

Terumo Report
2022
ESG Section

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.

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About the Terumo Report ESG Section

Editorial Policy

Terumo prepares communication tools to provide stakeholders with straightforward reporting on the business activities it is pursuing in fulfillment of its Group mission—"Contributing to Society through Healthcare"—and to promote communication with society.

Terumo Report provides brief summaries of financial and non-financial information, including business strengths, key initiatives, performance reports, mid- to long-term growth strategy, and key initiatives for CSV and ESG, from a mid- to long-term perspective. Terumo Report ESG Section contains wide-ranging information on the Terumo Group's initiatives for ESG as a foundation supporting social value creation through the resolution of healthcare challenges, along with relevant data. At Terumo, we define the combined Terumo Report and Terumo Report ESG Section as our integrated report.

Scope of this Report

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

Report Period

Fiscal 2021 (April 1, 2021 through March 31, 2022)

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

Referenced Guidelines

- GRI Sustainability Reporting Standards
- SASB Standards
- Task Force on Climate-related Financial Disclosures (TCFD)
- Japanese Ministry of the Environment, Environmental Reporting Guidelines 2018

Information Disclosure System

Business and Financial Information

Non-financial Information

Terumo Report

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

Investor Relations (IR) website

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

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

Consolidated Financial Statements

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

Terumo Report ESG Section

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

* For fiscal 2021, this report was issued under the name Sustainability Report 2021.

Sustainability website

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

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

Corporate Governance Report

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

Sustainability at the Terumo Group

Terumo Group Sustainability Policy

Based on the Group Mission of Contributing to Society through Healthcare, Terumo believes that its social mission (corporate purpose) is to lead the advancement of healthcare and the enhancement of patients' QOL. To achieve this, Terumo will strive for the utmost quality in all activities, create solutions of value by utilizing new technologies, and spread those solutions globally.

Amid drastic changes in social and global environments, Terumo will also take leadership toward solving a variety of

social issues, and to meet the expectations of its broad range of stakeholders.

Through these sustainability efforts, Terumo will contribute to the realization of a sustainable society, create new Terumo strengths and culture, and bring about sustainable corporate growth. With the Core Values and Group Code of Conduct as guides, we will meet the future challenges of healthcare and society together as Terumo Group associates.



TERUMO's Purpose
<https://www.terumo.com/about/purpose>

Sustainability Priorities

Sustainability Priorities

Based on the Terumo Group's Sustainability Policy, we have identified seven sustainability priorities we will focus on to realize our Group mission. These priorities are classified into the categories of "Social value creation" and "Foundation supporting social value creation."

Social value creation

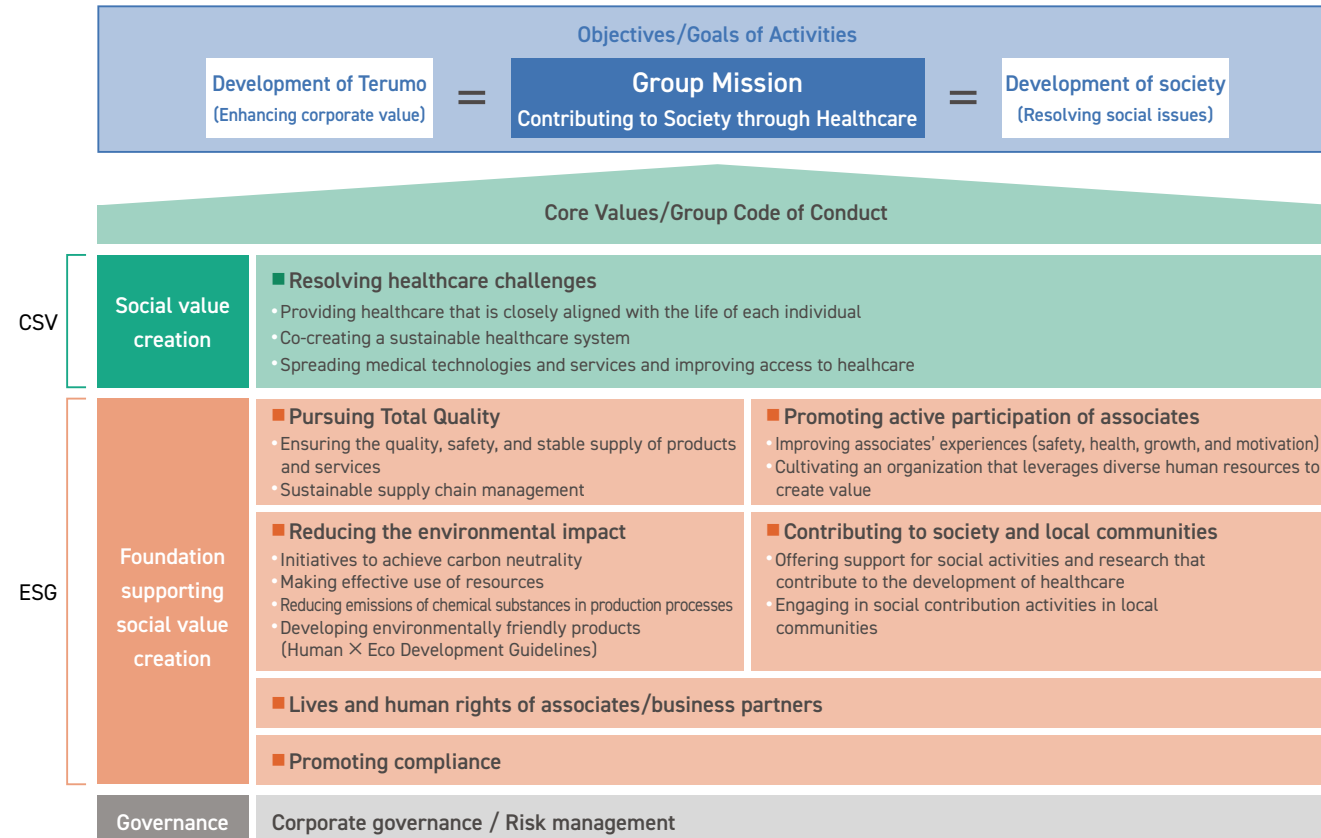
We have defined "Resolving healthcare challenges" as the most important sustainability priority for us and will focus on contributing to the advancement of healthcare and the enhancement of patients' quality of life. By doing so, we will create value for society and strive to realize a sustainable society as well as the Group's sustainable growth.

Foundation supporting social value creation

As a foundation to support the creation of social value, we have set six sustainability priorities including "Pursuing total quality," "Promoting active participation of associates," "Reducing the environmental impact," and "Lives and human rights of associates and business partners." While responding to various social demands, we will build a solid business foundation through our unique activities.

Sustainability Priorities

■ ■ : Sustainability Priorities



Sustainability at the Terumo Group

The Process to Determine Sustainability Priorities

The Terumo Group determines priorities according to the following process.

STEP1 Identify potential issues

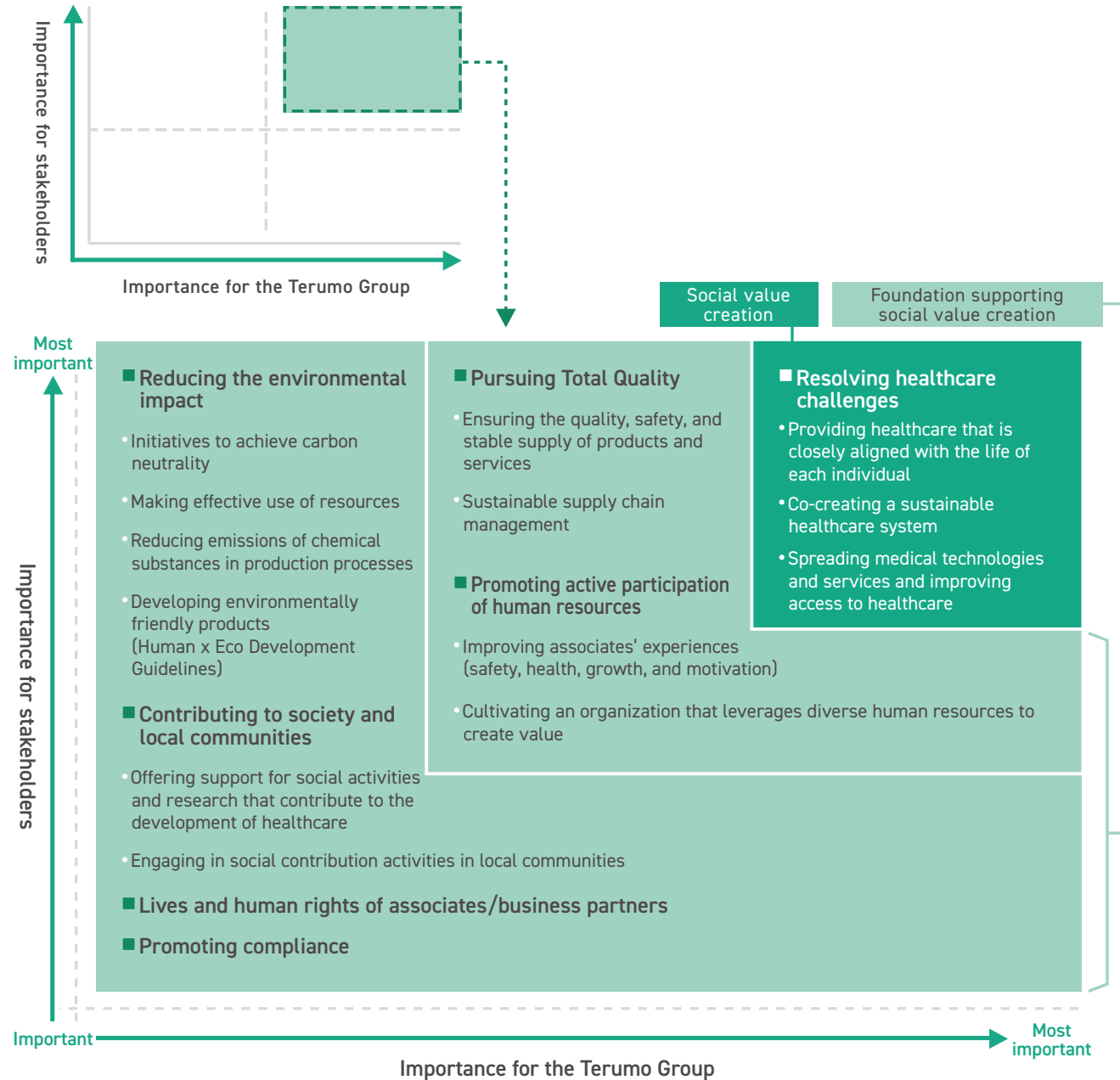
Referring to sustainability guidelines and standards such as those published by GRI and SASB, comprehensively identify which sustainability issues concern the Terumo Group.

STEP2 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.

STEP3 Determine priorities

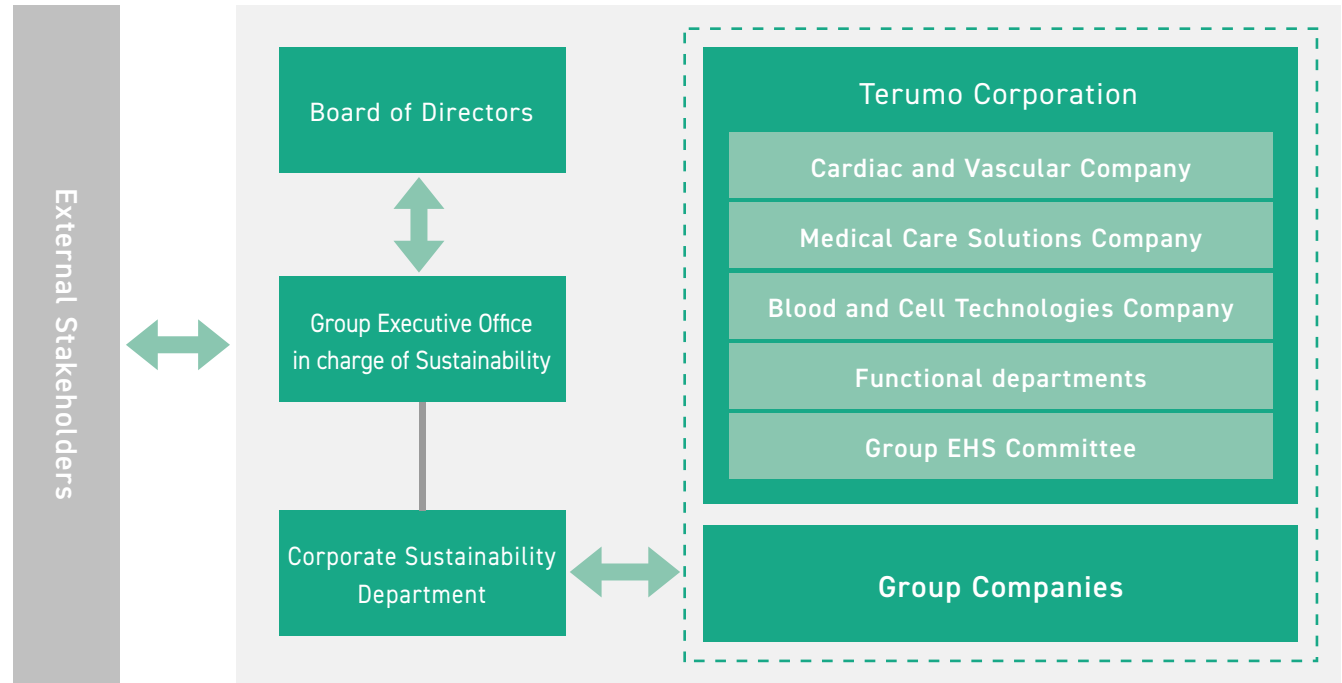
Taking into consideration the current status of initiatives within the Terumo Group, determine the sustainability priorities from among those that had been selected for their high level of importance. The executive management meeting and the board of directors meeting then deliberates over the priorities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



Sustainability at the Terumo Group

Sustainability Management

The Corporate Sustainability Department coordinates and promotes sustainability activities throughout the Terumo Group. The Department sets action policies and priorities related to sustainability, finds ways to disseminate these throughout the Group, and promotes specific initiatives, by working together with related departments, committees, and the group companies. It also interacts with internal and external stakeholders, sharing information and engaging in discussions, to understand the expectations society has for the Terumo Group and reflect these in the initiatives. The group executive officer in charge of sustainability reports periodically to the Board of Directors about the status of the initiatives regarding sustainability priorities. In addition, the matters pointed out in the Board of Directors meetings are given feedback to the relevant departments for improving the initiatives.



As of October 31, 2022

Sustainability at the Terumo Group

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 (SBTi)

Terumo received approval from SBTi for the previous greenhouse gas (GHG) emissions reduction target that commits to pursuing global warming prevention efforts of "well below 2°C above pre-industrial levels." (Terumo has revised its GHG emissions reduction targets and applied to the SBTi for an updated certificate to the "1.5°C target" which is in line with a level to limit the temperature rise to 1.5°C above pre-industrial levels.)



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

External Recognition

MSCI Japan ESG Select Leaders Index

Terumo has been selected as a constituent stock of the MSCI Japan ESG Select Leaders Index, a major index of Environmental, Social, and Governance (ESG) investment (as of June 2022).

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

2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

FTSE4Good Index Series/FTSE Blossom Japan Index/FTSE Blossom Japan Sector Relative Index

Terumo has been selected as a constituent stock of the FTSE4Good Index Series, the FTSE Blossom Japan Index, and the FTSE Blossom Japan Sector Relative Index created by FTSE Russell (as of June 2022).



FTSE4Good



FTSE Blossom Japan



FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

Terumo has been selected for inclusion in the S&P/JPX Carbon Efficient Index (as of March 2022).



SOMPO Sustainability Index

Terumo has been selected for inclusion in the SOMPO Sustainability Index (as of June 2022).



Sompo Sustainability Index

Health & Productivity Stock Selection

Terumo was selected for inclusion in the Health & Productivity Stock Selection for seven consecutive years from 2015 to 2021. This stock selection is determined jointly by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange.



