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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, storage, and post-marketing, 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.

At Terumo, we have initiated a company-wide project to implement a "quality assurance system to maintain product homogeneity" to counter threats such as cyberattacks. We have established a Product Security Incident Response Team (PSIRT) system for this project. Under the PSIRT system, we are working to incorporate measures into product design and realize commercialization, respond to incidents as they occur, and collect relevant information on vulnerabilities to assess their impact and develop appropriate countermeasures.

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

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relevant divisions. Terumo was thereby able to receive third-party certification indicating its conformity 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 the United Kingdom, conformity with the UK Medical Device Regulations (UK MDR) 2002 was required following the country's withdrawal from the European Union. Accordingly, Terumo obtained external certification indicating its conformity with the United Kingdom Conformity Assessed (UKCA) in April 2023.

In Japan, the Terumo Group has achieved 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, which was issued on December 28, 2018.

Furthermore, continuous training on our quality management 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 160,000 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. We also renewed call response systems and introduced artificial intelligence-powered voice recognition and document summarization systems. With the renewed system, we are working to improve the quality of responses and reduce the time required for responses and record keeping.

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 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).

Quality and Safety of Products and Services

- Terumo is also moving forward with the development of safety management systems and the reinforcement of monitoring of information collection activities overseas.

* For information on T-PAS, please refer to p. 57.

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.

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 190,000 visitors since its opening in 2002.

We aim to have visitors gain an in-depth understanding of

Terumo through their experience at Terumo Medical 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



Education and Training

<https://www.terumo.com/about/education-and-training>

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. Terumo asks all suppliers who do business with Terumo to conduct their business activities following the "Supplier Guidelines" established in line with the Terumo Group Procurement Policy.



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

Supply Chain Management

Promotion System

At Terumo, we recognize that collaborating with our suppliers worldwide and fulfilling our social responsibility through our supply chain is an important part of procurement. The Supplier Guidelines, consisting of seven chapters, form the basis for coordination with suppliers. Based on the Guidelines, Terumo Corporation and the Group companies in Japan, the U.S., Europe, and Asia are promoting business with the suppliers. Specifically, 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. As of the end of fiscal 2022, we received signed acknowledgments from 1,514 out of approximately 2,000 direct material suppliers worldwide. In fiscal 2023, we are aiming to complete the process of obtaining signed acknowledgments from key direct material suppliers throughout the world (i.e., suppliers accounting for 80% of each production site's procurement amount

of direct materials). We also require new suppliers to sign an acknowledgment as a condition of doing business with us, and we are working to obtain it sequentially.

Besides getting suppliers to sign an acknowledgment in relation to the Supplier Guidelines, we are also implementing, in stages, a Self-Assessment Questionnaire (SAQ) aimed at clarifying the current state of suppliers' ethical business practices, human rights, environmental initiatives, and management systems. Of Terumo Group's global total of approximately 2,000 direct material suppliers, a survey has been conducted targeting 165 suppliers with manufacturing sites located in countries that are deemed to have high potential risk of human rights, corruption, or environmental issues based on external assessment indicators.* As of the end of fiscal 2022, completed questionnaires were returned by 121 companies. Based on the results obtained to date, we have not identified any critical deviations from the requirements specified in the Supplier Guidelines, or any concerns regarding the potential for such deviations. For those suppliers whose management systems in regard to human rights, labor and environmental legislation were deemed not to be fully adequate, although there are no apparent concerns regarding critical deviations, we requested them to make improvements based on the relevant international standards, local laws and Terumo's Supplier Guidelines. We also provided feedback on items where it was recommended that the suppliers in question implement self-directed improvements where necessary. In the future, we will continue to sequentially implement this initiative, expanding the scope of the survey to include new suppliers.

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.

* The following indicators are used as reference when assessing risk by country.
 Human rights risks: Global Rights Index of the International Trade Union Confederations (ITUC)
 Corruption risks: Corruption Perceptions Index of Transparency International
 Environmental and governance risks: Equator Principles

Evaluation items and main contents of the self-assessment questionnaire

Evaluation items	Main contents	Number of questions
Ethics	Anti-corruption measures	2
Respect for human rights	Prohibition of child labor, forced labor, discrimination, and harassment, labor management	12
Environmental protection	Greenhouse gas reduction, effective use of resources, waste management, hazardous substance management	8
Health and safety	Activities to prevent work-related accidents, workplace health management, evacuation drills	11
Management system	Compliance with laws and regulations, BCP, document management	5
Conflict minerals*	Status of avoiding conflict minerals*	2*
Total		40

* Scope: tin, tantalum, tungsten, gold, and cobalt
 (For the content of the questions, please refer to "Measures for Addressing Conflict Minerals" on P. 59.)

