

Promoting Compliance

Basic Approach

Terumo's corporate mission, "Contributing to Society through Healthcare," is the goal not only of the Company but of all associates of Terumo. Fulfilling this mission requires that we continue to conduct honest and fair business practices based on strict legal compliance and corporate ethics while adhering to the high ethical standards expected of a healthcare company.

To accomplish these objectives, we have established the Code of Conduct for the Terumo Group (SAKURA Rules), a set of standards for the conduct of daily business activities for all directors, officers, and associates of the entire Terumo Group, including overseas entities. In accordance with this Code, we are striving throughout the Group to base our actions on social ethics as well as on compliance with relevant laws and regulations.

Compliance System

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

Under the leadership of the Chief Legal Officer (CLO) and centered on the Legal and Compliance Department, we will create compliance-related rules, perform training and

education, and conduct monitoring to quickly discover and ascertain compliance issues by coordinating with the compliance officers who are in charge of promoting compliance-related activities at each Group company.

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

Compliance Education

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

Major Compliance Training Programs (Terumo Corporation)

Name	Scope of participation	Format	Subjects/frequency
Code of Conduct for the Terumo Group (SAKURA Rules) seminars	All directors, officers, and associates	Group training	Annual seminar on general compliance topics that all directors, officers, and associates are required to attend
Training on fair competition and bribery prevention	All directors, officers, and associates (excluding certain production divisions)	E-learning program	Fair transactions and prevention of corruption in business activities
Healthcare professional relations training	Sales branch and company associates	E-learning program	Maintenance of appropriate relations with healthcare professionals
Level-based training	Associates at specific levels	Group training	Compliance education as part of training for early-career associates and associates being promoted to mid-level and management positions

Promoting Compliance

Compliance Initiatives

Whistle-Blowing System

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

Based on this policy, Terumo has established and operates a whistle-blowing system through which associates

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

Prevention of Harassment

Terumo's work regulations in Japan explicitly forbid abuses of power and sexual harassment, regardless of gender orientation or gender identification (members of the LGBT community), as well as activities intended to put individual associates at a disadvantage due to reasons such as pregnancy, or roles as a parent or caregiver. In addition, with the aim of raising awareness of harassment prevention, we have established a harassment intranet page where associates in Japan will find our Harassment Prevention Guidelines along with harassment training materials and information on consultation venues.

From fiscal 2017, December–January was designated as a period for promoting harassment prevention awareness in Japan. Initiatives during this period include the transmission of messages, administration of surveys, and conducting of e-learning programs for all associates.

Furthermore, the Code of Conduct for the Terumo Group (SAKURA Rules) seminar, which associates attend once a year, covers topics on harassment prevention to further entrench awareness. Managers, meanwhile, periodically attend trainings that provide examples of harassment relevant to daily business activities. Such trainings were conducted a total of 16 times in fiscal 2017 in Japan.

Harassment Prevention Guidelines

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

Promoting Compliance

Opposition to Anti-Social Forces

Avoiding relationships with anti-social forces is one of Terumo's corporate responsibilities. We therefore strictly refuse to become involved in any relationship with anti-social forces and do not engage in any transactions with companies, other

organizations, or individuals with ties to anti-social forces. Furthermore, we work with law enforcement authorities and other institutions to combat anti-social forces.

Anti-Corruption

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

All Terumo associates observe the Code of Conduct for the Terumo Group (SAKURA Rules) and the Terumo Global

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

Prohibition of Collusion and Cartels

To prevent associates from becoming involved in collusion and cartels during the course of business activities, the Terumo Group has established the Terumo Group Global

Antitrust Policy and is engaged in a Groupwide effort to maintain fair and free competition.

Appropriate Relationships with Healthcare Professionals

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

Practice as an internal guideline for this purpose.

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

Advertisements and Sales Promotions

The Terumo Group Global Rules for Dealing with Off Label Use has been created to ensure compliance with Japan's PMD Act (the Act on Securing Quality, Efficacy and Safety of Pharmaceuticals, Medical Devices, Regenerative and Cellular Therapy Products, Gene Therapy Products, and Cosmetics) as well as relevant laws and regulations in other countries. Based on these rules, we prohibit advertising or sales promotions of unapproved or off-label-use of pharmaceuticals and medical devices and preserve the appropriateness of our promotional activities.

In Japan, sales promotion materials are confirmed by the Legal and Compliance Department, Regulatory Affairs, and other relevant divisions before they are put into use in order to verify the accuracy of the information they provide and guarantee legal compliance. In regions outside of Japan, appropriate and legally compliant promotional activities are being advanced centered on major Group companies.

Promoting Compliance

Transparent Relationships between Corporate Activities and Medical Institutions

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

In Japan, based on voluntary industry rules, Terumo has formulated its Transparency Guideline for the Relationships between Corporate Activities and Medical Institutions and its Transparency Guideline for the Relationships between Corporate Activities and Patient Organizations. We follow the provisions of these guidelines in disclosing payments of funds to medical institutions, medical professionals, and patient organizations.