Environment

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EHS Management

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. (For information on the initiatives to promote occupational safety and health, please refer to ["Occupational Safety and Health"](#) on p. 36)



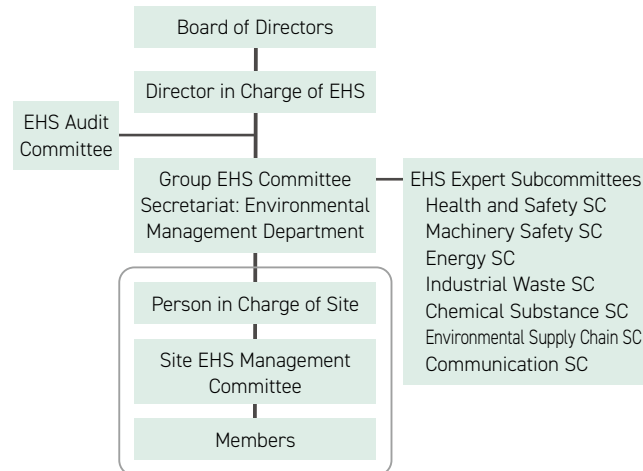
Terumo Group EHS Policy (Please visit the Regulations and Standards section of Terumo's corporate website.)
<https://www.terumo.com/about/regulation>

EHS Management

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) Certification

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 standards. (For information on ISO 45001 certification, please refer to [p. 36](#))

Company name	Site
Terumo Corporation	Head office (Environmental Management Department)
	Fujinomiya Factory
	Kofu Factory
	Ashitaka Factory
Terumo Yamaguchi Corporation	-
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

EHS Management

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 2021, 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 2021, we conducted audits at 50 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 2021, there were no serious environment-related accidents or leaks.

Compliance with Environmental Laws and Regulations

In fiscal 2021, 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.

In fiscal 2021, the initiatives that were recognized as eco-friendly measures included activities aimed at realizing carbon neutrality, such as energy-saving measures and switching over to renewable energy, and activities relating to the effective utilization of resources, such as the reduction of water usage, reducing the amount of waste generated and increasing the recycling rate, etc. Initiatives recognized as being both human-friendly and eco-friendly included measures that both reduced the amount of resources used when manufacturing products and made the products safer to use for patients, and measures that realized reduced EHS risk through effective chemical reagents management.

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.

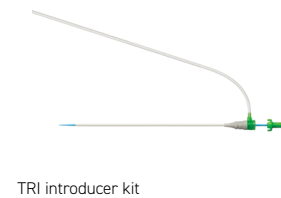
“Human × Eco” Development Guidelines



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 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.



Drug-eluting stent

Intravascular Ultrasound Catheter—Shortened Examination Times and Improved Efficiency

Intravascular ultrasound catheters are used when performing intra-vascular 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

Development of Environmentally Friendly and Safe Products

Infusion Pump—Resource Conservation and Improved Usability

An infusion pump is a medical device that administers an intravenous solution (IV) etc. at a specified flow rate. By comparison with conventional devices, this product is around 40% lighter. This makes it easier to carry around, and it is also expected to make a positive contribution to environmental protection through resource conservation and enhanced delivery efficiency. Furthermore, the use of a color LCD display makes the display easier to read, and the provision of a wireless communication function that enables simple transfer of activity record data is expected to contribute toward enhancing the working efficiency of medical professionals.



Infusion pump

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.

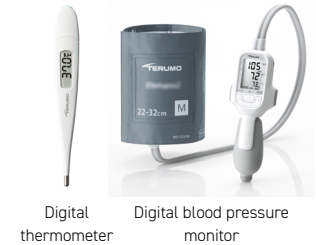


Closed infusion system

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 been illegal to manufacture and engage in trade involving products containing mercury since 2021. Terumo ceased production of mercury thermometers in 1984. That was over 30 years ago and since then we have contributed significantly to the elimination of mercury from medical settings and homes by developing and introducing products such as mercury-free digital thermometers and digital blood pressure monitors, which are friendlier to the environment and safer to use.

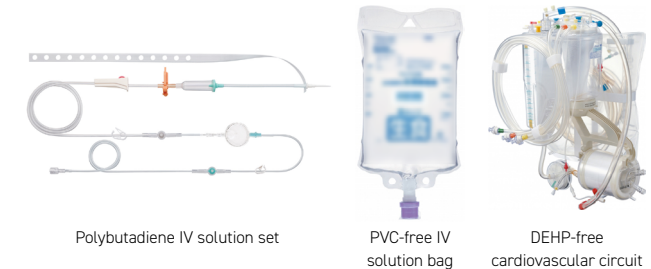


Digital thermometer

Digital blood pressure monitor

Promoting PVC-Free, DEHP-Free Products

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



Polybutadiene IV solution set

PVC-free IV solution bag

DEHP-free cardiovascular circuit

Initiatives to Address Climate Change

Various international frameworks have been established in regard to climate change, such as the Paris Agreement and the United Nations Sustainable Development Goals, which were both adopted in 2015. Against this backdrop, companies are expected to set and work toward accomplishing 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 countermeasures, is an important management task. Accordingly, we are addressing this task through a concerted Group effort.

To further accelerate countermeasures against climate change, Terumo revised its reduction target for GHG emissions from its business activities (Scope 1 and 2) in fiscal 2021 and set a new target of achieving carbon neutrality* by fiscal 2040. Based on this revision of the GHG emission reduction target, Terumo has applied to the Science Based Targets initiative (SBTi) for an updated certificate for the "1.5°C target" which is in line with a level that limits the temperature rise to 1.5°C above pre-industrial levels. In addition, Terumo newly set a target for renewable energy use to achieve the revised GHG emission target. Terumo will further promote the use of renewable energy such as solar power in addition to conventional energy-saving activities. Terumo will also work to reduce GHG emissions throughout the value chain such as reducing waste, making effective use of natural resources, developing environmentally friendly products, and advancing joint delivery with other companies.

* Carbon neutrality means that the amount of carbon dioxide emitted and the amount of carbon dioxide absorbed are in balance.

Terumo Group's Greenhouse Gas (GHG) Emissions Reduction Targets

Scope 1 and 2*

- Reduce absolute GHG emissions by 50% by 2030 compared to 2018
- Increase the renewable electricity use ratio to 50% by 2030
- Achieve carbon neutrality by 2040

Scope 3

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



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

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

Scope 2: Indirect GHG emissions from energy production such as purchased electricity (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 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 renewable energy and energy that has low GHG emissions.

In fiscal 2021, we reduced GHG emissions by an amount equivalent to 1.3% of the Group's overall energy use in the previous fiscal year, by implementing 89 energy efficiency improvement projects, including upgrading of utility facilities and production equipment, along with an improvement of operational methods. In addition, we increased the ratio of electricity derived from renewable energy to 10.6% for the entire Terumo Group while taking into account the electric power supply system in each country that we operate in. In Europe, where renewable energy sources are widely used, about 88% of the electricity used at production sites comes from renewable energy sources. The Terumo Vietnam factory switched over to using electricity derived from renewable energy for all electricity used at the factory by obtaining a Tradable Green Certificate. Furthermore, large-scale solar panels installed on the premises of the factory will go into operation in fiscal 2022. In Japan, GHG emissions were reduced by 16 thousand tons in fiscal 2021 by switching over to using clean electricity with a low CO₂ emission coefficient. In the Americas, a new factory of Terumo BCT started operation in October 2021 in Costa Rica, where the ratio of renewable energy use is high.

As a result of these measures, the Group's overall GHG emissions in fiscal 2021 were down 5.8% year on year, and down 8.2% compared to fiscal 2018.

Initiatives to Address Climate Change

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 working on joint transportation of procured goods with our suppliers as well as a shift to more eco-friendly modes of transportation for shipped products (specifically, a shift from trucks to ships). In fiscal 2020, we also launched a new shared transportation initiative within Japan for shipped products, and worked on reducing CO₂ emissions associated with product delivery.

CO₂ Emissions (Scope 1 and 2)

	FY2019	FY2020	FY2021
Japan (t-CO ₂)	156,814	154,277	138,904
Overseas (t-CO ₂)	125,225	119,839	119,400
Total (t-CO ₂)	282,038	274,116	258,304*

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

* Data assured by a third party

Note: CO₂ emissions are calculated by using the CO₂ emission factors for electricity for each fiscal year provided by power companies.

CO₂ Emissions in Fiscal 2021 (Breakdown of Scope 1 and 2)

	Scope 1	Scope 2	Total
Japan (t-CO ₂)	44,680	94,224	138,904
Overseas (t-CO ₂)	21,987	97,413	119,400
Total (t-CO ₂)	66,667*	191,637*	258,304*

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

* Data assured by a third party

For more information about CO₂ emissions (Scope 3), energy consumption, and renewable energy use, please refer to [“Data Sheets” on pp. 61-62.](#)

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

In March 2022, Terumo publicly declared its support for the Task

Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB), and for its recommendations. Below, Terumo discloses the impacts of climate change on our business activities and our measures to address them under the TCFD framework.

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 on the next page.
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 scope of the risks covered by the Terumo Group's risk management includes climate change-related risks noted by the Group EHS Committee. The climate-related risks are monitored based on the risk management plan under the risk management system established by the Risk Management Committee.
Indicators and Targets	<ul style="list-style-type: none"> To further accelerate countermeasures against climate change, Terumo revised its reduction target for GHG emissions from its business activities (Scope 1 and 2) in fiscal 2021 and set a new target of achieving carbon neutrality* by fiscal 2040. Based on this revision of the GHG emission reduction target, Terumo has applied to the Science Based Targets initiative (SBTi) for an updated certificate for the “1.5°C target” which is in line with a level that limits the temperature rise to 1.5°C above pre-industrial levels. Terumo newly set a target of increasing the ratio of renewable electricity use to 50% by 2030.

Initiatives to Address Climate Change

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

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

TOPICS

Terumo Vietnam installs a large-scale solar panel array at its factory

In Vietnam, coal-fired power generation is the main source of electricity supply and with the recent increase in electricity usage, the impacts on the environment are starting to attract attention.

Responding to this situation, the Terumo Vietnam factory, which produces products for the Cardiac and Vascular Company, is installing a large-scale solar panels with a total output of approximately 3.53MW on the premises of the factory. The implementation will be completed within fiscal 2022. Through this initiative, the factory will reduce CO₂ emissions by approximately 2,700 tons annually and the solar panels will also provide power to meet 14% of the total power consumption of the factory. The factory is also aiming to achieve stable factory operation through this in-house power generation.



Terumo Vietnam factory in Hanoi City



Electricity generation has begun, increasing in stages starting from August 2022

MicroVention's Costa Rica plant wins an Ecological Blue Flag Award

MicroVention's Costa Rica factory (located in San José City) has been implementing waste sorting and recycling, environmental protection awareness-raising activities for associates, energy-saving activities in line with ISO 50001 (the international standard for energy management systems), tree-planting, etc. As a result of continued implementation of these measures throughout the factory, it has succeeded in raising the waste recycling rate and reducing energy consumption. These achievements have been recognized by the Costa Rican government, which has presented the factory with the Ecological Blue Flag award, which is given to companies and organizations in Costa Rica that proactively implement activities to reduce the burden on the environment.



Tree-planting activity



Poster encouraging associates to sort and recycle waste

Effective Utilization of Resources

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 plastic and metal 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 2021, the recycling rate (for Terumo Group business sites in Japan and manufacturing sites overseas) was 90.0%. Final waste disposal accounted for 0.14% 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

	FY2019	FY2020	FY2021
Recycling volume(t)	17,872	18,232	19,503
Recycling rate(%)	83.8	88.2	90.0

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

Final Waste Disposal

	FY2019	FY2020	FY2021
Total emissions (t)	10,304	10,427	11,408
Final waste disposal(t)	16	16	15
Ratio of final waste disposal to total emissions (%)	0.15	0.16	0.14

Scope: Terumo Group business sites in Japan

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. 62.)

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 2021, Terumo Group business sites in Japan sent a total of 31 tons of paper to contracted recycling firms, along with 207 tons of plastic packaging materials,

for a combined total of 238 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 2021, thanks to the progress made in making water use visualizable, overall water use per unit of revenue for the Terumo Group was reduced by 16.2% year on year, representing a 22.6% reduction compared to fiscal 2018. 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

	FY2019	FY2020	FY2021
Japan (1,000 m ³)	3,864	3,518	3,617
Oversea (1,000 m ³)	1,801	1,616	1,310
Total (1,000 m ³)	5,666	5,134	4,927
Index of water use per unit of revenue (FY2018=100)	99.5	92.4	77.4

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

Note: Figures for performance in fiscal 2019 and 2020 have been restated to rectify past errors in the collection of data.

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.

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.

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. 63](#).

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

Proper Disposal of Polychlorinated Biphenyls

Terumo's business sites in Japan ceased the use of all equipment (transformers, capacitors, etc.) containing high levels of polychlorinated biphenyls (PCBs). This equipment is in interim storage and being systematically disposed of by the Japan Environmental Storage & Safety Corporation (JESCO). Equipment containing low concentrations of PCBs is also being systematically disposed of by private waste disposal management companies.

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 2021, 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



Tree planting activity

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 2011–2021)

- Total number of participants: 2,334
- 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.

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 2021, a total of 7,825 people took part in the ECO Challenge, undertaking seven energy-saving and resource-conservation activities that will contribute toward reducing CO₂ emissions, as well as a carbon neutrality education program. 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 1,162 schools in the Philippines have participated,



Children observing nature

and have planted around 2.96 million trees to date.*

* Based on information available on OISCA's website (as of July 31, 2022)

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*) and other trees.
- Coastal forests help safeguard against winds, sandstorms, and high tides, playing an important role in protecting the lifestyles of farmers and other community members as well as the environment in coastal regions.
- Since 2011, the project has received a total of ¥880 million in donations, and more than 370 thousand trees have been planted.
- From fiscal 2021, activities have shifted from planting to forest cultivation, and thinning and other activities have been implemented.



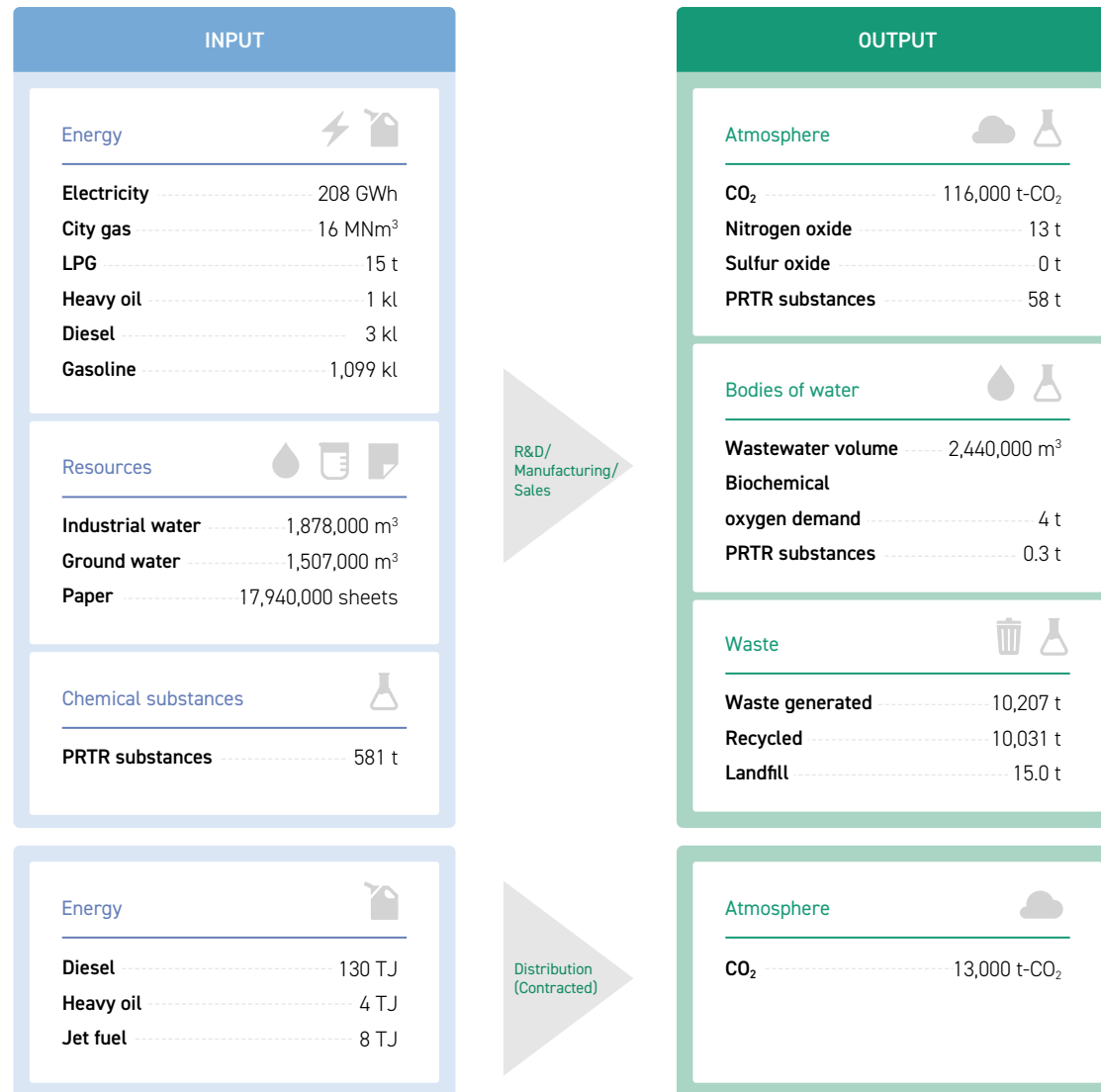
Tree planting activities

The total amount of funds dedicated to biodiversity preservation projects in Japan in fiscal 2021, including donations to the Mt. Fuji Reforestation Project and other biodiversity preservation projects, was approximately ¥2.1 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 factors for electricity are the fiscal 2021 factors provided by power companies.