Procurement Systems for Ensuring Stable Supply of Products

Terumo has formulated a Business Continuity Management (BCM) policy for procurement, and is proceeding with steps to secure a stable supply of products. Under the basic philosophy of maintaining a stable supply of our products to meet healthcare needs continuously, we are building a supply chain that will ensure the reliable delivery of our products to medical institutions and patients by promoting stockpiling of parts and materials and purchasing from multiple suppliers. By doing so, we will respond to global issues that may disrupt the supply chain, such as natural disasters, pandemics, and geopolitical risks.

EHS* Initiatives Related to Procurement

Terumo strives to mitigate EHS-related risks in the supply chain by requesting the suppliers to sign acknowledgments of Supplier Guidelines and complete questionnaires. With regard to raw materials transportation, we are making efforts 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

Procurement

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 to ensure compliance in procurement. In addition, we undertake fair dealings with suppliers by signing agreements regarding exclusion of antisocial forces (i.e. organized crime groups), and obtaining suppliers' signatures in acknowledgment of Terumo's Supplier Guidelines before selecting suppliers, establishing rules for third-party checks on subcontracting transactions. We also 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.

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 people strategy with our management strategies. By implementing our global people strategy 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.

People Strategy

Basic Approach

As healthcare and society as a whole is changing rapidly, we recognize that the development of our talents is imperative to the implementation of Terumo Group growth strategies. To that end, we are implementing the people strategy to enable our associates to continue growing with the company. 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. Furthermore, we define the attraction and value of working at the Terumo Group as “Advancing healthcare with heart” and have begun to share this concept internally and externally.

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 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.

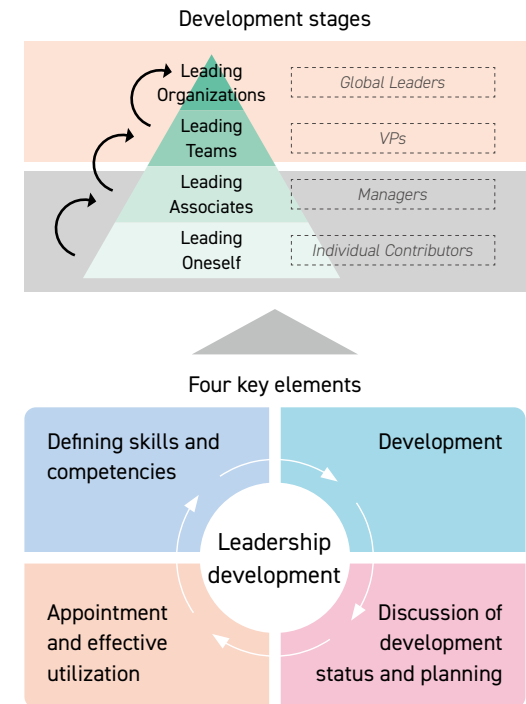


Development of Global Leaders

Basic Approach

With operations in more than 160 countries and regions worldwide, the Terumo Group is promoting the development of talents capable of excelling on the global stage. As a common global development framework, we have designed measures with four consistent elements to create a continuous pipeline connecting each stage of leadership development.

Development stages and four key elements



Global Leadership Program

At the Terumo Group, we offer global leadership programs tailored to each stage of development. In fiscal 2019, we launched a global leadership development program for executive talents with the aim of cultivating the essential skills and competencies we identified that are required to tackle future business challenges faced by the Terumo Group. In this one-year program, associates selected globally who are potential candidates for executive positions at the Terumo Group in the future take on the challenge to generate new value for Terumo through collaboration with one another. In addition, we have expanded this group-wide leadership development program framework to with a new program for high-potential associates with two to seven years of working experience from fiscal 2021 and another program for managers from fiscal 2023.

Succession Planning

Information about the Terumo Group's key talent is shared among senior management for discussions on development, deployment, and effective utilization 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 subsidiary entities that can lead sustainable business growth incorporating external objective assessment based on a common global framework.

Talent Marketplace

Assignments from Japan to overseas Group companies or between overseas Group companies across countries and organizations also play an important role in creating opportunities for cultivating associates. In fiscal 2024, we plan to launch a global platform that leverages artificial intelligence (AI) to connect associates with suitable career opportunities based on their skills and experience. Through the platform, we will further expand opportunities to apply for internal global job postings and participate in global projects to support the success of diverse talent, regardless of their nationality, race or ethnicity.