Stance on Tax

Guided by its corporate mission of “Contributing to Society through Healthcare,” the Terumo Group conducts business based on strict legal compliance and corporate ethics and aims to achieve sustainable growth and maximize long-term

corporate value and meet the expectations of its worldwide stakeholders. In accordance with its corporate mission, the Terumo Group takes the following actions in conducting tax management.

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

R&D Ethics

The development of medical devices and pharmaceuticals requires us to conduct animal experiments as well as clinical research on human beings in order to evaluate the safety and efficacy of these products. In its research activities, Terumo always acts in an appropriate manner based on both an ethical and a scientific perspective. We therefore observe the principles of the Declaration of Helsinki* and comply with Good Clinical Practices (GCP) as well as the pharmaceutical laws of countries in which we operate and

other relevant regulations and standards. In addition, we have established the internal Research Ethics Review Committee and Institutional Animal Care and Use Committee in order to guarantee the utmost levels of ethics and respect for animal life in our R&D activities.

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

Promoting Compliance

Ethics in Clinical Research and Clinical Trials

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

Ethics in Animal Experiments

In its animal experiments, Terumo seeks to ensure both high ethical standards and scientific validity by implementing internal regulations based on relevant laws and guidelines such as the Act on Welfare and Management of Animals and the Standards relating to the Care and Keeping and Reducing Pain of Laboratory Animals.

The Company's Institutional Animal Care and Use Committee was established to conduct proper animal experiments. The committee examines protocols, confirms the conclusion of experiments, and performs animal husbandry management while taking animal welfare into consideration, and conducts periodic self-inspections to ensure that we adhere to the three Rs tenets stipulated by relevant laws—Replacement (to replace animal studies with other methods), Reduction (to use fewer animals), and Refinement (to

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

alleviate pain and distress)—as well as to the fourth R, Responsibility (to be responsible for experiments). Furthermore, education on ethics in animal experiments, scientific validity, recent legal trends, and occupational health and safety is provided on a regular basis to researchers engaged in animal experiments in order to maintain their ability to conduct appropriate tests.

In February 2017, Terumo's R&D base, Shonan Center was fully accredited by the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC), a third-party international certification body for animal experiment facilities. This accreditation verifies that the animal experiments conducted by the Company are in compliance with international standards.

Reducing the Environmental Impact of Our Business Operations

Basic Approach

Reducing the environmental impact of business activities is a social responsibility for companies that must be fulfilled in order to realize a sustainable society as well as an important measure for achieving sustainable growth. Accordingly, we

have established the Terumo Global EHS Policy to guide Groupwide initiatives for reducing the environmental impact of our business activities.

Terumo Global EHS Policy

Established October 25, 2012

Revised April 1, 2017

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

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

Reducing the Environmental Impact of Our Business Operations

EHS Management System

Based on the Terumo Global EHS Policy, we employ an environment, health, and safety (EHS) management system that is compliant with international environmental standards (ISO 14001:2015) and occupational health and safety standards (OHSAS 18001, ISO 45001).

As a key part of Terumo’s focus on sustainability in business, EHS policies, goals, activity plans, risks, and opportunities are discussed and related decisions are made by the Corporate EHS Committee and then reflected in activities at

Terumo Group sites worldwide. EHS Expert Subcommittees, consisting of experts drawn from individual business sites and functioning as subsidiary bodies to the Corporate EHS Committee, formulate strategies, policies, and action plans in their respective areas. To confirm the operational status and effectiveness of systems and ensure compliance with relevant laws and regulations, the EHS Audit Committee conducts EHS internal audits at all sites. Ongoing improvements are implemented based on the results of these audits.

Organization for Companywide Promotion of EHS Management System



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

Principal manufacturing sites in Japan, a certain number of manufacturing sites overseas, and the head office (Environmental Management Department) have obtained third-party certifications of their compliance with the ISO 14001 and

OHSAS 18001 international standards.

All sites have achieved compliance with the 2015 version of ISO 14001.

Facilities with Third-Party Certifications

Company name	Site	Certified
Terumo Corporation	Head office (Environmental Management Department)	October 2013
	Fujinomiya Factory	October 2013
	Kofu Factory	November 2014
	Ashitaka Factory	November 2015
Terumo Europe NV	Haasrode Factory	February 2012
Terumo Penpol Private Ltd.	Blood Bag Factory	May 2013

Reducing the Environmental Impact of Our Business Operations

EHS Risk Management

EHS Internal Audits

The Terumo Corporate EHS Audit Committee conducts EHS internal audits to reduce environmental, health, and safety risks. Examples of these risks include legal violations, industrial accidents, and environmental accidents. EHS internal audits are also conducted to assess EHS performance (progress toward the achievement of EHS targets). When nonconformities have been identified, corrective

actions are taken and their effectiveness is checked to prevent recurrences. For situations that could result in nonconformities if not addressed, we monitor the situation, identify issues, and draft improvement plans. These situations are assessed again in the following fiscal year's audit to confirm the status of improvement with regard to these issues.