4: Terumo's Sustainability Report 2021 (published in October 2021) gave total CO₂ emissions from R&D, manufacturing and sales activities in fiscal 2020 as 93,000 t-CO₂. However, some data was omitted from the calculation by mistake. The correct figure is 132,000 t-CO₂.

Society

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Quality and Safety of Products and Services

Basic Approach

At the Terumo Group, we strive to enhance product quality and achieve continuous improvement in quality systems and processes to promise safety and reliability to medical settings. High product quality is one of the hallmarks of the Terumo Group, and we work to improve quality in every process from product design to manufacturing, distribution, and storage, as well as in the product life cycle from the initiation to the cessation of a product's sale. 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

Quality Management Governance Structure

At the Terumo Group, we have developed a quality management governance structure headed by the 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. With the CQO exercising oversight, we have established a system of quality assurance, promotes compliance with Japanese and worldwide regulations, and provide product quality improvement guidance to production sites. Furthermore, global meetings are convened 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 vision, policy, and objectives 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.

We developed a Global Quality Policy and are promoting the Policy to continuously manufacture high-quality, safe, and reliable products at all production sites of the Terumo Group. The Policy details the seven practices (procedures and items) pertaining to the quality management system that every associate across the Group should adhere to. Furthermore, we are working on the sharing of QMS improvement tools created based on quality data and information analysis of external and internal quality trends, as well as the development of preventive activities tailored to the specific characteristics of each production site, to prevent the recurrence of similar quality problems and achieve a high level of manufacturing and quality management. We also define "Kin-Shitsu" (homogeneous) as the product quality the Terumo Group should aim for, and have established KPIs for quality at each of our production sites to realize "Kin-Shitsu" products. In our mid- to long-term growth strategy, the Terumo Group aim to gain patient trust and customer satisfaction by continuously supplying "Kin-Shitsu" products to the global market.

To supply products to the global market, it is essential for us to continuously maintain a quality system that adapts and conforms to the requirements of each country's regulations and standards. With this in mind, we are building a system that enables efficient and effective Companywide cooperation and swift response to comply with regulations in Japan and overseas by systematizing the roles of quality departments and of each production site of the Terumo Group. By doing so, we aim to comply with Japanese domestic laws and regulations when we sell products manufactured at each production site to the Japanese market and comply with new regulations outside of Japan as soon as they come into effect to sell products to the global market.

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 been implementing measures to ensure data integrity in the manufacturing of pharmaceuticals. We are also working to implement and build data integrity into the process for the production of medical devices similar to that required for pharmaceuticals.

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 quality management system that conforms to international standards 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 assurance 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 Companywide project team was formed 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. We are currently switching to products that conform to the MDR as needed. In addition, as with medical devices, we worked to make our products conform to the In Vitro Diagnostic Regulations (IVDR), a statutory requirement. Through these efforts, Terumo obtained external certification for IVDR in June 2022.

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

Quality and Safety of Products and Services

system has been instituted at all relevant 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 executives 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 180,000 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 renewed call response 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 organizations. 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 [p. 22](#).

Training of Medical Professionals

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.

Quality and Safety of Products and Services

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 170,000 visitors since its opening in 2002.

We aim to have visitors gain an in-depth understanding of Terumo through their experience at the Terumo Pranex. In addition, we strive to offer visitors a space where they can experience the contribution that we make to society through healthcare by providing medical training for medical professionals in Japan and overseas based on our experience and knowledge in relation to medical training accumulated over many years.



Training being performed at Terumo Medical Pranex



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

Procurement

Basic Approach

Terumo has established the Terumo Group Procurement Policy in fiscal 2019, which outlines the basic approach of Terumo's procurement activities based on the Terumo Group Code of Conduct. 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 conduct business in accordance with the Supplier Guidelines.



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

Supply Chain Management

Promotion System

At Terumo, fulfilling social responsibilities across the supply chain through coordination with suppliers is viewed as an important part of procurement. The Supplier Guidelines, consisting of seven chapters, form the basis for coordination with suppliers. We are working to include the first two chapters, "1. Quality, Safety" and "2. Stable Supply," in our contracts with suppliers. We also ask suppliers to familiarize themselves with the other five chapters, "3. Promotion of Compliance," "4. Fair Dealings," "5. Consideration for Human Rights for Labor," "6. Consideration for the Environment," and "7. Management Systems," and we request that direct material suppliers in particular sign an acknowledgment in relation to these chapters. In addition, we are expanding our efforts to request the signing of the acknowledgment for the last five chapters of the Supplier Guidelines not only by the suppliers of Terumo Corporation but also by suppliers of group companies in Japan, Europe, the U.S., and Asia.

Regarding the state of the measures implemented by suppliers, with respect to the manufacturing facilities of raw materials

suppliers located in regions with high country risk, we are proceeding steadily with the administration of a self-assessment questionnaire (SAQ) that includes questions about the state of implementation of measures relating to human rights, labor, the environment, health and safety, corruption prevention, and business continuity planning (BCP). Based on the responses given to the questionnaire, besides making requests for improvement in accordance with relevant international standards, local laws and Terumo's Supplier Guidelines, when necessary, we also provide feedback in regard to items for which it was recommended that the supplier in question implement self-directed improvements.

In the procurement of materials, we manage suppliers at our production sites based on the Quality Management System. We also conduct regular audits of suppliers that could directly affect the quality of our products in line with the risks associated with those suppliers. Through these efforts, we strive to ensure the quality and safety of our products.

Procurement Systems for Ensuring Stable Supply of Products

With quality and stable supply of products 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 assess supply-related risks for individual businesses and products in response to global issues such as natural disasters, COVID-19, and geopolitical risks, and with the understanding and cooperation of our suppliers, we are working to build a stable supply system through measures to secure multiple procurement sources and maintain appropriate inventory levels.

EHS* Initiatives Related to Procurement

Terumo is striving to reduce EHS-related risk in the supply chain through the above-mentioned request to sign acknowledgement of the Supplier Guidelines and questionnaire survey. With regard to raw materials transportation, we are aiming to cut procurement-related CO₂ emissions and reduce the burden on the environment through measures such as consolidation of truck deliveries (by means of joint delivery) and reducing the number of journeys made.

* 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, as needed, we ask that suppliers inform us of whether or not said materials contain any of the aforementioned conflict minerals.

Procurement-related Compliance

When dealing with suppliers, 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 Corporation in Japan has established its procurement policy and the related bylaws. The policy and by laws include rules governing prohibitions on conflict of interest, compliance with relevant laws and regulations such as the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, signing agreements regarding exclusion of anti-social forces (i.e. organized crime groups), and obtaining suppliers' signatures in acknowledgment of Terumo's Supplier Guidelines before selecting suppliers. Based on these rules, we undertake fair dealings with suppliers. In addition, we work together with our Group companies to ensure that appropriate regulations and processes are in place for the Terumo Group as a whole.

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. 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.

Procurement

Terumo Americas Holding Inc. (TAH) is working to create opportunities for diverse suppliers by making efforts to identify businesses owned by minorities, women, LGBT individuals, veterans, service-disabled veterans, and people with disabilities, as well as business located in historically disadvantaged areas or HUBZones, and other small businesses.

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."

Human Resources

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 Strategies

Basic Approach

As healthcare and society as a whole is changing rapidly, 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 through encouraging each associate to adopt a “Growth Mindset” to continue to take on new challenges and learn, also working to ingrain a culture of diversity, equity, and inclusion in the organization. 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, we collaborate with HR leaders and members of Group

companies in Japan and overseas to share the issues and practices at each company to uphold a common HR vision under the Chief Human Resources Officer (CHRO). In addition, we have HR teams comprising expert members of each area from various regions and organizations to design and implement common HR programs.

Vision



A LEADING-EDGE BUSINESS



A COLLABORATIVE, CONNECTED AND ENGAGED CULTURE



TECHNOLOGY AND DATA-ENABLED ACTIONS



DIVERSE, ENTERPRISE LEADERSHIP



HR AS A CRITICAL COMPONENT TO BUSINESS STRATEGY



FULLY-LEVERAGED TALENT POTENTIAL

Global Human Resources Strategy



Global Human Resources Development

With operations in more than 160 countries and regions 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.

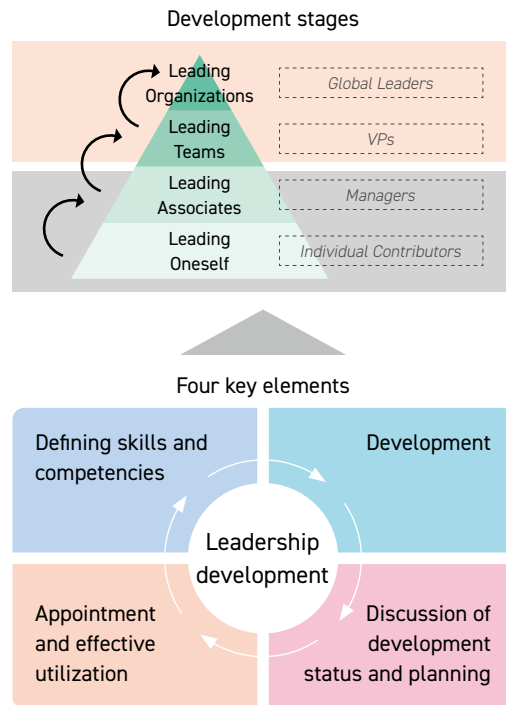
In fiscal 2019, we defined the leadership skills and competencies that will be required in order to meet the Terumo Group’s future business challenges, and we launched the Global Leadership Development Program for executives to develop global management talent that possesses these skills and competencies. 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, we have begun to implement a Groupwide development program for associates with 3–5 years of work experience, and who have high potential.

In addition, information about the Terumo Group’s key talent is shared among senior management for discussions on development, effective utilization and deployment of those talents across the Group to expand the pipeline of global leaders and strengthen the organization. We are also undertaking systematic continuous succession planning of business leaders such as potential successors of CEO positions at the overseas Group business companies, incorporating external objective assessment based on a common global framework so that the CEOs can 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. Starting from fiscal 2022, we will further expand global job posting and promote the success of diverse human resources regardless of race and nationality.

Human Resources

Development stages and four key elements



Human Resources Development (Terumo Corporation)

Human Resources Development/Training Program

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.

Main Content of the Human Resources Development/ Training Program (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, program 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 program for young associates, and global human resources development (including overseas training)
Development of R&D Talent	<ul style="list-style-type: none"> •Advanced Terumo Medical Academy (ATOM) •Management of Technology (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)

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. To accompany the adoption of a new human resources policy in 2022, we are implementing a timely overhaul of training for managers, for example by introducing training programs that reflect the new program. We have also introduced a new career design training program for associates around the age of 30 and 40, and for associates reaching the age of 50, to help them 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 program 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 program 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.

Human Resources

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 online communication tools 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.

Human Resources (HR) Policy (Terumo Corporation)

In April 2022, Terumo began implementing a comprehensive overhaul of its HR policy, with the aim of further enhancing the Company's "human capital strength."

In order for Terumo to become a company that is able to realize solutions to new health-related problems on a global scale, it is vital for us to put in place an environment in which the talents who will lead and support the implementation of our strategies are able to fully develop their diverse capabilities, and it is also important for every associate to pursue their growth.

The new HR policy embodies three concepts: self-owned career development, fitting the right talent in the right position, and providing support for growth. Rather than led by the Company, we aim to ensure that associates can design their own career development path, and that, through friendly rivalry with one another, they can take on the challenge of developing new opportunities to fulfill their potential guided by their own aspiration. Each position within the Company designed based on the Company's business strategy, is filled by the most suitable talent, regardless of age/tenure. In this way, we will provide further support for associates' growth in a strategic manner.

As the first stage in this process, in April 2022 we adopted a new grading policy for managerial positions. Going forward, through the three concepts outlined above, we aim to realize growth of individual associates and the Company.

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.

One-on-one Interview

Besides performance evaluation feedback and career planning interviews, starting from fiscal 2022 Terumo has also begun implementing one-on-one interviews. The aim is for supervisors and subordinates to meet together for around 30 minutes to one hour once a month to communicate with one another. The objective of the one-on-one interviews is to support the growth of the subordinates by providing regular, frequent opportunities for subordinates to share the experience that they have acquired through their work, for them to receive support on the issues and concerns that they currently have in regard to career development, and to reach consensus and clarify issues in relation to work goals and the role that the subordinate is expected to fulfill.

Terumo launched a new HR policy in fiscal 2022, and one of the key concepts underpinning this is "support for growth." The one-on-one interviews represent an important framework for underpinning this "support for growth" and enabling it to have impact. We will continue to promote and enhance these interviews in practice.

"Career Challenge" In-House Job Posting Program

In Japan, Terumo operates an in-house job posting program. Set up in 1997, this program enables associates from a range of departments and job families to enhance their careers by taking on new challenges and opportunities. For those with a

Human Resources

strong desire to move their career to the next level, the program, which is open to associates regardless of age (level) or gender, presents opportunities to gain experience and develop as business professionals.

In fiscal 2022, the program was renamed as the "Career Challenge" job posting. The content of the program has been radically overhauled, with the introduction of job postings for managerial positions, and the abolition of the requirement to have a set number of years' experience in one's present position to be eligible to apply, etc. We are promoting this program to provide more opportunities for the realization of "self-directed career development," whereby each associate thinks about their career from their own perspective and is able to take new opportunities to develop their career by their own ideas and capabilities.

Diversity, Equity and Inclusion (DE&I)

Basic Approach

Terumo provides medical products and solutions in more than 160 countries and regions. Currently, about 70%* of the Company's revenue is generated outside of its corporate headquarters in Japan and out of the 26,000 Terumo Group associates spread across the world, nearly 80%* work outside of Japan. Terumo believes it is most important for associates to respect and value differences as well as to empower everyone to bring their authentic self to work, in order to bring about innovation which will lead to the Company's continued growth.

In March 2022, Terumo established a global "DE&I Philosophy" to further cultivate the culture of Diversity, Equity, and Inclusion (DE&I) in Terumo Group. Additionally, a "DE&I Guiding Principle" has been defined to ingrain DE&I norms of behavior in policies, processes, and day-to-day work practices. The DE&I Philosophy and the DE&I Guiding Principle are aligned with Terumo's Core Values and the Terumo Group Code of Conduct and clearly state the commitment to cultivate a globally diverse, equitable, and inclusive culture. In the 5-Year Growth Strategy (GS26) starting from April 2022, Terumo also aims to be an organization in which diverse talents can flourish with their full potential toward the realization of global management. With the DE&I Philosophy in place, Terumo

will further strive to fulfill the Company's purpose to advance healthcare and enhance patients' quality of life.

* Calculated based on revenue for the fiscal year ending March 31, 2022 and the number of Terumo Group associates as of March 31, 2022.



DE&I Philosophy and Guiding Principle

<https://www.terumo.com/about/regulation/diversity-equity-inclusion>



The concept of the expression
The letters of DE&I, which overlap and are in various shades, represent the associates. The logo expresses that by respecting individual differences and providing appropriate resources for each associate's situation, the associates maximize their abilities, support Terumo, and achieve further growth. (The logo is internal use only)

Promotion System

In 2021, we launched a Global DE&I Council, the membership of which comprises associates who embody diversity in terms of gender, nationality, job family and levels, etc. The Council was involved in the formulation of the above-mentioned Terumo Group DE&I Philosophy and Guiding Principle, and promotes Groupwide, regional/country and company-level activities aimed at furthering the dissemination of the Philosophy and Guiding Principle.

Reports are submitted to the Board of Directors on a regular basis regarding planning and initiatives for DE&I promotion. Various suggestions based on diverse perspectives are received from independent directors.