Talent Development (Terumo Corporation)

Talent 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 talents. Talent 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 Talent 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 lectures for Associates (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 next generation associates, and global talent 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 are also conducting career design seminars for associates from diverse backgrounds on an ongoing basis to encourage them to better drive 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 talents 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.

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 basic knowledge of medicine via Terumo's original e-learning program; 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 Terumo, we are working to improve the development environment and train the trainers to enhance the manufacturing capabilities at its production sites. As one of our efforts, we provide intensive training for new associates assigned to production, engineering, or product development positions every year to pass on to next generation associates the skills and experience of long-cultivated veterans and the spirit of *monozukuri* (product creation) and the skills required for modern production. Associates who work at production sites create training curricula in line with *Gemba* (field/floor), *Genbutsu* (actual product), and *Genjitsu* (reality) to continuously enhance the training content to make it valuable as opportunities to learn the common skills to be deployed at factories, the *Gemba* (field/floor) for *monozukuri*. Based on the curricula, associates, including Terumo Expert System (TES) associates — veteran associates rehired after retirement age—call upon their years of *Gemba* experience to act as trainers to train specific content and support next generation associates in acquiring skills.

Human Resources (HR) Policy

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.

With this in mind, 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 fulfil 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 a first step in implementing the new HR policy, we adopted a new grading policy for managerial positions in April 2022. Going forward, through the three concepts outlined above, we aim to realize growth of individual associates and the Company.

Performance Feedback and Career-Planning Meetings

At Terumo, supervisors hold meetings with associates twice a year at which they provide the associates with feedback on how they have been performed. 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 meetings that encourage associates to think carefully about their careers and discuss their thoughts with their supervisor. These meetings involve the development of career plans and specific performance targets. Data from the meetings is managed and used as the basis for determining assignments and providing other forms of individualized career support.

One-on-one Meeting

Besides performance feedback and career planning meetings, Terumo also implemented one-on-one meeting from fiscal 2022. 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 meetings 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.

“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 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.

Target Critical Skills Development

Basic Approach

The Terumo Group conducts strategic workforce planning to identify the capabilities (roles, skills, and competencies) needed to achieve our mid- and long-term goals and to create and implement recruitment and development plans that align with these goals. Since fiscal 2021, we review and update our strategic workforce plans annually to identify common key capabilities/skills for the Group as a whole and for each business, function, and region.

Definition of Digital Talent

We are working on development and acquisition of digital talent as a capability that needs to be strengthened across the Group. Since fiscal 2022, we have been defining the roles of digital talent across the Group, to identify and monitor the number and location of these talents. Based on the data collected through this process, we are sharing digital talent issues with global business leaders and working to strengthen the formation of digital talent communities, provide knowledge and skills training, and improve our recruitment processes.

Development of Digital Talent (Terumo Corporation)

Since 2020, we have launched the “Terumo DX College” to support the improvement of digital literacy of all associates (from 2020) and the acquisition of knowledge by associates who are willing to acquire digital skills (from 2022). From 2023, we begin offering training in specialized and practical courses to encourage the skill development of professionals who seek to solve business and practical issues with digital skills, depending on the needs of the entire company or each business. In addition to creating new value, we will continue to develop Terumo’s existing strengths further and create an environment where digital technology can be linked to new strengths in all aspects of our business.

Growth Mindset

Basic Approach

At Terumo, we value the growth and development of every associate. In the rapidly changing world of healthcare, our associates play a crucial role in enabling us to tackle new medical challenges and provide innovative solutions. We are committed to fostering a “Growth Mindset” culture throughout the Group that encourages our associates to continually take on new challenges, learn, and grow. By fostering the Growth Mindset, we aim to evolve the company by creating a shift in the attitude and behavior of every associate. To promote the Growth Mindset, our top management and business leaders regularly communicate with our associates about the importance of the Growth Mindset and share their own experiences. We also conduct workshops for our global leaders and equip them with the necessary tools to implement the Growth Mindset. In addition, each of our Group companies implements measures to promote the Growth Mindset according to their own circumstances.

Measures to Implement Growth Mindset

All associates take an e-learning course to learn about the Growth Mindset itself, and in the workshop format, new hires, mid-level associates, and other level-specific training share their experiences of opportunities to put the Growth Mindset into practice. In addition to leadership messages, we are developing activities to promote putting Growth Mindset in daily life through a relay interview of associates called “My Growth Mindset Story” and programs that the Growth Mindset promotion partners promote at each business location. We will continue activities to promote the Growth Mindset to ensure that individual growth leads to organizational development.

