salts	Amount used	19.0
	Amount released	0.8
	Amount transferred	0.0
n-hexane	Amount used	4.4
	Amount released	3.5
	Amount transferred	0.9
N, N-dimethylformamide	Amount used	10.3
	Amount released	8.2
	Amount transferred	0.0

Scope: Terumo Corporation business sites in Japan

Site Data (Manufacturing and R&D Sites) for Fiscal 2020

Region	Site	Location	CO ₂ Emissions (t)	Water Use (1,000 m ³)	Total Waste (t)	Recycled Amounts (t)
Japan	Fujinomiya Factory	Fujinomiya, Shizuoka	44,262	1,569	2,652	2,637
	Ashitaka Factory	Fujinomiya, Shizuoka	27,448	525	2,775	2,772
	Kofu Factory	Nakakoma, Yamanashi	49,122	1,125	3,587	3,393
	ME Center	Suntou, Shizuoka	462	6	96	96
	R&D Center (Shonan Center)	Ashigarakami, Kanagawa	6,533	64	192	169
	Terumo Clinical Supply Co., Ltd.	Kakamigahara, Gifu	901	5	25	25
	Terumo Yamaguchi Corporation Terumo Yamaguchi D&D Corporation	Yamaguchi, Yamaguchi	21,721	213	1,063	1,056
Americas	Terumo Medical Corp. and Terumo Cardiovascular Systems Corp.	Maryland, USA	13,278	77	611	368
	Terumo Cardiovascular Systems Corp. and Terumo Heart, Inc.	Michigan, USA	2,787	7	61	16
	Terumo Cardiovascular Systems Corp.	Massachusetts, USA	376	1	133	133
	MicroVention, Inc.	California, USA	1,834	15	637	220
	Terumo BCT, Inc.	Colorado, USA	11,103	73	1,322	761
	Bolton Medical, Inc.	Florida, USA	674	3	456	324
	Terumo Puerto Rico LLC	Commonwealth of Puerto Rico	1,066	2	83	41
	MicroVention Costa Rica, S.r.l	San Jose, Costa Rica	239	21	454	441
Europe	Terumo Europe NV	Leuven, Belgium	6,319	43	648	638
	Terumo UK, Ltd.	Liverpool, UK	130	1	61	43
	Vascutek Ltd.	Glasgow, UK	1,702	32	301	301
	Terumo BCT, Ltd.	Larne, UK	4,318	99	260	252
Asia	Terumo Medical Products (Hangzhou) Co., Ltd.	Zhejiang, China	22,959	531	1,098	1,060
	Terumo (Philippines) Corp.	Laguna, Philippines	25,157	274	1,836	1,662
	Terumo Penpol Pvt. Ltd.	Kerala, India	5,881	23	569	486
	Terumo Vietnam Co., Ltd.	Vinh Phuc, Vietnam	10,913	177	551	405
	Terumo BCT Vietnam Co., Ltd.	Dong Nai, Vietnam	11,104	238	1,160	895

Note: Since only CO₂ emissions from Scope2 were listed for the sites in Japan in the report published in October 2021, Scope1 emissions were added in April 2022. The current version indicates CO₂ emissions from Scope 1 and 2 for all the sites.

Company Name

Terumo Corporation

Founded

September 17, 1921

Share Capital

¥38.7 billion

Revenue (Consolidated)

¥613.8 billion (For the fiscal year ended March 31, 2021)

Employees

5,247

Terumo Group: 26,482

(As of March 31, 2021)

Tokyo Office

Tokyo Opera City Tower,

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

Head Office

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Tokyo 151-0072, Japan

Business

Manufacturing and sale of medical devices and pharmaceuticals

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., Terumo Medical Pranex [Executive Officer in charge of] Intellectual Property Dept., R&D Promotion Dept.
Shoji Hatano	Director and Managing Executive Officer [Supervising Executive Officer for] Corporate Affairs Dept., Legal and Compliance Dept., Japan Sales 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 Managing Executive Officer Chief Human Resources Officer (CHRO) [Supervising Executive Officer for] Human Resources Dept., IT Planning Dept., India and Asia Pacific Region [Executive Officer in charge of] Global Human Resources Dept., Human Resources Development Dept., Diversity Promotion Dept.
Yukiko Kuroda	Independent Director Managing Director and Founder, People Focus Consulting Co., Ltd.
Hidenori Nishi	Independent Director
Keiya Ozawa	Independent Director Professor Emeritus, Visiting Professor of Jichi Medical University

(As of September 1, 2021)

Directors (Audit and Supervisory Committee Members)

Takanori Shibasaki	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, 2021)

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TERUMO CORPORATION

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