TOPICS

"Terumo DE&I Week" was held across the Terumo Group

"Terumo DE&I Week" was held in March 2022, with the objectives of increasing mutual respect among associates and creating an environment where each associate is empowered to bring their authentic self to work.

Various events and activities such as messages from management, panel discussions were held at sites around the world.



Internal panel discussion held during the "Terumo DE&I Week"

DE&I Management (Terumo Corporation)

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 DE&I management. These messages are uploaded on to the Company intranet to further promote understanding among associates. We also share information on DE&I 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.

Human Resources

Major Initiatives Implemented So Far

- Posting of the targets and plans for DE&I initiatives on the Company's intranet
- Female independent director 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 e-learning for all Terumo associates, including seconded personnel (e-learning topics include: promoting an understanding of DE&I (including fostering the active participation of female associates), as well as the importance and significance of DE&I, unconscious bias, etc.)
- Disseminating information about DE&I through Terumo's social media accounts

Promotion of Active Participation by Female Associates

In order that our Company can continue to grow in today's diverse global community, Terumo's senior management has committed to the "Promotion of Active Participation by Female Associates" as part of our efforts to realize DE&I-aware management.

We set ourselves the target of having at least 10% of Terumo's managers be women by March 31, 2024. 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. In order to realize our goal, we have established a Promotion of Active Participation by Female Associates Project Team, and we are working systematically to cultivate female leaders, by implementing

various measures. 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, 2022, 18.1% of Terumo Corporation's associates and 8.4% of its managers were women.

Number and Percentage of Female Managers (Terumo Corporation)

	FY2017	FY2018	FY2019	FY2020	FY2021
No. (employees)	55	59	67	69	73
Percentage (%)	6.4	6.9	7.7	8.1	8.4

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
- Build networks for exchanging ideas in relation to career and life event related issues and information
- 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

Promotion of Active Participation by Global Human Resources

At Terumo, 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 program to offer additional support for the contributions of senior associates. Through this program, 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 program 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 2021, individuals with disabilities made up 2.30% 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.

Human Resources

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.

Associate Experience

Basic Approach

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 Groupwide global survey of the Associate Experience, along with the Core Values survey. 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.

Terumo Patient's Day

At the root of what motivates our associates is the strong belief that our work is meaningful. This is captured in our Group mission, "Contributing to Society through Healthcare." Since 2013,

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

Terumo Global Awards

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

Terumo 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 program in 2016, we have inducted nine associates as Terumo Fellows, including three associates newly appointed in 2022.

Promotion of Associate Health Improvement

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.

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.

Promotion of Global Wellness Program

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.

Human Resources

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.
 Prevention & care illness	Health examinations, vaccinations, treatment support, leave for treatment purposes, etc.
 Family care	Wellness support for associates' families

Initiatives to Enhance Engagement (Terumo Corporation)

Engagement means a spontaneous desire to contribute to the company and a wish to do one's work as well as possible. Terumo implements various initiatives to enhance associates' engagement.

Associate Engagement Survey

At Terumo, we implement the associate engagement surveys. Associate engagement surveys were administered to associates at all business sites in Japan once a year. Starting fiscal 2022, we have increased the frequency of survey to four times a year. These surveys contain questions on indicators consisting of associate engagement and items to understand the current conditions and details of associate engagement.

In fiscal 2021, 93.3% 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.

Internal Awards Programs

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

Honor the Front Line

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.

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 policies while also enabling associates to adopt flexible work styles that match their work or lifestyle in order to realize greater productivity.

Policies to Facilitate Flexible Workstyles (Terumo Corporation)

Policy	Description
Staggered working hours policy	Adjustment of start and end of work day by up to two hours available according to daily work and schedule
Flexible working hours policy	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 policy	Policy 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 policy	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	FY2021
Ratio of days taken (%)	71.0%	72.0%	59.9%	67.1%

Childcare and Nursing Care Support Policy

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.

Human Resources

Childcare and Nursing Care Support Policies (Terumo Corporation)

*As of fiscal 2021

	Policy	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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 policy	• Available with unlimited number of uses.
	Authorization to use company vehicles to drop off or pick up children at childcare facilities	• Associates can use company vehicles to drop off or pick up children at childcare facilities when on their way to perform business activities or when on the way home.

Nursing care	Long-term nursing care leave	<ul style="list-style-type: none"> • 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 policy	• Available with unlimited number of uses.
	Authorization to use company vehicles to drop off or pick up relatives at care facilities	• Associates can use company vehicles to drop off or pick up relatives at care facilities when on their way to perform business activities or when on the way home.

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 policies 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. Since fiscal 2020, this has been 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 policy 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 policy are posted on the Company intranet to spread awareness of the policy 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 2021, a total of 84 male associates, or 54.9% of all applicable associates, took childcare leave.

In encouraging male associates to take childcare leave, we recognize that having understanding supervisors and an environment conducive to taking leave as desired are of utmost importance. It is expected that male associates who have taken childcare leave will have developed a strong understanding of the benefits of 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)

	FY2017	FY2018	FY2019	FY2020	FY2021
Associates taking childcare leave (employees)	72	82	90	89	84
Percentage of applicable associates taking leave (%)	48.6	53.9	63.4	63.1	54.9

Human Resources

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, Kurumin certification program 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 policy 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 Policy

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 Policy expands the range of employment choices for associates who wish to resume

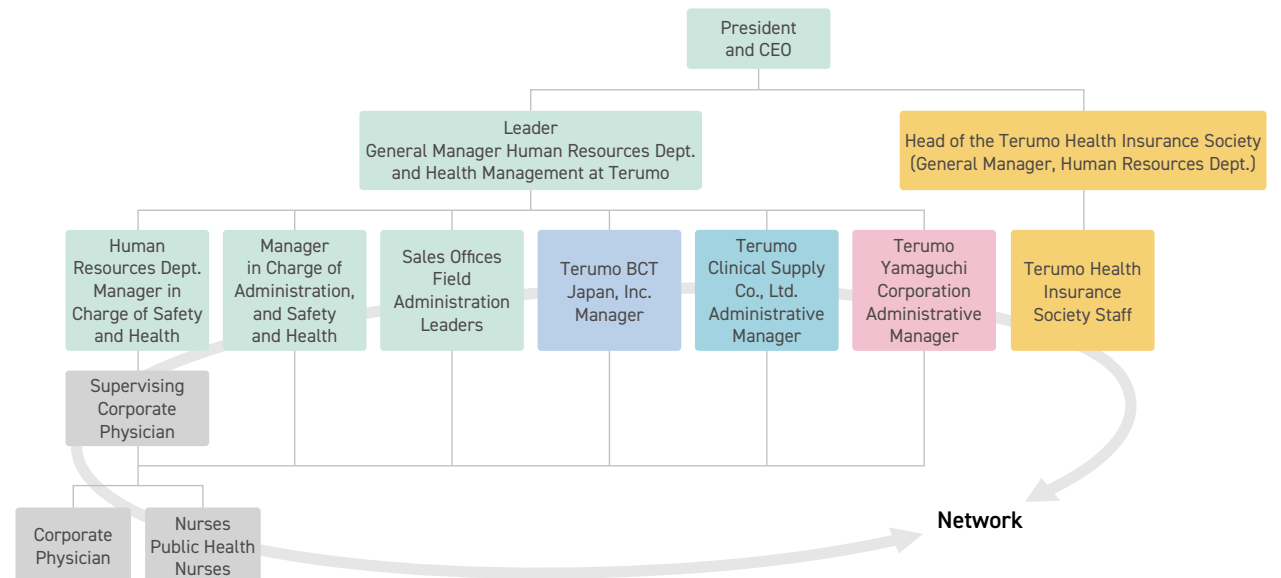
their careers at Terumo in Japan. By helping associates resume their careers, we are making it possible for them to put their broad experience and skills to use and contribute to Terumo's growth.

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

Terumo "Kenko Keiei" Promotion Team



Human Resources

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

Prevention	Early Detection	Health and Treatment Support
Exercise and diet	Health checkups	Health support
Company-sponsored gym memberships	Periodic health checkups	Specific health guidance
Walking campaign	Lifestyle-related disease checkups (cancer screening)	Health consultations
Diet campaign	Women's health checkups	Medical expense support and others
Financial support for vaccines	Dental checkups	Oral care
Influenza	Financial support for comprehensive neurological exams	Metabolic syndrome and diabetes prevention
Cervical cancer	Financial support for comprehensive medical exams	Workplace support for associates diagnosed with cancer
Refreshing activities	Follow-up exams	Smoking cessation
Lodging subsidies for travel	Financial support for breast cancer MRIs	
Pre-arranged rest and relaxation facilities		

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 2021 the ratio of smokers was 22.6%. 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 policy to help associates to continue to work while undergoing cancer treatment [Initiative Results]

- In fiscal 2021, 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 managing associate health, 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. 60.](#)

Human Resources

Workplace Support for Associates Diagnosed with Cancer

In recent years, with the advances and improvements in diagnostic techniques and treatment methods, there has been an increase in the number of cases where associates are able to continue working while undergoing treatment for cancer, instead of needing to take a long period off work. In January 2017, we established a new workplace support policy for associates who have been diagnosed with cancer, to provide flexible support so that they can balance treatment and work responsibilities, and enable them to take advantage of opportunities for treatment with peace of mind.

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.

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.

External Recognition

In recognition of the effectiveness of its “Kenko Keiei” initiatives, Terumo was selected for inclusion in the Health & Productivity Stock Selection for seven consecutive years, between fiscal 2014 and fiscal 2020. 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 (Seven consecutive years since fiscal 2015 to fiscal 2021)
- Sports Yell Company (Five consecutive years since fiscal 2017 to fiscal 2021)
- 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)

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.

Employee Shareholding Association

An employee shareholding association policy 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.

Human Resources

Occupational Safety and Health

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>

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. (For more information about the EHS management system, please refer to "[EHS Management](#)" on p. 8.)

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 45001 international standards.

Company name	Site
Terumo Corporation	Head office (Environmental Management Department)
	Fujinomiya Factory
	Kofu Factory
	Ashitaka Factory
Terumo Yamaguchi Corporation	-
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

Initiatives to Prevent Work-Related Accidents

In Japan, we have clarified the roles and responsibilities to promote occupational health and safety at the company. Our Occupational Health and Safety Management Committee plays a central role in promoting the company's occupational health and safety. 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; and 5S (sort, set in order, shine, standardize, sustain) programs are conducted. Results of improvement measures are shared with the official meetings, which then discusses further actions to take. EHS internal audits performed regularly also 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, and are working to cultivate human talent with specialist expertise and skills in the area of labor safety.

In addition to these measures, we have designated one day each year as safety pledge day (Safety Day) for all associates, including managers. On Safety Day, safety measures are implemented in an intensive manner at each workplace, with managers meeting together to discuss how to build a corporate culture that has safety as its foundation, and with the implementation of equipment inspections and traffic safety drills at each site.

We will continue to make efforts to achieve "zero work-related accident." (For more information about the number of work-related accidents resulting in lost work days, please refer to "[Data Sheets](#)" on p. 60.)



Workshop for senior management on Safety Day.

Human Rights

Human Rights Initiatives

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 group executive officer in charge of sustainability.

Major Initiatives

Category	Subjects
Compliance with Labor-related Laws, and Prevention of Harassment¹	<ul style="list-style-type: none"> 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 quality and safety of products and services²	<ul style="list-style-type: none"> Verifying compliance and the response to laws and regulations
Initiatives targeting suppliers³	<ul style="list-style-type: none"> Asking suppliers to sign an acknowledgement of the items stipulated in the Supplier Guidelines, including "Consideration of Human Rights for Labor" Beginning the implementation of the supplier self-assessment questionnaire (SAQ), including questions about the implementation of measures relating to human rights, and labor concerning the manufacturing facilities of raw materials suppliers located in regions with high country risk
Complying with ethical standards in research and development⁴	<ul style="list-style-type: none"> 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-corruption⁵	<ul style="list-style-type: none"> 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. 52.

² For more information about initiatives relating to ensuring the quality of safety products and services, please refer to "Quality and Safety of Products and Services" on pp. 20–22.

³ For more information about initiatives targeting suppliers, please refer to "Procurement" on pp. 23–24.

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. 54.

⁵ For more information about the main initiatives relating to bribery prevention and anti-corruption, please refer to "Anti-Corruption" on p. 53.

Contribution to Society and Local Communities

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) system, 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 used 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 donated a combined total of US\$2 million to the SRF in 2020 and 2021.



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

From the Heart: Blood Donation Activities in Countries throughout the World

Terumo Blood and Cell Technologies launched their "From the Heart" program in January of 2021 to further Unlock the Potential of Blood and Cells to promote global, voluntary blood donation. They are a global industry leadership in blood component, therapeutic apheresis and cellular technologies and so have a profound understanding of the need for a safe, sustainable blood supply to enable more equitable healthcare access around the world. They hosted numerous drives in many regions around the world for both our associates as well as the communities we are fortunate to call home. They hosted and sponsored drives throughout the year with a special focus on World Blood Donor Day on June 14. Associates donated blood and volunteered at many of the blood drives to ensure a safe and adequate blood supply in India, Africa, Japan, Latin America, North America and other APAC countries. India alone sponsored more than 756 blood donation camps and a 100-day Blood Donation campaign to celebrate the 100-year anniversary of Terumo. Associates donated more than 2,800 units of blood and the various global communities contributed more than 25,000 units which is estimated to impact more than 85,000 lives.



Terumo Blood and Cell Technology Associates around the world rolled up their sleeves to donate blood and save lives.

TOPICS

Recognition for Contribution to Blood Donation Activities in Japan

Terumo Kofu Factory received an Award from the Ministry of Health, Labour and Welfare in fiscal 2021 for its contribution to promoting blood donation. This award is presented to organizations or individuals recognized as outstanding and exemplary in the promotion of blood donation activities. The Kofu Factory has conducted blood drives every year for 38 years since it began operations in 1983, without a single interruption. In particular, the Kofu Factory was recognized as a model for other companies for a significant increase in the number of associates donating blood, as well as for its persistence in holding blood drives three times a year, even though many companies ceased blood donation activities after 2020 due to the COVID-19 pandemic. Terumo Corporation also received a letter of appreciation from the Minister of Health and Welfare and the Golden Order of Merit from the Japanese Red Cross Society in recognition of the Company's longstanding cooperation in blood donation conducted at the Hatagaya Office and the Tokyo Office in the Tokyo region. Terumo's offices in the Tokyo region have conducted a total of 72 blood donation activities for 43 years, with a total of 6,000 associates donating blood.



Award from the Minister of Health, Labour and Welfare in fiscal 2021 for the contribution to blood donation conducted by Terumo Kofu Factory (left)
Letter of Appreciation from the Minister of Health, Labour and Welfare (Right)

Contribution to Society and Local Communities

CoBA: Coalition of Blood for Africa

Aligned with our From the Heart campaign is our work with CoBA. CoBA is increasingly recognized as the leading voice for access to adequate, safe and sustainable blood in Africa, including by the World Health Organization. Terumo Blood and Cell Technologies leads the working group around Technical and Capacity Building for CoBA. Highlights from the program this year include increasing awareness about the need for blood donation and increasing the actual donations. A social media campaign on World Blood Donor Day reached more than 4 million Africans and a Facebook sponsored "Give Blood" campaign reached over 8.5 million Africans. A blood drive in Kenya on International Women's Day increased blood collections by more than 1,300% over 3 days. To celebrate World Blood Donor Day on 14 June, Global Blood Fund (GBF) partnered with the Africa Society for Blood Transfusion (AFSBT), and the Coalition of Blood for Africa (CoBA) to release multiple interpretations of Pete Townshend's song 'Give Blood', performed by leading African artists. Musician Pete Townshend gave permission for his classic song 'Give Blood' to be used for the first time to promote blood donation on 14 June.



Supporting the Leukemia & Lymphoma Society

One of the longest standing community relationships at Terumo Blood and Cell Technologies is the partnership with the Leukemia and Lymphoma Society (LLS). LLS is the world's largest nonprofit health organization dedicated to funding blood cancer research and providing patient education and services which is directly in line with our goal to Unlock the Potential of Blood. The partnership started in 2007 to raise funds as part of their Light the Night fundraising campaign. This year, more than \$100,000 was donated by our associates, organization, and sponsors. The campaign finished for the year with an in person walk in Denver to honor survivors, support those who are currently fighting and remember those they have lost.



Participants including Terumo BCT's associates

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.

At the second Terumo Medical Seminar held in March 2022, Dr. Takakazu Oka, Professor at the Department of Psychosomatic Medicine, Graduate School of Medical Sciences, International University of Health and Welfare, gave a talk on "body temperature and stress" in an online format. More than 800 people viewed the seminar, and it was very well received.