Diversity, Equity and Inclusion (DE&I)

Basic Approach

Terumo provides medical products and solutions in more than 160 countries and regions. Currently, about 75%* of the Company's revenue is generated outside of its corporate headquarters in Japan and out of the 30,000 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 ended March 31, 2023, and the number of Terumo Group associates as of March 31, 2023.



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 Measures

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. Through active discussions at the DE&I Council, we established DE&I Philosophy and Guiding Principles for the entire Terumo Group, which is mentioned earlier. In addition, we identified four focus areas to accelerate DE&I promotion in March 2023. Currently, initiatives related to these areas are being advanced based on specific needs of each region. Plans and initiatives to promote DE&I, including those related to gender diversity, are regularly reported and discussed at the Board of Directors meetings. Various suggestions based on diverse perspectives are received from independent directors.

The Four Focus Areas and its Major Initiatives

1. Associate diversity, equity and belonging: Stimulate the creation of an Associate Resource Group (ARG) at each Group company.
2. Inclusive Leadership: Set specific DE&I related goals for each Group Executive Officer and ensure the execution.
3. Policies and practices: Review HR policies and practices at each Group company from DE&I perspectives.
4. Awareness and communication: Strengthen both internal and external communication regarding DE&I.

TOPICS

Initiatives to promote "Inclusive Leadership" Declaration of DE&I Initiative and Goals by All Group Executive Officers

At the Terumo Group, all 19 Group Executive Officers including the Chairman of the Board and the President and CEO have each declared their goals for DE&I initiatives. These are announced on the company intranet and on Terumo's social networking services.



Declaration by Global Executive Officers posted on social networking site

Initiatives to Promote Communication "Terumo DE&I Week"

At the Terumo Group, we hold "Terumo DE&I Week" every March to promote a better understanding of DE&I, foster mutual respect among associates, and create an inclusive work environment where associates are empowered to bring their authentic selves to work. Various events and activities such as messages from management, panel discussions were held at sites around the world.



Internal event held during the "Terumo DE&I Week" (Vietnam)

Human Resources

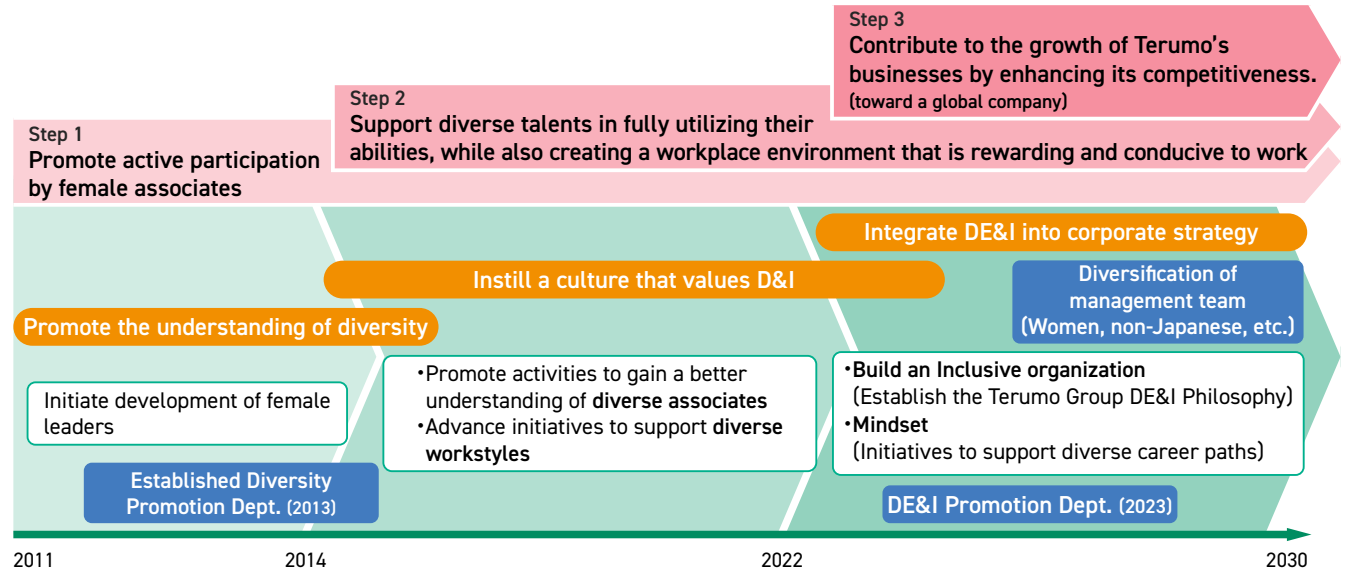
DE&I Promotion (Terumo Corporation)

Terumo is implementing initiatives to foster an inclusive corporate culture by promoting understanding and disseminating DE&I.