As an enterprise involved with healthcare, we will continue to conduct activities 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.



Terumo Medical Seminar held in March 2022

Contribution to Society and Local Communities

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 8 until May 14, 2022.

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. Terumo has continued to provide sponsorship since these activities were first held in 1991. This marks 32 consecutive years of support.

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 Advancement of Life Science Technologies

The TERUMO LIFE SCIENCE FOUNDATION was established through contributions by Terumo Corporation in 1987 with the aim of contributing to improvements in medicine and in the health of all people through the advancement of life science technologies. The foundation focuses its activities on three areas: subsidies for domestic and overseas research and development programs for creating technologies in the field of life science, awards for promising researchers that have made outstanding achievements in the field of medical-engineering collaboration and integration, 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 2021, subsidies totaling ¥323 million were provided to 159 projects.

Awards for researchers include the establishment of the Tai Morishita Memorial Award in the hope that it will provide an opportunity for more talented people to enter the field of medical-engineering collaboration and integration.

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 cartoon content was added that will help people to develop an interest in the life sciences among a broader range of age groups.

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

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Corporate Governance

Basic Stance on Corporate Governance

Terumo's Group mission is "Contributing to Society through Healthcare." Guided by its mission, Terumo provides valuable products and services to achieve sustainable growth, maximize long-term corporate value and meet the expectations of its worldwide stakeholders, including its customers, shareholders, associates, business partners, and communities. To guide it in the accomplishment of its Group mission, Terumo has articulated the Core Values, which represent the values and beliefs on which all Terumo associates worldwide should base their actions, as follows:

Respect – Appreciative of others

Integrity – Guided by our mission

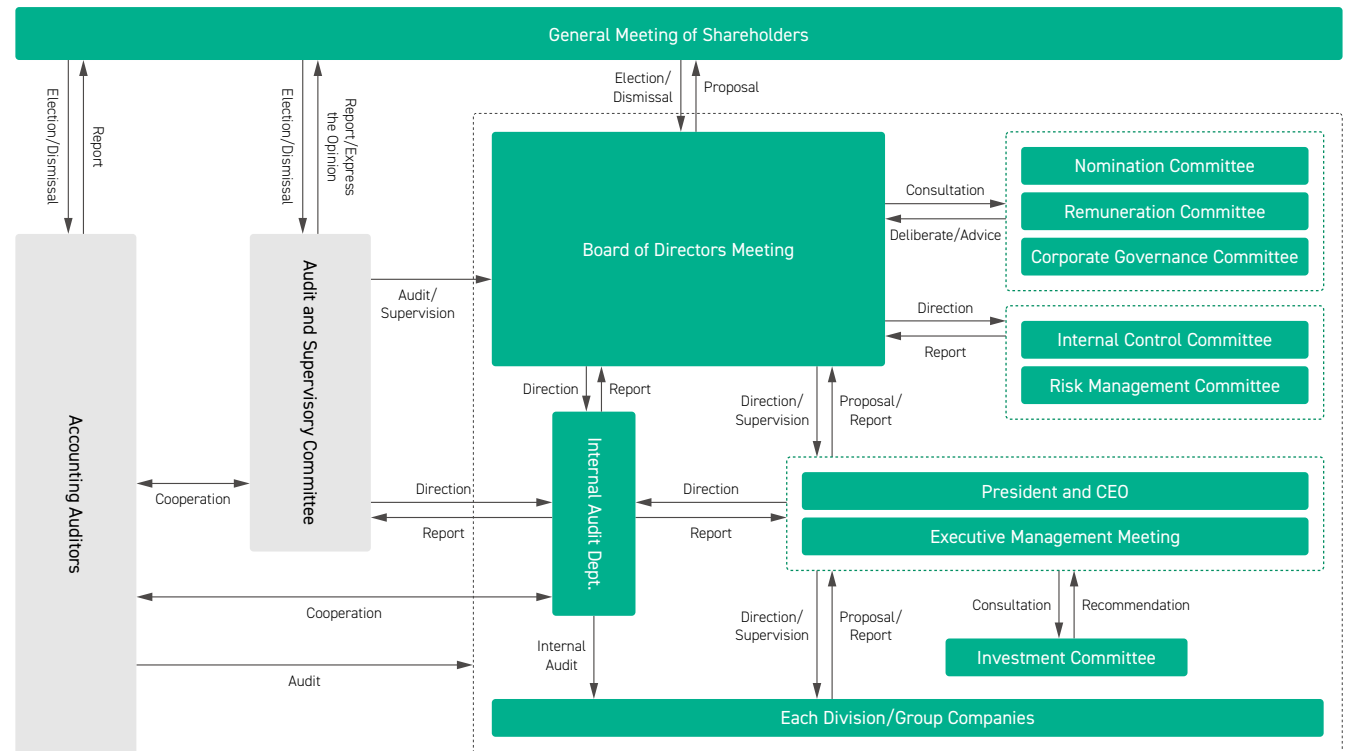
Care – Empathetic to patients

Quality – Committed to excellence

Creativity – Striving for innovation

Based on its Group mission and the Core Values, Terumo has established these guidelines, which are intended to promote timely decision making while helping maintain transparency and objectivity in management. Terumo continuously strives to earn the understanding and trust of its internal and external stakeholders by exercising accountability toward its stakeholders and promoting dialog and other means of communication with its shareholders. Informed by Japan's Corporate Governance Code, Terumo has developed a global platform for its activities as a good corporate citizen. Terumo strives diligently to foster a corporate culture of "a highly motivating and challenging workplace with open and candid communication," because Terumo believes a culture of this nature is essential to effective corporate governance.

Corporate Governance Structure



- Audit and Supervisory Committee members are directors, and have voting rights in the BOD meeting. The majority of Audit and Supervisory Committee is constituted by independent directors.
- Audit and Supervisory Committee serves for the function of auditing and supervising the directors and the BOD.

As of October 31, 2022

Corporate Governance

Corporate Governance Structure

Organizational Design

Terumo adopted the organizational design of a Company with Audit and Supervisory Committee, as described in the Companies Act of Japan, to achieve the following goals, further strengthen its corporate governance framework, and to enhance its medium- to long-term corporate value.

1. Strengthen audit and supervisory functions

The members of the Audit and Supervisory Committee shall have voting rights in meetings of the Board of Directors.

2. Enhance transparency and objectivity in management

By increasing the proportion of independent directors on the Board, transparency and objectivity in decision making will be enhanced at the Board level by reflecting opinions of the independent directors, which represent the perspective of shareholders and other stakeholders.

3. Expedite decision-making process

By promoting the appropriate delegation of the Board's authority to directors, group executive officers and/or executive officers, Terumo will further expedite its decision-making process and business development through a shift toward a monitoring-based approach for the Board.

In addition, the Company has established the Nomination Committee, Remuneration Committee, Corporate Governance Committee, Internal Control Committee, and Risk Management Committee as discretionary bodies that serve to enhance the transparency and objectivity of management.

Board of Directors

Roles

- The Board shall strive for optimal decision-making regarding basic management policies with the goal of maximizing corporate value.
- To expedite decision making processes, the Board may delegate

certain duties or responsibilities, which are executed based on basic management policies decided by the Board to directors, group executive officers and/or executive officers. The Board shall monitor the execution of any such duties or responsibilities so delegated.

- The Board shall oversee the nomination process of the president's successor as one of its important obligations for maintaining and improving corporate governance and sound management.

Members

- The Board shall consist of no more than 15 persons, excluding the Audit and Supervisory Committee members.
- Terumo shall strive to have independent directors account for at least one-third of the Board membership.
- Considering that, from the standpoint of corporate governance, the execution of business operations, and supervisory oversight should be separated, the chairman shall serve as the chair, in principle; provided, however, that if no chairman has been appointed, the Nomination Committee shall propose a candidate for chair, considering the actual situation of possible candidates based on the above standpoint and the Board of Directors shall appoint such candidate as the chair for the Board of Directors meeting.

Audit and Supervisory Committee

Roles

- The Audit and Supervisory Committee shall audit and supervise the execution of duties by directors and executive officers to ensure the appropriate, reasonable, and efficient operation of the Terumo Group. To fulfill its audit and supervisory duties, the Audit and Supervisory Committee may provide direct instructions to the Internal Control, Internal Audit, and Legal and Compliance Departments.

Members

- The Audit and Supervisory Committee shall consist of no more than five (5) directors. Terumo shall have independent directors represent a majority of Committee membership.

- The members of the Audit and Supervisory Committee shall elect one of the Committee members to serve as the chair of the Committee.

Support Systems for Independent Directors

The Company actively appoints independent directors to improve the diversity of the Board of Directors and to ensure highly effective discussions. Support systems are being enhanced to enable independent directors to better incorporate their talents and experience into the oversight of management.

- To assist the independent directors in quickly gaining the understanding necessary of the Company to fulfill their duties as directors, at the time of their appointment we provide opportunities to receive explanations on the Company, its businesses, and its medium-term management plans from the President and business representatives.
- Once appointed, independent directors may take part in an annual training program designed to enable them to continue acquiring the legal and industry knowledge required of directors. In addition, independent directors are given the opportunity to visit and observe workplaces and factories in Japan and overseas in order to develop a better understanding of the Company and its business.
- Explanations of the items on the agenda for discussion at meetings of the Board of Directors are provided to independent directors prior to the meetings to enable them to gain a better understanding of these items and to facilitate more substantial discussions at Board meetings (in principle, explanations will be provided by a representative from a division proposing each item two days prior to the Board meeting).
- All independent directors are provided with tablets to enable the safe and timely sharing of materials pertaining to the Board of Directors meetings as well as other internal information.

Corporate Governance

Committees

	Role/Structure	Chairperson
Nomination Committee	<ul style="list-style-type: none"> The Nomination Committee shall, as an advisory body to the Board of Directors, deliberate on the following matters. The deliberations of the Committee shall be reported to the Board of Directors as appropriate. <ul style="list-style-type: none"> Matters concerning successors to the positions of President and Chairman of Terumo Corporation, which is one of the most important corporate governance duties of the Board of Directors Matters concerning the appointment and dismissal of directors and group executive officers The Committee shall be comprised of members of the Board selected by the Board. Independent directors shall account for a majority of Committee members. 	Independent director
Remuneration Committee	<ul style="list-style-type: none"> The Remuneration Committee shall, as an advisory body to the Board of Directors, deliberate on the matters listed below and provide advice to the Board with the goals of maintaining and improving the Terumo Group's business integrity and corporate governance practices. The deliberations of the Committee shall be reported to the Board of Directors as appropriate. <ul style="list-style-type: none"> Matters concerning the remuneration for directors, group executive officers and executive officers (Policy for determining remuneration amount or calculation method thereof) Other matters which the Board of Directors requests the Committee to consider, or matters the Committee deems necessary to carry out the purposes of the Committee The Committee shall be comprised of members of the Board selected by the Board. Independent directors shall account for the majority of Committee members, and at least one of the representative directors shall be a member of the Committee. 	Independent director
Corporate Governance Committee	<ul style="list-style-type: none"> The Corporate Governance Committee shall, as an advisory body to the Board of Directors, discuss the matters listed below and provide advice to the Board with the goals of maintaining and improving the Terumo Group's business integrity and corporate governance practices. The deliberations of the Committee shall be reported to the Board of Directors as appropriate. <ul style="list-style-type: none"> Basic matters concerning Corporate Governance Important matters concerning the establishment, design, and operation of the corporate governance system Other important matters which are highly relevant to corporate governance such as an improvement of corporate system in the fields of the environment and society and efforts to enhance sustainability Other matters that the Board of Directors requests the Committee to consider, or matters the Committee deems necessary to carry out the purposes of the Committee The Committee shall be comprised of members of the Board selected by the Board. Independent directors shall account for the majority of Committee members, and at least one Representative Director shall be a member of the Committee. 	Independent director
Internal Control Committee	<ul style="list-style-type: none"> Positioned under the Board of Directors, the Internal Control Committee shall design and operate the Terumo Group's internal control systems in accordance with the Company's "Internal Control System Design Basic Policy." The Committee shall be comprised of directors who also serve as group executive officers or executive officers, Internal Control Department managers and other persons appointed by the Committee chair (including managers of relevant Terumo departments, and external specialists and experts). 	President and CEO
Risk Management Committee	<ul style="list-style-type: none"> Positioned under the Board of Directors, the Risk Management Committee shall design and operate the Terumo Group's risk management system based on risk identification, assessment, analysis, and prioritization across the entire organization. The Committee shall be comprised of directors who also serve as group executive officers or executive officers, Internal Control Department managers and other persons appointed by the Committee chair (including managers of relevant Terumo departments, and external specialists and experts). 	President and CEO

Membership of the Board of Directors, Audit and Supervisory Committee, and Other Committees, and Numbers of Meetings (As of July 1, 2022)

	Board of Directors	Audit and Supervisory Committee	Nomination Committee	Remuneration Committee	Corporate Governance Committee
Board of Directors	Toshiaki Takagi	◎	○	○	○
	Shinjiro Sato	○	○	○	○
	Shoji Hatano	○			
	Kyo Nishikawa	○			
	Kazunori Hirose	○			
	Yukiko Kuroda*	○		○	◎
	Hidenori Nishi*	○		◎	○
Directors (Audit and Supervisory Committee)	Keiyo Ozawa*	○	○	○	○
	Takanori Shibazaki	○	◎		
	Masaichi Nakamura*	○	○	○	○
Soichiro Uno*	○	○	○	○	○
Numbers of meetings in fiscal 2021	12	13	5	4	9

◎: Chairperson ○: Member * Independent director

Corporate Governance

Selection of Directors

Policy

In selecting candidates for directors, with the aim of creating an ideal Board of Directors, Terumo considers the diversity of the composition of the Board in order to give the Board relative base strength with broad experience and skills (industry experience, management capability, etc.), which are necessary for the Board to engage in good discussions and decision making.

Candidates for internal directors shall be selected according to the internal regulations, which stipulate the eligibility criteria, including "a candidate shall have the management judgment capacities and management oversight capacities from stakeholders' standpoint."

Internal regulations for appointment of independent directors stipulate that independent directors shall be selected from persons with extensive experience in management, international business,

the practice of medicine, or other specific areas of expertise and that these individuals must be able to contribute to management and to improved corporate governance and be able to offer their frank opinions. The regulations also require the consideration of the diversity of independent directors, including, to the extent possible, their backgrounds, expertise, gender, and other characteristics as appropriate. With regard to independent directors who serve as Audit and Supervisory Committee members, the regulations stipulate that independent directors should ideally be selected from persons who play leading roles in the fields of law or accounting with at least one candidate coming from each such field.

Procedure

The Nomination Committee shall discuss potential candidates for directors and the appropriateness of each director's reappointment, and present the results of these discussions to the Board of Directors. This process is intended to eliminate arbitrariness and

to ensure the sound selection of candidates. If a situation arises that leads to serious concerns over the performance of a director's duties, the Nomination Committee may immediately propose to the Board of Directors that necessary measures be taken even during one's term of office.

Independent directors shall be subject to the requirements of the Director Independence Standards. The Nomination Committee shall discuss and propose the Director Independence Standards for review and approval by resolution of the Board of Directors.

Each director shall concurrently hold officer positions (director, auditor, etc.) with no more than three other listed companies as a condition to serving as a director of Terumo Corporation.

The reasons for selection and the positions concurrently held by each candidate for director shall be disclosed in the Corporate Governance Report, reference materials for the General Meeting of Shareholders, or other documents as appropriate.

Board of Directors' Skill Matrix

		Internal Directors						Independent Directors					
		Takagi	Sato	Hatano	Nishikawa	Hirose	Shibazaki	Kuroda	Nishi	Ozawa	Nakamura	Uno	
Director experience value	Healthcare industry experience	●	●	●	●	●	●			●			
	Financial experience/knowledge		●	●	●			●				●	
	Sales marketing experience		●	●	●			●	●				
	Technology/development/regulatory affairs	●				●				●			
	Business responsibility experience	●	●	●	●		●	●	●				
	Experience as CEO of a listed company		●						●				
	Government/industry response	●		●					●	●			
	Risk Management	●	●			●	●		●	●	●	●	●
	New business development experience		●	●					●				
	Experience outside Japan*1		●	●	●	●	●	●	●	●			●
	Environment, Safety and Quality	●		●		●							
Director experience	Status of posts at other companies							●	●		●	●	
	Timing of appointment as director	06/2010	06/2014	06/2016	06/2019	06/2022	06/2021	06/2018	06/2020	06/2021	06/2019	06/2019	Average: 3.9 years*2
Diversity	Age*3	64	61	62	63	58	60	58	71	69	65	59	Average age: 62*4
	Sex	Male	Male	Male	Male	Male	Male	Female	Male	Male	Male	Male	

● Has experience *1 Has experience working in a post outside Japan *2 Number of years in position up to July 2022 *3 Age as of July 1, 2022 *4 Average age of 61 for internal directors/Average age of 64 for external directors

Corporate Governance

Reasons for Appointing Independent Directors and Attendance at Meetings

Name	Reasons for appointment	Attendance at meetings of the Board of Directors and Audit and Supervisory Committee
Yukiko Kuroda	Ms. Kuroda has extensive experience as a manager and many years of global experience in organizational and leadership development consulting. She has been appointed as an independent director to utilize the insight she has cultivated from these experiences in the management of Terumo Corporation and the supervision thereof.	Board of Directors: 12/12 (100%)
Hidegori Nishi	Mr. Nishi has extensive experience as a manager and many years of experience in overseas businesses and marketing. He has been appointed as an independent director to utilize this experience in the management of Terumo Corporation and the supervision thereof.	Board of Directors: 12/12 (100%)
Keiyo Ozawa	Mr. Ozawa has expert knowledge of gene therapy, cell therapy and hematology through his extensive experience of research in these areas. He had served as director of IMSUT Hospital (The Institute of Medical Science, The University of Tokyo) and IMSUT Hospital's Center for Gene and Cell Therapy (CGCT), and has cultivated extensive experience through the performance of his duties in these organizations. He has been appointed as an independent director to utilize this experience in the management of Terumo Corporation and the supervision thereof.	Board of Directors: 9/9 (100%)*
Masaichi Nakamura	Mr. Nakamura has extensive knowledge of finance and accounting as a Certified Public Accountant. He is expected to utilize this knowledge to audit and supervise the management of Terumo Corporation from an independent perspective.	Board of Directors: 12/12 (100%) Audit and Supervisory Committee: 13/13 (100%)
Soichiro Uno	Mr. Uno has specialized knowledge and extensive experience as an attorney in Japan and overseas. He is expected to utilize this knowledge and experience to audit and supervise the management of Terumo Corporation from an independent perspective.	Board of Directors: 12/12 (100%) Audit and Supervisory Committee: 13/13 (100%)

* This refers to the meetings he attended after he assumed office on June 22, 2021.

Selection and Cultivation of Successor to the President (Succession Plans)

The Board of Directors has established the Nomination Committee as an organization overseeing the process of selecting and cultivating successors to the president in recognition of the fact that the selection of successors to the president is one of the most important duties for the Board of Directors, and the Committee's activities are monitored by the Board of Directors. The process of selection and cultivation of successors to the president is clearly stated in internal regulations. With regard to selecting a successor to the president, the president shall propose a "Succession Plan" listing more than one candidate and a plan for their cultivation within a specified period of time. The Nomination Committee

shall consider the successor candidates in accordance with the procedures stipulated in the internal regulations.

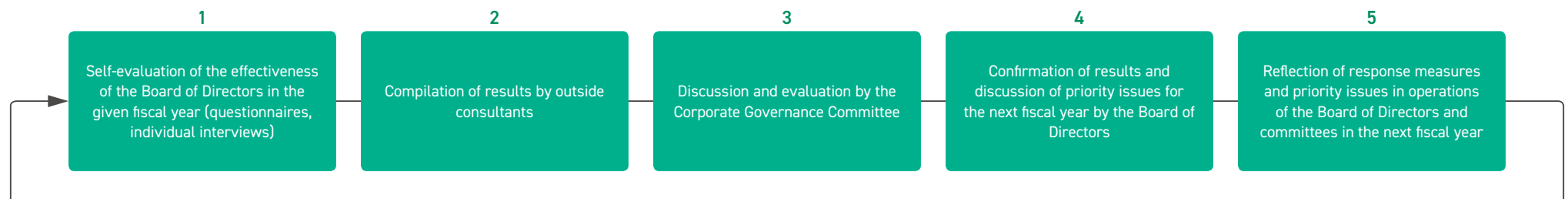
From the point of view of cultivating future successor candidates, the president shall also submit a "Next-Generation Executives' Development Plan" naming several persons with the potential to become future executives to the Nomination Committee within a specified period of time, and shall thereafter continue to report on the status of these candidates' cultivation to the Committee as appropriate.

Evaluation of the Effectiveness of the Board of Directors

The Board of Directors conducted a self-evaluation concerning its

effectiveness during fiscal 2021, for the purpose of further improving effectiveness and functionality of the Board. The Board evaluation process included anonymous questionnaires completed by each director and individual interviews with certain members of the Board of Directors and the secretariat of the Board. In order to draw out frank opinions and ensure objectivity, the process of collecting questionnaires, conducting individual interviews, and analyzing them were facilitated by outside consultants. Upon receiving the report from outside consultants, the performance of the Board was discussed and evaluated by the Corporate Governance Committee, of which the majority of the members are independent directors. Subsequently, all members of the Board discussed major findings from the survey and agreed on the actions to take, which will be reflected in the operations of the Board and each committee in fiscal 2022.

Process for Evaluation of the Effectiveness of the Board of Directors at Meetings



Corporate Governance

Fiscal 2020 Evaluation Results and Fiscal 2021 Response Measures

The areas for improvement identified as requiring further attention by the fiscal 2020 evaluation of the effectiveness of the Board of Directors and the measures taken are as follows:

Areas for improvement	Measures of Fiscal 2021
Further deepen discussions that contribute to enhancing corporate value, including from the perspective of new management issues (e.g., ESG and DX).	With regard to ESG, we held discussions around the 5-Year Growth Strategy (GS26) and formulated the Terumo Group Sustainability Policy. We have also established guidelines for ESG and carbon neutrality. As regards digital, we have established a new DX Promotion Department and have been developing a new structure and promoting new studies and considerations.
Regarding risk management with a focus on overseas subsidiaries, establish a system for continuous evaluation, and further ensure that the vision is shared between the headquarters and overseas subsidiaries.	In addition to establishing a basic policy on M&A, we have put in place a governance structure that includes monitoring through subsidiary boards of directors, financial management, and internal control and compliance. In addition, we developed a global management structure through the establishment of a new Group Executive Officer to optimize the execution of operations. Also, through the 100th anniversary commemorative events, we further promoted thorough sharing of our philosophy between the head office and subsidiaries.
Regarding interactions with executive members, improve the understanding of internal human capital on the business side and execution side, especially on a global basis.	The Board of Directors held forums for dialogue with the new CEOs of major overseas subsidiaries. Furthermore, the Board of Directors identified and monitored key human capital through sessions with the CEOs of major overseas subsidiaries and Global Talent Discussion. In addition to the Board of Directors meetings, opportunities for dialogue between independent directors and key internal human capital have been established on an ongoing basis.
Regarding the board composition, continue ongoing discussions on further diversity and human capital development.	The composition of the Board of Directors is being discussed on an ongoing basis. In preparation for further diversification in the future, we are revising our HR Policy and executive officer programs, identifying global human capital and capability in stages, and working on global DE&I.

Summary of Fiscal 2021 Evaluation Results

The main results of the evaluation showed the following items, confirming the maintenance of the high effectiveness of the Board of Directors and continuous and steady improvements in governance.

- The Board of Directors has been promoting the delegation of authority for business execution and clarifying the division of responsibilities, and has been exercising a check-and-balance function as a Board of Directors. The internal directors consist of corporate executives, and as Terumo is oriented toward a supervisory type board of directors, it has successfully strengthened the monitoring of execution.
- In addition to having a well-balanced composition of directors, the Company has fostered a culture in which directors with diverse backgrounds candidly share their opinions, enabling effective discussions as a Board of Directors.
- The composition of the Board of Directors was discussed on an ongoing basis, and Regulatory Affairs, Environment, Safety, and Quality were added to the Skill Matrix's Director experience, followed by the selection of people based on this.

Areas for Improvement

While the results of the above evaluation were positive, the following areas were identified as the main areas requiring further consideration.

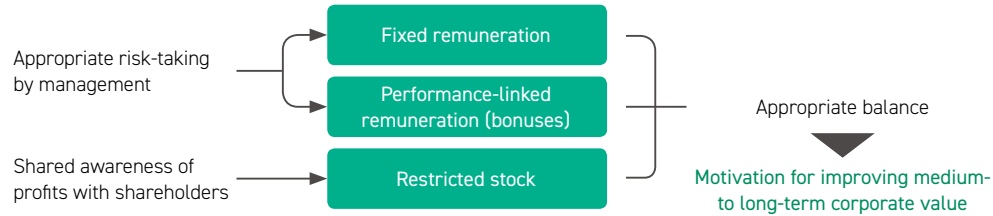
- Discussions contributing to long-term corporate value enhancement: Monitoring of GS26, discussion of Beyond GS26, and ongoing discussions contributing to corporate value enhancement.
- Risk management with a focus on overseas subsidiaries: Continued monitoring, and ongoing discussions on the further evolution of the global management structure.
- Understanding of the actual situation on the execution side and in the field: Improve understanding of human capital on the business and the execution side, contact with employees at various levels, and perform site visits.
- Board composition: Ongoing review of short-, medium-, and long-term human capital requirements (skills matrix) for the entire board (internal and external).

In fiscal 2022, the Board of Directors and committees will implement measures regarding areas of improvement, including those listed above, and will discuss and implement measures to further improve the effectiveness and functionality of the Board.

Corporate Governance

Executive Compensation

Policy and Framework



Policies for Targets and Compensation Types

1. Overall Distribution

Executive directors (all)	Fixed remuneration 50%	Performance-linked remuneration (bonuses) 30%	Restricted stock 20%
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* The higher the rank of the director (with the President ranked highest), the higher the ratios of performance-linked remuneration (bonuses) and restricted stock to the total amount of remuneration.

2. Performance-Linked Remuneration (Bonuses)

(1) Summary of Purpose and Calculation Method

Performance-linked remuneration (bonuses) is issued for the purpose of motivating directors to achieve sustainable growth and improve annual performance and therefore has been adopted as a performance indicator.



Bonuses calculated by multiplying evaluation coefficients determined based on above evaluation indicators by standard bonus amount set for each position

(2) Indicator Targets and Scale of Fluctuation

		Policy	Scale of fluctuation
Companywide performance indicators	Revenue	The targets are figures planned at the beginning of the fiscal year. The evaluation coefficient is set at 100% when the targets are achieved. However, in fiscal 2021, because of the impact of the COVID-19 pandemic, the planned figures were set separately for the first and second half.	The evaluation coefficient fluctuates in the range of 0% to 150% depending on the degree of achievement of targets to provide healthy motivation for improving performance. However, for the fiscal 2021 evaluation, the range was set at 0% to 120% for the first half and 0% to 150% for the second half.
	Operating profit		
	EPS	The year-on-year rate of increase in the three-year moving average of EPS is set as the evaluation index for the purposes of further emphasizing shareholders' perspective and encouraging pursuit of sustainable profit growth.	The evaluation coefficient is set as 100% when the year-on-year growth rate of the three-year moving average of EPS is the same as the average of the year-on-year growth rate of the three-year moving average of EPS for the past ten years. The evaluation coefficient fluctuates in the range of 0% to 150% depending on the degree of achievement of targets.
Overseen department(s)/ individual performance indicators	Revenue of overseen department(s)	The targets are figures planned at the beginning of the fiscal year. The evaluation coefficient is set at 100% when the targets are achieved. However, in fiscal 2021, the planned figures were set separately for the first and second half.	The evaluation coefficient fluctuates in the range of 0% to 150% depending on the degree of achievement of targets to provide healthy motivation for improving performance. However, for the fiscal 2021 evaluation, the range was set at 0% to 120% for the first half and 0% to 150% for the second half.
	Adjusted operating profit		
	Individually set targets	Targets are set with regard to important measures at the beginning of the fiscal year.	The evaluation coefficient fluctuates in the range of 0% to 100% depending on the degree of achievement of targets as of fiscal year-end.

(3) Evaluation Results of Indicators (Fiscal 2021)

The evaluation coefficients pertaining to Companywide performance indicators in fiscal 2021 were 102% for revenue, 104% for operating profit, and 32% for EPS, which resulted in an average of 79% for these three coefficients. For calculating the evaluation coefficients, revenue and operating profit results calculated by using planned exchange rates are used instead of using the revenue and operating profit results calculated by using actual exchange rates on the next page. (First and second-half results on a planned exchange rate basis were 338.9 billion and ¥345.9 billion in revenue, ¥64.5 billion and 51.1 billion yen in operating profit, respectively.)

Corporate Governance

	Forecast at the beginning of FY2021	Results	Evaluation coefficients
Revenue	670.0 – 680.0 billion yen	703.3 billion yen	102%
Operating profit	107.0 – 113.0 billion yen	116.0 billion yen	104%
EPS	The average year-on-year growth rate of a three-year moving average of EPS for the past 10 years: 8.5%	The year-on-year growth rate of a three-year moving average of EPS: 2.7%	32%
Average for evaluation coefficients pertaining to Companywide performance indicators in fiscal 2021			79%

(4) Policy and Ratios for Evaluation Indicators for Each Director Position (Executive Directors)

- Chairman/CEO: Evaluation based only on Companywide performance indicators
- Directors with business responsibilities: High weight assigned to overseen department(s) / individual performance indicators
- Directors with functions / regional responsibilities: High weight assigned to Companywide performance indicators

Director position	Companywide performance indicator weight	Overseen department(s) / individual performance indicator weight
Chairman/CEO	100%	0%
Directors with business responsibilities	70%	30%
Directors with functions / regional representative	71-80%	29-20%

3. Restricted Stock

In order for executive directors to share the benefits and risks of stock price movements with shareholders and further enhance their desire to contribute to rises in stock prices and to the improvement of corporate value, a restricted stock system was adopted in fiscal 2019. Under the concept "sharing awareness of profits with shareholders over the long term," directors may not transfer to a third-party or otherwise dispose of restricted stock allotted to them for thirty years (or until their retirement from position of director, if earlier). Furthermore, if directors commit fraud or violate laws during their term as director, all or part of their allotted stock will be acquired by the Company without compensation under the clawback provision.

Determining Procedure

The Remuneration Committee, as an advisory body to the Board of Directors, deliberates on the standard amount of fixed remuneration, bonuses and restricted stocks (stock options) for directors (excluding Audit and Supervisory Committee members) by position and the basic design of the remuneration system in light of information that includes information on comparable standards used at other companies provided by an outside research organization.

Independent directors shall account for the majority of Remuneration Committee members and the chair shall be elected from among the Committee members who are independent

Remuneration to Directors

Position	Total value of remuneration (¥ million)	Total compensation by type (¥ million)			Number of directors
		Fixed remuneration	Restricted stock	Bonuses	
Directors (excluding Audit and Supervisory Committee members and independent directors)	481	232	116	132	5
Directors (Audit and Supervisory Committee members, excluding independent directors)	42	42	-	-	2
Independent directors	78	78	-	-	6

directors.

As approved at the 104th Annual General Meeting of Shareholders held on June 21, 2019, a total annual limit of ¥700 million was set for remuneration of directors other than Audit and Supervisory Committee members (fixed remuneration, bonuses, and stock options) and a total annual limit of ¥200 million was set for restricted stock remuneration. A maximum annual limit of ¥100 million was also approved for remuneration of directors who serve as Audit and Supervisory Committee members at the 100th Annual General Meeting of Shareholders held on June 24, 2015. Thereunder, the procedure for determining remuneration is as follows:

■ Fixed remuneration

Within the approved remuneration limit, remuneration for directors, excluding members of the Audit and Supervisory Committee, is decided by resolution of the Board of Directors, and remuneration for Audit and Supervisory Committee members is decided through discussions among the Audit and Supervisory Committee members.

■ Bonuses, restricted stock (stock options)

Bonuses and restricted stock (stock options) are approved by resolution of the Board of Directors, within the director remuneration limit mentioned above, after taking business results, the business environment, and other factors for each year into consideration.