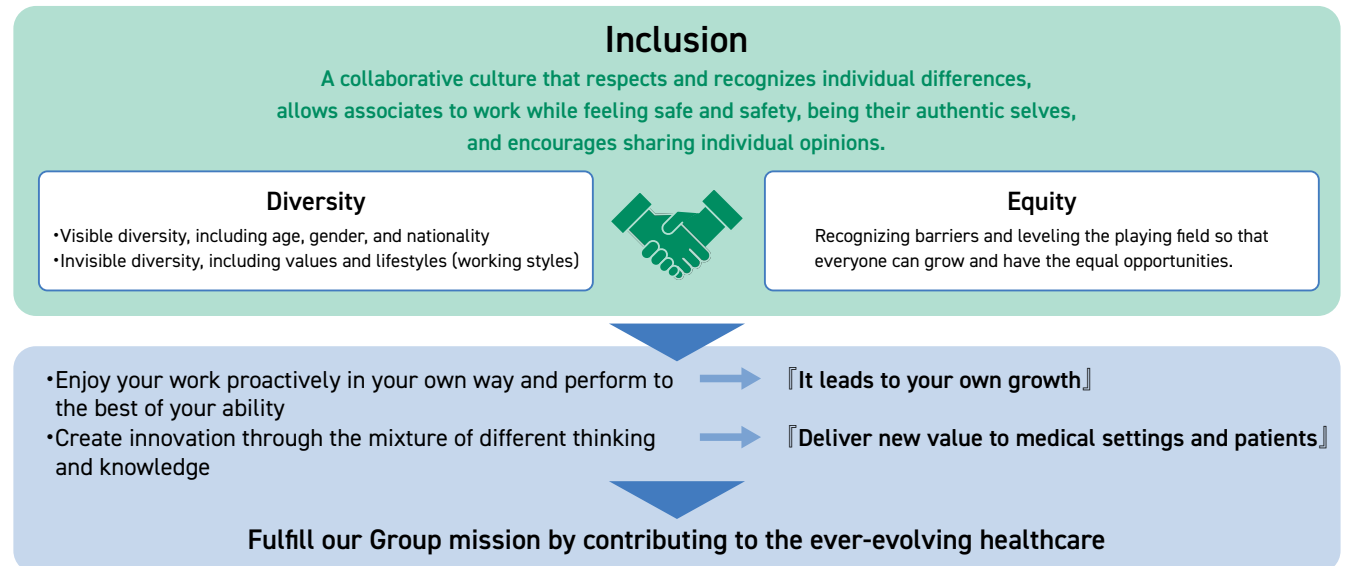
Major Initiatives Implemented So Far

- 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: basic knowledge about DE&I, unconscious bias, psychological safety, etc.)
- Disseminating information about DE&I through Terumo's social media accounts

Initiatives to Promote DE&I at Terumo



Terumo's Vision for DE&I



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.

The ratio of female managers in the Terumo Group, globally, is approximately 30%, compared with 9.6% in Japan (as of March 31, 2023). To ensure continued value creation in the future, it is critical to have a diverse pool of decision makers, including women in management positions. To achieve this goal, we have set a target of 13% women in managerial positions in Japan by the end of fiscal 2026. We are working toward this goal by creating an environment led by top management that enables women to maximize their potential. We are also making it mandatory to include female candidates in succession plans for key management positions and systematically dispatch them to women's leadership programs at external training institutions to develop female leaders and candidates. In mid-career hiring, we are 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. In addition to these efforts, we are actively supporting the creation of a network where associates can share issues and information about career and life events with other associates.

Number and Percentage of Female Managers (Terumo Corporation)

	FY2020	FY2021	FY2022
No. (employees)	69	73	90
Percentage (%)	8.1	8.4	9.6

Major Initiatives Implemented So Far

- Introduce DE&I-related criteria as one of the individual's qualities to be evaluated for executive appointments.
- Require to include female candidates in succession plans for key executive positions.
- Require to include development plans for subordinates in their own objectives.
- Engaged in initiatives for improving diversity management skills in managers that have responsibility for developing female leaders
- Systematically send female associates to women's leadership programs offered by external training institutions to develop female leaders and candidates for management positions.
- Build networks for exchanging ideas in relation to career and life event related issues and information
- Take appropriate measures during the promotion and appointment to ensure that life events, such as parental leave, do not affect career advancement, considering each associate's situation.
- Implement a system to provide subsidies for babysitting fees

Promotion of Active Participation by International Associates

At Terumo, we are engaged in recruiting overseas talents regardless of nationality and promoting the recruitment of global talents by accepting overseas university students and international students in Japan as interns.

As our business is becoming more globalized, we are also working to create an environment where every associate—regardless of nationality or language—can work more comfortably. As part of this effort, we use the term International Associates ("IA") to refer to associates who are not native to Japanese culture or language, and we are conducting cross-cultural communication training for supervisors who have IAs under their supervision. In addition, we have also established an Associate Resource Group (ARG) of IAs to strengthen their network and make it easier for them to consult with each other and work in Japan.

In addition to these efforts, we have also established internal infrastructure, such as providing internal announcements via e-mail and office bulletin boards in English.

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.

In April 2023, we made changes to the TES to introduce a compensation structure that is based on roles and performance. The main objective of this change is to encourage senior associates to fully utilize their skills and actively participate in the organization. We also introduced flexible work arrangements that allow diverse work styles such as side jobs and 3-4 day work weeks.

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. We will continue to promote initiatives that enable each associate with disabilities to maximize their abilities and make efforts to expand employment.

Inclusion of Sexual and Gender Minorities

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

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

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

Well-being

Basic Approach

For our associates to fully utilize their abilities and thrive in the workplace, it is essential that they maintain both physical and mental health. Additionally, their experience at Terumo should be enriching, and they should feel a sense of purpose and job satisfaction. At the Terumo Group, we refer to this state of being as "well-being." To enhance well-being, we are implementing various initiatives across the entire Group, in every region, country, and company.

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.

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

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 reflect directly on the connection between their everyday work and healthcare.

Associate Experience Survey

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 focus areas for improvement and link them to meaningful actions, taking into account the characteristics of each organization and changes in survey results over time. 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.

Initiatives to Enhance Well-being (Terumo Corporation)

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. These surveys contain questions on indicators consisting of associate engagement and items to understand the current conditions and details of associate engagement. In fiscal 2022, 92% of associates responded to the surveys. The results of these surveys are also shared with the associates' respective organizations, as well as the Associate Experience Survey, to enable these organizations to analyze their current organizational status objectively and formulate and implement action plans to realize improvements. Other initiatives for utilizing survey findings to drive positive change include cross-divisional workshops and communication training sessions.

Work-Style Innovation

Recognizing that the contributions of each and every associate drive the ongoing growth of the Company, Terumo is promoting workstyle 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)

	FY2020	FY2021	FY2022
Ratio of days taken	59.9%	67.1%	71.1%

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.

Childcare and Nursing Care Support Policies (Terumo Corporation)

	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	• 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. • Postnatal paternity leave available to male associates within eight weeks of spouse giving birth, which allows them to work while on childcare leave.
	Shortened working hours	• Working hours can be shortened by up to two hours per day until the child finishes elementary school (approximately age 12).
	Adjusted working hours	• The start and end time of regular working days can be moved forward or backward by up to two hours until the child finishes elementary school (approximately age 12).
	Exemption from working outside normal working hours	• Until the child reaches the age of three: The associate concerned can submit an application to the Company to be exempted from working outside normal working hours, and to be exempted from late-night working. • Between the child's third birthday and starting elementary school (approximately age seven): The associate concerned can be exempted from working more than 24 hours a month or 150 hours a year outside normal working hours, and to be exempted from late-night working.
	Work-at-home 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	• 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. The number of male associates taking childcare leave at Terumo is increasing. In fiscal 2022, 104 male associates took childcare leave, or 68.8% of all applicable associates. Male associates who have taken childcare leave have reported that it has enabled them to provide physical and emotional support to their spouses and has strengthened family ties. To encourage the use of paternity leave, we think it is essential to establish a work environment that accommodates associates taking leave for the necessary duration and to foster understanding among managers and colleagues. 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)

	FY2020	FY2021	FY2022
Associates taking childcare leave (employees)	89	84	104
Percentage of applicable associates taking leave (%)	63.1	54.9	68.8

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.