Corporate Governance

(Reference) Activities by the Board of Directors and Committees in Recent Fiscal Years as Part of the Process for Deciding Remuneration of Directors

Data	Board of Directors/ Committee	Activity
April 14, 2021	Remuneration Committee	Discussion on policies for performance evaluations and director remuneration for fiscal 2021
June 22, 2021	Board of Directors	Resolution on remuneration within the limit approved by the annual general meeting of shareholders
December 15, 2021	Remuneration Committee	Discussion on the direction of the stock compensation system
January 21, 2022	Remuneration Committee	Discussion on new remuneration system for directors
February 9, 2022	Board of Directors	Resolution on director remuneration system for fiscal 2022
February 9, 2022	Remuneration Committee	Discussion on remuneration system for non-executive internal directors
March 24, 2022	Board of Directors	Resolution on remuneration system for non-executive internal directors
April 14, 2022	Remuneration Committee	Discussion on policies for performance evaluations for fiscal 2022
May 12, 2022	Remuneration Committee	Discussion on improvement in non-financial indicators for director performance evaluations
June 22, 2022	Board of Directors	Resolution on remuneration within the limit approved by the annual general meeting of shareholders

New Executive Officers' Management System

Terumo implemented the Executive Officers' Management System in 2002, with its structure built mainly around the headquarters in Japan. However, with the rapid expansion of the business globally, the Executive Officers' Management System needed improvement to cope with the challenges arising from the Company's globalized business. Considering these challenges, the Company has implemented a new Executive Officers' Management System since April 1, 2022 in conjunction with the new 5-Year Growth Strategy with a 10-Year Vision (GS26). The new Executive Officers' Management System will play a part in enhancing Terumo Group's competitiveness on a global level and achieving our vision as defined in GS26. The changes implemented in the new Executive Officers' Management System are as follows.

1. Establishment of the Group Executive Officer (GEO) system
Group Executive Officers will be responsible for setting management directions and discussing Terumo Group management strategies across business divisions and regions.

The GEO system will be structured around Directors and Executive Officers such as the Chairman of the Board, the President and CEO, Company Presidents, Corporate Function Executives, CEOs of Major Business Subsidiaries, and Regional Representatives.

Furthermore, within the GEO structure, the Group Managing Executive Officer (GMEO) will take part in the Executive Management Meeting (EMM) as a core member to execute management strategies for the Terumo Group. By definition, the GMEOs must be a Managing Executive Officer/Senior Managing Executive Officer or higher.

2. Redefinition of Executive Officer (EO)

Executive Officers are those executives who are not part of the GEO structure but are responsible for making decisions for their Company or Function. In addition, the new Executive Officers' Management System clarifies each member's job description based on their position and responsibility. Appointment of each Executive Officer will be based on these clarified criteria and processes. For Terumo Corporation in Japan, the same methodology and approach will also be implemented for all positions above manager. With the new Executive Office Management System in place, Terumo will strive towards realizing GS26 and further drive global growth.

Holding of Shares in Other Companies for Strategic Purposes

Regarding the holding of shares in other companies for strategic purposes, Terumo adopts the following approach in its Terumo Corporate Governance Guidelines.

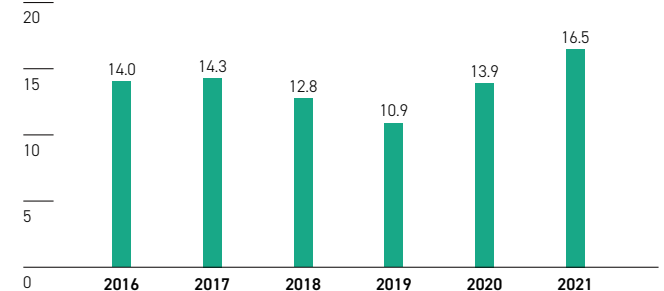
3. Securing Shareholders' Rights and Equality

(4) Holding of Shares in Other Companies for Strategic Purposes

- Terumo may hold shares of other companies with a view to creating business opportunities and/or enhancing corporate value.
- The Board of Directors shall verify the economic, strategic, and other rationale for each such holding using a medium-to long-term perspective on an annual basis. Terumo shall disclose holding securities as specified equity securities in the Annual Securities Report unless selling them.
- Terumo shall exercise its voting rights taking into consideration the impact of its voting on the corporate value of Terumo and the company in which Terumo has invested.

Holding of Shares in Other Companies for Strategic Purposes (As of March 31, 2022)

(billion yen)



Notes: 1. Figures represent total of investments in stocks for special purposes and balance of deemed securities holdings (market value).

2. Figures exclude early stage investment in venture companies.



Terumo Corporate Governance Guidelines
<https://www.terumo.com/about/governance>

Compliance

Promoting Compliance

Basic Approach

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

Major Compliance Training Programs (Terumo Corporation)

Name	Scope of Participation	Format	Subjects	Frequency
Terumo Group Code of Conduct training	All directors, officers, and associates	E-learning program	Training on the Terumo Group Code of Conduct	Once a year
Anti-bribery training	Directors, officers, and some associates	E-learning program	Anti-corruption in business activities	Once a year
Training in competition law	Directors, officers, and some associates	E-learning program	Secure fair transactions in business activities	Every two years
Training in 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	At the time of promotion or onboarding
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

Compliance

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 anonymously. 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, we conduct harassment prevention training in employees' level-based education including training for new employees and new managers. 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. (In fiscal 2021, compliance training was conducted on a different topic.) 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. 51.](#))

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.

Compliance

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. 52.)

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. 51.)

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. 51.)

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.

Compliance

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

Basic Approach

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, which are international third-party organizations that accredit and assess animal care and use programs. When contracting animal experiments to third-parties, Terumo verifies that subcontractors are practicing proper compliance.

Risk Management

Basic Approach

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

The Group 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 group executive officers or 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 organizations promptly through functional departments and the relevant departments of subsidiaries when a significant issue arises.

Risk Management Education

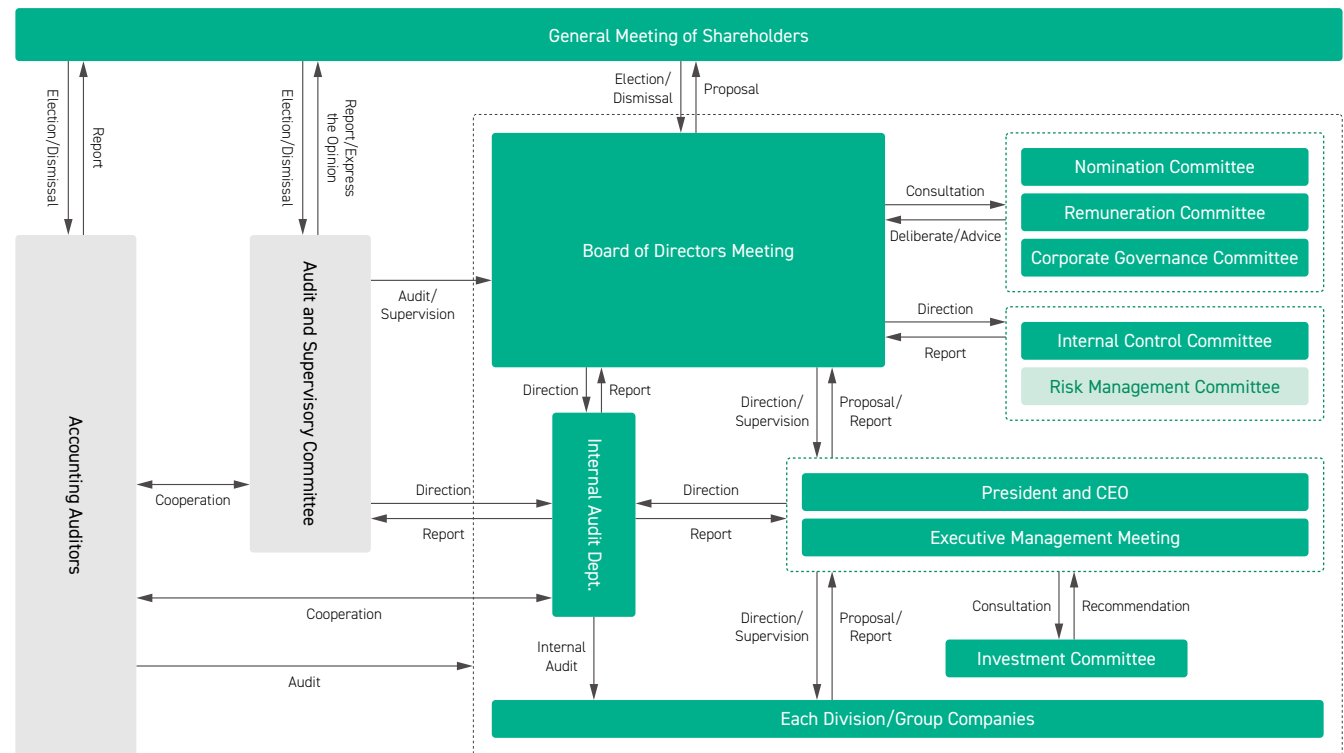
Since fiscal 2016, Terumo has been including content emphasizing the importance of risk management in briefings for department heads and conducting participatory workshop training for associates. Through such initiatives, Terumo is working to enhance the level of risk sensitivity among individual managers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



As of October 31, 2022

Risk Management

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.

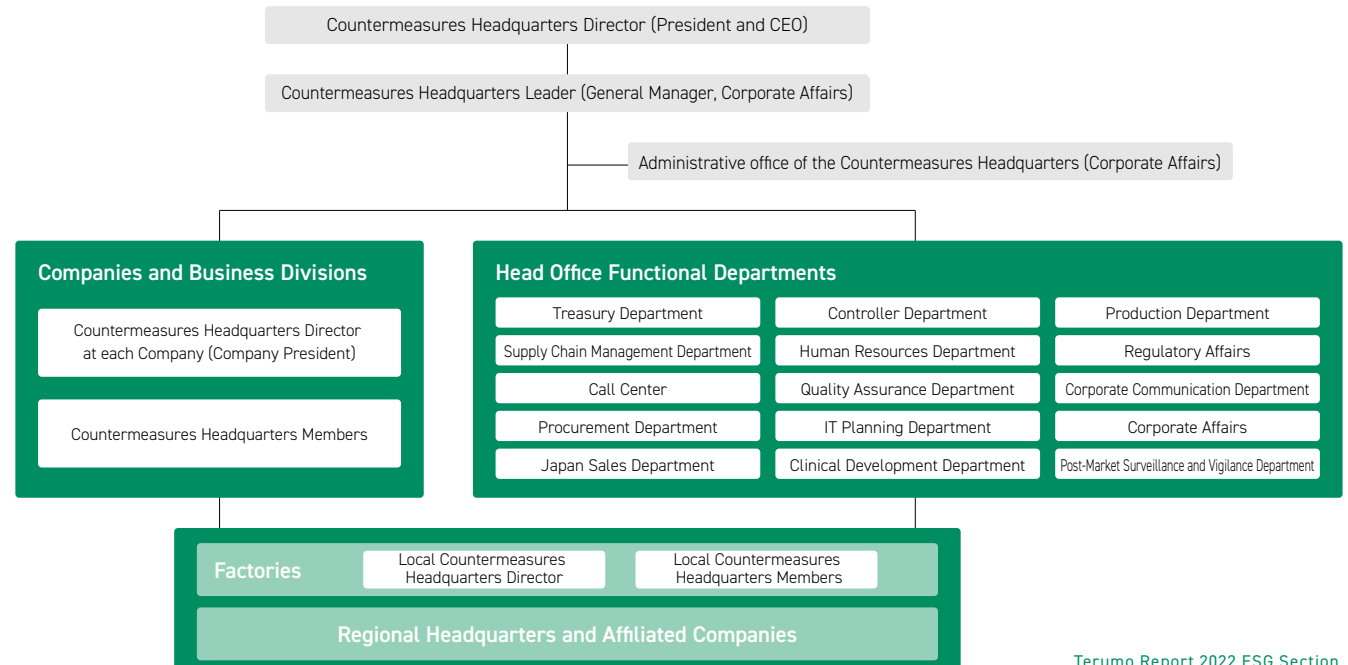
- Establishment of a disaster response headquarters following a major earthquake, confirmation of the roles of individual staff, and other BCP-related drills
- Implementation of systems for rapidly ascertaining the condition of associates and their families and training on their use
- Comprehensive disaster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



Risk Management

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

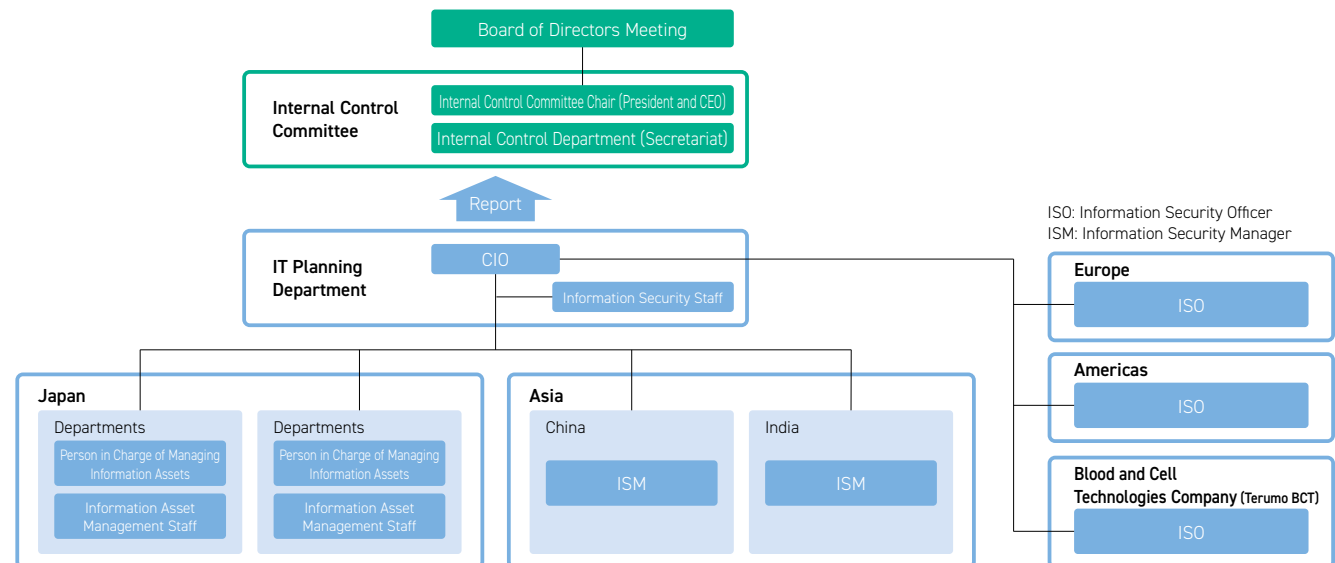
to promote appropriate information protection and management throughout the Group.