Human Resources

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

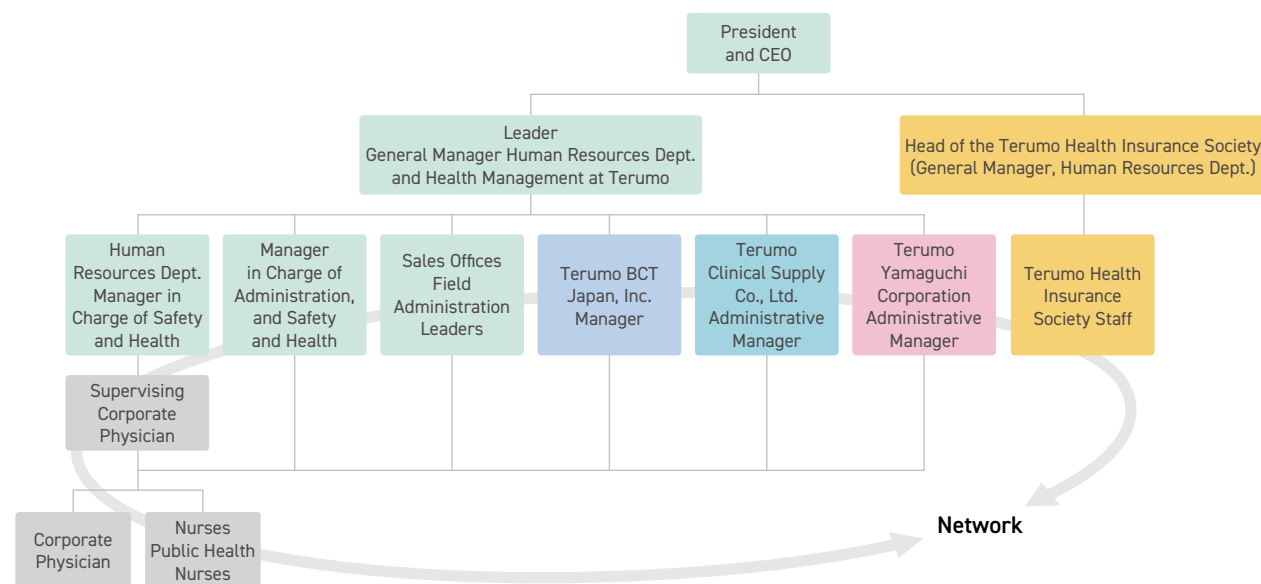
Terumo has opened a pathway to rehire associates who have left because of marriage, childcare or nursing care responsibilities, or the relocation of their spouse. The Career-Return Policy expands the range of employment choices for associates who wish to resume their careers at Terumo in Japan. By helping 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



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: The ratio of smokers was 23.3% in fiscal 2022. 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 2022, 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

Major Initiatives and Achievements in Fiscal 2022

Prevention	<ul style="list-style-type: none"> • Walking campaign participants: 2,417 (held in the spring of 2022) / 2,307 (held in the autumn of 2022) • Stress check take-up rate: 86% (identified as high stress: 12%)
Early detection	<ul style="list-style-type: none"> • Periodic health checkup rate: 100% • Secondary examination rate: 92%
Health and treatment support	Specific health guidance rate: 54.2%

Human Resources

For more information about these initiatives, please refer to "Human Resources and Labor Data" on p.110.

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 (Eight consecutive years since fiscal 2015 to fiscal 2022)
- Sports Yell Company (Six consecutive years since fiscal 2017 to fiscal 2022)
- 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.

Recognition (Praise and Approval)

Basic Approach

The Terumo Group places great importance on recognizing the contributions made by its associates as part of promoting its well-being initiatives. To this end, the company is working to improve its external recognition and evaluation further. In addition, the Group has introduced company-wide awards for its associates. Each business and function is also enhancing its own awards and recognition programs and encouraging team members to appreciate each other's contributions.

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.

Human Resources

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.

Initiatives to Promote Recognition (Terumo Corporation) 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.

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. 40.)

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. The ratio of certifications obtained is 30% on a manufacturing site basis.

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 fiscal 2022, 6,490 associates received basic EHS training (e-learning), including occupational health and safety content.

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 also present awards for good examples of safety-related initiatives to foster a culture of safety at each business 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 “Human Resources and Labor Data” on p.110.)



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, 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 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 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 comprising members from the corporate sustainability, human resources, legal and compliance, and procurement departments. This working group mainly undertakes the following initiatives and reports the progress on these initiatives to the executive officer in charge of sustainability.

Major Initiatives

Category	Subjects
Compliance with Labor-related Laws, and Prevention of Harassment^{*1}	• Conducting surveys administered to Terumo Group business sites in Japan and manufacturing sites overseas to verify the state of compliance and of measures implemented
Ensuring the quality and safety of products and services^{*2}	• Verifying compliance and the response to laws and regulations
Initiatives targeting suppliers^{*3}	• Asking suppliers to sign an acknowledgment of the items stipulated in the Supplier Guidelines, including “Consideration of Human Rights for Labor” • Conducting the 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

Category	Subjects
Complying with ethical standards in research and development^{*4}	• Verifying the status of reviews conducted by the Terumo Research Ethical Committee • Verifying compliance and the response to laws and regulations relating to clinical trials
Bribery prevention and anti-corruption^{*5}	• Building compliance activity plans, including bribery prevention and anti-corruption, dealing with healthcare professionals in an ethical manner, and verifying the state of progress in plan implementation of each region and business

*1 For more information about harassment prevention initiatives, please refer to “Prevention of Harassment” on p. 100.

*2 For more information about initiatives relating to ensuring the quality and safety of products and services, please refer to “Quality and Safety of Products and Services” on pp. 55–57.

*3 For more information about initiatives targeting suppliers, please refer to “Procurement” on pp. 58–59.

*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. 102.

*5 For more information about the main initiatives relating to bribery prevention and anticorruption, please refer to “Anti-Corruption” on p. 101.

Whistle-Blowing System

Based on the Group Compliance Violations Reporting and Anti-Retaliation Policy, the Terumo Group has established and operates the Terumo Integrity Helpline, a Groupwide whistleblowing system. Associates at all Terumo Group business sites can make reports or receive a consultation concerning violations of laws and regulations, the Company’s internal policies and regulations, the Terumo Group Code of Conduct, and other serious misconduct. 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.

(For more information about the whistle-blowing system, please refer to “Whistle-Blowing System,” on p. 100.)

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

Investing in the Communities Where Our Associates Live and Work Addressing Blood Donation Shortages

Contributing to our mission extends into the communities where our associates live and work. A safe, accessible and sustainable blood supply is everyone's responsibility. Our Blood Donation Awareness Program, "From the Heart," hosts blood drives around the world to combat blood shortages and raise awareness of the important need for blood donors to keep inventory at a safe level.



Terumo Blood and Cell Technologies associates around the world actively participating in blood donation drives

Partnering With Mission-Driven Non-Profit Organizations

We're a corporate donor for the Leukemia & Lymphoma Society, the largest nonprofit organization dedicated to creating a world without blood cancers. Since 2007, we have raised more than USD\$1.9 million in support of LLS, and each year those donations represent 20% of the LLS Rocky Mountain Chapter's revenue. We also donate time, resources, and funds to The Action Center of Jefferson County, a non-profit providing "immediate and compassionate response to those in our community experiencing hardship." Each year, our teams in Lakewood, Colorado, donate supplies for meal kits to be delivered during the Thanksgiving holiday season, and we offer our facility's parking areas to be used to organize a drive-through delivery of those meal kits. In 2022, we also supported many other activities at The Action Center throughout the year, such as buying essential items to fill 100 backpacks for community members in need.



Associates who participated in the Light the Night hosted by the LLS



Drive-through delivery of meal kits conducted during the Thanksgiving holiday season



Backpack program for people in need in the community

Supporting Early Diagnosis of Children With Congenital Heart Disease in India

Congenital heart defects (CHDs) are conditions that are present at birth and can affect the structure of a baby's heart and the way it works. It is a neonatal birth defect due to abnormal development of the heart that could involve the interior walls, the valves inside the heart, or the arteries and veins that carry blood to the heart or the

body. CHD affects approximately nine out of 1,000 newborn children and is one of the leading causes of infant mortality. Around 90% of CHD-affected children can be treated if diagnosed early, even more if the disorder is detected before birth.

Terumo India has partnered with two non-profit organizations, namely Aishwarya Trust and Artemis Health Sciences Foundation ("Implementing Agencies"), to implement and support the CHD Programme. Under the CHD programme, Terumo India collaborates with the Implementing Agencies to raise awareness about CHD and to support CHD treatment for underprivileged children.

Aishwarya Trust and Artemis Health Sciences Foundation organize various camps in the remote areas of Southern and Northern region of India to detect the children who are suffering from CHD. Terumo India, also, takes part in these screening camps organized by these Implementing Agencies to identify the children at an early stage to contribute to lessen their pain.



Screening camps for CHD in children



A few beneficiaries of CHD treatment

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 7 until May 13, 2023.

Currently, Nursing Day and Nursing Week is being held to promote nursing as an attractive career to the younger generation, as well as their parents and teachers, with the aim of securing the nursing workforce in an aging society with a declining birth rate. Terumo has continued to provide sponsorship to this initiative since its inception and this year marks 33 consecutive years of support.

Nursing Day and Nursing week were instituted in 1990 by what was then the Ministry of Health and Welfare. 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 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/aim/simin/>



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 2022, subsidies totaling ¥360 million were provided to 181 projects.

Awards for researchers include 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. In March 2023, a book of cartoon content was published, which we started as a series of comic strips to promote 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.