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 workstyles 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



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Data Sheets

Human Resources and Labor Data

Associate Data

		FY2019	FY2020	FY2021
Number of associates by geographic area (consolidated)¹	Japan	6,000	6,201	7,050
	Europe	2,274	2,311	2,345
	Americas	11,256	11,337	12,228
	Asia and others	6,908	6,633	6,671
	Total	26,438	26,482	28,294
Number of associates (non-consolidated)²	Male	4,240	4,332	4,403
	Female	847	915	974
	Total	5,087	5,247	5,377
	Ratio of female associates (%)	16.6	17.4	18.1
Average age²	Male	42.17	41.35	41.64
	Female	37.10	36.56	37.12
	Total	41.36	40.54	40.85
Average years of service²	Male	18.8	18.3	18.0
	Female	12.5	12.1	12.1
	Total	17.8	17.2	16.9
Average salary (yen)²	Male	—	—	—
	Female	—	—	—
	Total	7,493,828	7,441,630	7,365,222
Number of new graduate hires²	Male	136	167	134
	Female	54	62	45
	Total	190	229	179
Number of mid-career hires²	Male	66	56	63
	Female	15	23	25
	Total	81	79	88
	Mid-career hires as ratio of all regular, full-time associates hired in that year (%)	30	26	33
Voluntary turnover (resigning due to personal reasons) (employees)²	Male	75	64	84
	Female	17	19	27
	Total	92	83	111
Associate turnover rate (%)²	Male	1.9	1.6	2.0
	Female	2.2	2.3	3.0
	Total	1.9	1.7	2.1

*1 Scope: Terumo Group

*2 Scope: Terumo Corporation

DE&I

		FY2019	FY2020	FY2021
Number and ratio of female managers	Total number of associates in managerial positions	865	852	865
	Number of female associates in managerial positions	67	69	73
	Ratio of female associates in managerial positions (%)	7.7	8.1	8.4
	Total number of general managers (or equivalent)	166	170	161
	Number of female general managers (or equivalent)	8	12	11
	Ratio of female general managers (or equivalent) (%)	4.8	7.1	6.8
	Total number of managers (or equivalent)	699	682	704
	Number of female managers (or equivalent)	59	57	62
Number and ratio of newly-appointed female associates in managerial position	Ratio of female managers (or equivalent) (%)	8.4	8.4	8.8
	Total number of associates newly-appointed to managerial positions	51	54	68
	Number of female associates newly-appointed to managerial positions	6	4	8
Number and ratio of female chiefs	Ratio of female associates newly-appointed to managerial positions (%)	11.8	7.4	11.8
	Total number of chiefs	1,168	1,206	1,224
	Number of female chiefs	155	184	201
Number and ratio of retirees rehired under TES	Ratio of female chiefs (%)	13.3	15.3	16.4
	Retirees	106	130	128
	Number of retirees rehired under TES	83	110	103
Ratio of associates with disabilities (%)	Ratio of retirees rehired under TES (%)	78.3	84.6	80.5
		2.20	2.27	2.30

Scope: Terumo Corporation

Data Sheets

Work-Life Balance

		FY2019	FY2020	FY2021
Number of associates taking maternity and childcare leave	Associates taking maternity leave	39	58	44
	Associates taking spousal childbirth leave	5	2	2
	Associates taking childcare leave (Female)	99	92	102
	Associates taking childcare leave (Male)	90	89	84
	Ratio of associates returning to work after childcare leave (%) (Female)	100	100	100
	Ratio of associates returning to work after childcare leave (%) (Male)	100	100	100
	Ratio of applicable male associates taking childcare leave (%)	63.4	63.1	54.9
	Average number of childcare leave days taken by applicable male associates	12.4	13.6	24.9
Number of associates taking nursing care leave	Associates taking long-term nursing care leave	3	0	3
	Associates taking leave (nursing care/family illness)	23	15	14
Number of former associates rehired	Registered former associates	2	6	3
	Rehired associates	2	1	0
Ratio of paid vacation days taken (%)		72.0	59.9	67.1
Average number of paid vacation days taken		13.3	11.4	13.0
Average hours of overtime worked per month		16.3	16.1	18.7

Scope: Terumo Corporation

Occupational Safety and Health

	FY2019	FY2020	FY2021
Accidents resulting in lost work days	1	2	0
Frequency rate	0.10	0.19	0.00
Severity rate	0.00	0.73	0.00

Scope: Terumo Corporation

Promotion of "Kenko Keiei"

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

	FY2017	FY2018	FY2019	FY2020	FY2021
Ratio of smokers (%)	24.7	23.4	23.4	20.2	22.6
Ratio of associates diagnosed with metabolic syndrome (%)	23.8	24.0	28.0	24.7	29.4

* 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

	FY2019	FY2020	FY2021
Stomach (%)	90.9	98.0	97.0
Colon (%)	85.7	91.7	92.6
Upper abdomen (%)	90.2	84.0	96.8
Lung (sputum) (%)	33.6	40.7	43.1
PSA (%)	88.5	97.7	96.9
Breast (%)	64.2	64.7	67.0
Cervix (%)	67.3	65.8	64.6

3. Women's Health

Breast Cancer and Cervical Cancer Screening Rates

	FY2017	FY2018	FY2019	FY2020	FY2021
Breast (%)	69.9	68.6	64.2	64.7	67.0
Cervix (%)	61.0	60.6	67.3	65.8	64.6

Data Sheets

Environmental Data

CO₂ Emissions (Scope 1 and 2)

	FY2018	FY2019	FY2020	FY2021
Japan (t-CO ₂)	152,287	156,814	154,277	138,904
Overseas (t-CO ₂)	129,091	125,225	119,839	119,400
Total (t-CO ₂)	281,378	282,038	274,116	258,304*
Increase/decrease compared to FY2018 (%)	—	0.2	-2.6	-8.2
Index of emissions per unit of revenue (FY2018=100)	100	95.5	95.1	78.2

* Data assured by a third party

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

Note: CO₂ emissions are calculated by using the CO₂ emission factors for electricity for each fiscal year provided by power companies.

CO₂ Emissions in Fiscal 2021 (Breakdown of Scope 1 and 2)

	Scope 1	Scope 2	Total
Japan (t-CO ₂)	44,680	94,224	138,904
Overseas (t-CO ₂)	21,987	97,413	119,400
Total (t-CO ₂)	66,667*	191,637*	258,304*

* Data assured by a third party

CO₂ Emissions in Fiscal 2021 (Scope 3)(t-CO₂)

		Emissions volume	Method of Calculation
Category 1	Purchased goods and services	947,548	Multiplying amounts of purchased components, materials by their respective emission intensities
Category 2	Capital goods	204,832	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 2)	51,775	Multiplying amounts of purchased fuel, electricity and heat by their respective emission intensities
Category 4	Upstream transportation and distribution	53,767	Multiplying product transportation, in ton-kilometers, by the emission intensity for each type of transportation
Category 5	Waste generated in operations	1,394	Multiplying amounts of waste generated by the emission intensity for each category of waste
Category 6	Business travel	3,689	Multiplying the number of employees by emission intensity per employee
Category 7	Employee commuting	8,720	Multiplying the number of employees by emission intensity per category of work or area classification
Category 8	Upstream leased assets	0	Emissions associated with leased company vehicles and leased office buildings are included under Scope 1 and 2
Category 9	Downstream transportation and distribution	3,716	Multiplying product weight by emission intensities using a standard transportation and distance model
Category 10	Processing of sold products	0	Intra-group processing is included under Scope 1 and 2
Category 11	Use of sold products	9,096	Calculated based on lifespan and electricity consumption of principal medical engineering products (pumps)
Category 12	End-of-life treatment of sold products	159,510	Multiplying weight of shipped products by emission intensity for waste processing
Category 13	Downstream leased assets	0	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		1,444,048	

Scope: Terumo Group

Note: The calculation method is based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver. 2.4) compiled by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.

Data Sheets

CO₂ Emissions (Scope 3)

	FY2019	FY2020	FY2021
Index of emissions per unit of revenue (Fiscal 2018 = 100)	103.7	107.5	87.2

Scope: Terumo Group

Note: The calculation method is based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver. 2.4) compiled by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.

Energy Consumption

Fuel type	FY2019	FY2020	FY2021
Electricity (MWh)	458,936	453,461	479,161
City gas (MWh)	318,543	306,428	316,449
LPG (MWh)	9,822	12,577	19,204
Heavy oil (MWh)	5,968	4,214	6,182
Diesel oil (MWh)	1,198	590	963
Steam (MWh)	41,696	36,037	31,925
Gasoline (MWh)	9,105	11,561	14,442
Heating oil (MWh)	0	0	287
Total (MWh)	845,267	824,868	868,612
Index of emissions per unit of revenue (Fiscal 2018 = 100)	98.9	98.9	90.9

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

Renewable Energy Use

	FY2019	FY2020	FY2021
Renewable energy use (MWh)	290	5,062	50,595
Ratio of renewable energy use (%)*	0.1	1.1	10.6

Scope: Terumo Group

* The ratio of renewable energy use to total electricity use

Recycling Volume and Rate

	FY2019	FY2020	F2021	
Japan	Total waste (t)	10,304	10,427	11,408
	Volume recycled (t)	10,054	10,186	11,223
	Recycling rate (%)	97.6	97.7	98.4
Overseas	Total waste (t)	11,013	10,242	10,264
	Volume recycled (t)	7,819	8,046	8,280
	Recycling rate (%)	71.0	78.6	80.7
Total	Total waste (t)	21,317	20,669	21,672
	Volume recycled (t)	17,872	18,232	19,503
	Recycling rate (%)	83.8	88.2	90.0

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

Final Waste Disposal

	FY2019	FY2020	FY2021
Total emissions (t)	10,304	10,427	11,408
Final waste disposal (t)	16	16	15
Ratio of final waste disposal to total emissions (%)	0.15	0.16	0.14

Scope: Terumo Group business sites in Japan

Collection and Recycling of Small Rechargeable Batteries

	FY2019	FY2020	FY2021
Nickel-cadmium batteries (kg)	2,032	1,454	1,598
Nickel-metal hydride batteries (kg)	2,468	2,368	2,216
Lithium-ion batteries (kg)	872	868	1,295
Sealed lead-acid batteries (kg)	161	179	112

Scope: Terumo Corporation business sites in Japan

Note: Figures for performance in fiscal 2020 have been restated to rectify errors in the Sustainability Report 2021 issued in October 2021.

Data Sheets

Water Use (Water Withdrawal) Volume

	FY2019	FY2020	FY2021
Japan (1,000 m ³)	3,864	3,518	3,617
Overseas (1,000 m ³)	1,801	1,616	1,310
Total (1,000 m ³)	5,666	5,134	4,927
Index of emissions per unit of revenue (Fiscal 2018 = 100).	99.5	92.4	77.4

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

Note: Figures for performance in fiscal 2019 and 2020 have been restated to rectify past errors in the collection of data.

Water Discharge Volume

	FY2019	FY2020	FY2021
Japan (1,000 m ³)	2,584	2,567	2,620
Overseas (1,000 m ³)	1,115	1,215	1,115
Total (1,000 m ³)	3,699	3,782	3,736

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

Dichloromethane Emissions

	FY2019	FY2020	FY2021
Emissions (t)	57	52	49

Scope: Terumo Group business sites in Japan

Amount of Ethylene Oxide Used and Ethylene Oxide Emissions

	FY2019	FY2020	FY2021
Amount used (t)	96	93	83
Emissions (t)	2	2	2

Scope: Terumo Corporation business sites in Japan

Note: Figure for performance in fiscal 2020 has been restated to rectify past errors in the collection of data.

HCFC-225 Emissions

	FY2019	FY2020	FY2021
Emissions (t)	12	0.6	0.0

Scope: Terumo Corporation business sites in Japan

Amount of PRTR Substances Used, Released, and Transferred in Fiscal 2021

(t)

	Total	
ethylene oxide	Amount used	83.0
	Amount released	1.7
	Amount transferred	0.0
1, 2-dichloroethane	Amount used	2.1
	Amount released	1.8
	Amount transferred	0.0
dichloromethane	Amount used	168.5
	Amount released	48.7
	Amount transferred	0.0
toluene	Amount used	3.9
	Amount released	0.2
	Amount transferred	3.6
bis (2-ethylhexyl) phthalate	Amount used	298.0
	Amount released	0.0
	Amount transferred	2.6
hydrogen fluoride and its water-soluble salts	Amount used	19.3
	Amount released	0.8
	Amount transferred	0.0
n-hexane	Amount used	3.9
	Amount released	3.1
	Amount transferred	0.8
N, N-dimethylformamide	Amount used	2.0
	Amount released	1.6
	Amount transferred	0.0

Scope: Terumo Corporation business sites in Japan

Data Sheets

Site Data (Manufacturing and R&D Sites) for Fiscal 2021

Region	Site	Location	CO ₂ Emissions (t)	Water Use (1,000m ³)	Total Waste (t)	Recycled Amounts (t)
Japan	Fujinomiya Factory	Fujinomiya, Shizuoka	39,913	1,726	3,118	3,115
	Ashitaka Factory	Fujinomiya, Shizuoka	23,238	494	2,504	2,500
	Kofu Factory	Nakakoma, Yamanashi	42,871	1,094	4,294	4,150
	ME Center	Suntou, Shizuoka	459	2	75	75
	R&D Center (Shonan Center)	Ashigarakami, Kanagawa	5,663	63	173	148
	Terumo Clinical Supply Co., Ltd.	Kakamigahara, Gifu	647	4	32	32
	Terumo Yamaguchi Corporation and Terumo Yamaguchi D&D Corporation*	Yamaguchi, Yamaguchi	22,163	228	1,145	1,137
Americas	Terumo Medical Corp. and Terumo Cardiovascular Systems Corp.	Maryland, USA	14,431	68	636	454
	Terumo Cardiovascular Systems Corp. and Terumo Heart, Inc.	Michigan, USA	2,745	5	61	19
	Terumo Cardiovascular Systems Corp.	Massachusetts, USA	357	2	147	147
	MicroVenton, Inc.	California, USA	2,168	13	700	283
	Terumo BCT, Inc.	Colorado, USA	10,684	65	1,053	657
	Bolton Medical, Inc.	Florida, USA	648	4	477	294
	Terumo Puerto Rico LLC	Commonwealth of Puerto Rico	1,013	2	82	40
	MicroVenton Costa Rica, S.r.l	San Jose, Costa Rica	140	22	569	556
	TFB Manufacturing S.r.l (Terumo BCT Costa Rica factory)	Cartago, Costa Rica	35	8	54	54
	Kalila Medical, Inc.	California, USA	100	2	44	22
Europe	Terumo Europe NV	Leuven, Belgium	3,838	34	634	634
	Terumo UK, Ltd.	Liverpool, UK	121	1	27	22
	Vascutek Ltd.	Glasgow, UK	946	34	259	259
	Terumo BCT, Ltd.	Larne, UK	2,453	53	335	335
Asia	Terumo Medical Products (Hangzhou) Co., Ltd.	Zhejiang, China	22,476	397	1,035	994
	Terumo (Philippines) Corp.	Laguna, Philippines	27,590	239	1,825	1,660
	Terumo Penpol Pvt. Ltd.	Kerala, India	7,879	28	676	552
	Terumo Vietnam Co., Ltd.	Vinh Phuc, Vietnam	3,841	200	505	379
	Terumo BCT Vietnam Co., Ltd.	Dong Nai, Vietnam	15,837	123	1,137	910
	Essen Technology (Beijing) Co.,Ltd.	Beijing, China	2,096	10	9	9

* Terumo Yamaguchi D&D Corporation was merged into Terumo Yamaguchi Corporation on October 1, 2022.

Data Sheets

Independent Assurance Statement

INDEPENDENT ASSURANCE STATEMENT

To: Terumo Corporation



Bureau Veritas Japan Co., Ltd. (Bureau Veritas) has been engaged by Terumo Corporation (Terumo) to provide limited assurance over sustainability information selected by Terumo. This Assurance Statement applies to the related information included within the scope of work described below.

Selected information

The scope of our work was limited to assurance over the following information included within Terumo Report 2022 for the period of April 1, 2021 through March 31, 2022 (the 'Selected Information'):

- 1) Greenhouse gas emissions from business operations of Terumo Group's 47 sites within Japan (six factories, two R&D bases, two headquarters offices, 36 sales offices and one facility for simulated medical experience) and 21 factories outside Japan
 - Scope 1 emissions (CO₂ from energy use)
 - Scope 2 emissions (market-based)

Reporting criteria

The Selected Information needs to be read and understood together with the internal reporting criteria defined by Terumo.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Any other information which is not listed as the 'Selected Information'.

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

This preparation and presentation of the Selected Information are the sole responsibility of the management of Terumo.

Bureau Veritas was not involved in the drafting of the Selected Information or of the Reporting Criteria.

Our responsibilities were to:

- obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Directors of Terumo.

**Assessment Standard**

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Effective for assurance reports dated on or after December 15, 2015) issued by the International Auditing and Assurance Standards Board.

For the greenhouse gas emissions data, we undertook verification in accordance with the requirements of ISO14064-3 (2019); Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.

Summary of work performed

As part of our independent verification, our work included:

1. Conducting interviews with relevant personnel of Terumo;
2. Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
3. Reviewing documentary evidence provided by Terumo;
4. Reviewing Terumo systems for quantitative data aggregation and analysis;
5. Verification of sample of data back to source by carrying out three physical site visits and reviewing one site remotely, selected on a risk based bases at the following locations:
 - [Physical site visit]
 - Terumo Corporation Head Office
 - Terumo Corporation Kofu Factory
 - Terumo Corporation Shonan Center
 - [Remote review]
 - Terumo (Philippines) Corp.
6. Reperforming a selection of aggregation calculations of the Selected Information;
7. Comparing the Selected Information to the prior year amounts taking into consideration changes in business activities, acquisitions and disposals.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Verified greenhouse gas emissions

We performed our verification work on greenhouse gas emissions data in accordance with the requirements of ISO14064-3(2019).

Verified data in greenhouse gas assertion made by Terumo are as follows.



Data Sheets

	Greenhouse gas emissions [t-CO ₂ e]	Boundary
Scope 1 (CO ₂ from energy use)	66,667	Greenhouse gas emissions from business operations of Terumo Group's 47 sites within Japan (six factories, two R&D bases, two headquarters offices, 36 sales offices and one facility for simulated medical experience) and 21 factories outside Japan for the period of April 1, 2021 through March 31, 2022
Scope 2 (market-based)	191,637	

Conclusion

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria;
- It is our opinion that Terumo has established appropriate systems for the collection, aggregation and analysis of quantitative data within the scope of our work.

Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates Quality Management System which complies with the requirements of globally recognized quality management standard, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA), across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behavior and high ethical standards in their day-to-day business activities.

Bureau Veritas Japan Co., Ltd.
Yokohama, Japan
September 30, 2022





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