■ Audit Tasks

1. Check compliance with EHS-related laws and conventions, and EHS policies, rules, and standards
2. Check the operational status of EHS management systems and performance (effectiveness, key performance indicators)
3. Check the status of improvement regarding issues identified through audits, etc.

■ Fiscal 2017 EHS Internal Audit Results

EHS audits were performed at 11 locations in Japan and two locations overseas. These audits did not uncover any serious nonconformities, but did find a total of six minor nonconformities, all of which have been remedied. Remediation of nonconformities found in the previous fiscal year was also determined to have been completed.

Audits of Waste-Treatment Contractors

To confirm that industrial waste generated by Terumo is appropriately processed, we perform systematic audits of waste collection and disposal contractors. In fiscal 2017, we conducted audits at 34 contractors and determined that waste collection and disposal is being properly performed.

Training and Education

To ensure solid understanding of the Terumo Global EHS Policy and EHS activities, we conduct a basic EHS education program for all associates of Terumo once a year.

We have also prepared education materials tailored to the needs of factories, R&D bases, and sales offices and use them in regularly conducted education and training programs.

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



Education and training program

Reducing the Environmental Impact of Our Business Operations

Emergency and Accident Response Training

Individual business sites have established procedures to prevent EHS accidents and lessen the severity of any should

such occur. They also conduct emergency response training and review results on a regular basis.

Compliance with Environmental Laws and Regulations

In fiscal 2017, there were no major legal or regulatory violations or citations requiring fines or punishments.

Award Program for Recognizing Outstanding EHS Activities

We present Terumo Human×Eco Awards to recognize activities that contribute to the environment, health, and safety from throughout the entire Terumo Group. By evaluating and sharing information on examples of outstanding EHS activities within the Group, we aim to further promote such activities. Four fiscal 2017 initiatives were selected for recognition in fiscal 2018.



Terumo Human×Eco Award ceremony

Award Project & Recipient

Project	Award recipient
Reduction of factory water use through concerted water conservation activities - 4% reduction in water use and 11% reduction in water use per unit of product sales from fiscal 2016	Environment Committee, General Affairs Section, and Maintenance Section of Ashitaka Factory
Contribution to medical settings and the environment with condensed liquid nutrients for oral intake - Reduction of burden on patients and medical professionals and lower raw material use	Product Development Section 1, Kofu Factory Pharmaceutical Group, Hospital Systems Division, General Hospital Company
Initiatives for natural resource protection and OHS risk mitigation - Effective use of water and energy resources - Reduction of occupational accidents	Blood Bag Factory, Terumo Penpol Private Ltd.
Optimization of waste management and driving of change - Increase in the rate of recycling	Terumo Aortic, Vascutek Ltd.

Reducing the Environmental Impact of Our Business Operations

Development of Environmentally Friendly and Safe Products

Human×Eco Development Guidelines

Terumo has established and applied to product development its proprietary Human×Eco Development Guidelines, a set of guidelines for developing products that are friendly to both people and the environment.

These guidelines consist of four principles—more friendly (providing safety and reliability), more advanced (contributing to the advancement of healthcare), cleaner (reducing environmental impact), and less (using resources effectively)—and 24 directives based on these principles. Products that exhibit excellence with regard to these principles and directives display the “Human×Eco” logo, an internal certification mark, to make this excellence readily apparent to customers.

“Human×Eco” Development Guidelines



Examples of Human×Eco Certified Products

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

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



Condensed liquid nutrient

● Intravascular Ultrasound Catheter—Shortened Examination Times and Improved Efficiency

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



Intravascular ultrasound catheter

Reducing the Environmental Impact of Our Business Operations

● TERUPACK™ Eco Environmentally Friendly IV Solution Bag

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



TERUPACK™ Eco

● TRI Introducer Kit—Minimally Invasive and Medically Cost Efficient

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



Introducer sheath for TRI procedures

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

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



Closed infusion system

● Concentrated Liquid Nutrients (Semi-Solid Type)—Conservation of Resources and Improvement of Quality of Life

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



Concentrated liquids nutrient (semi-solid type)

Reducing the Environmental Impact of Our Business Operations

● Solution Pack™—Greater Efficiency and Less Waste

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



Angiographic kit

Products Free of Hazardous Substances

● Leading the Industry toward Mercury-Free Products

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



Digital thermometer

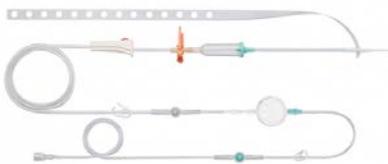


Digital blood pressure monitor

● Promoting PVC-Free, DEHP-Free Products

Terumo helps reduce the release of toxic gas from incineration of polyvinyl chloride (PVC) by promoting use of PVC-free packaging. We also use alternatives to di-2 ethylhexyl

phthalate (DEHP) whenever possible due to concerns over its biological hazards.



Polybutadiene IV solution set



PVC-free IV solution bag



DEHP-free cardiovascular circuit

Reducing the Environmental Impact of Our Business Operations

Initiatives to Address Climate Change

Based on international frameworks, such as the United Nations Sustainable Development Goals and the Paris Agreement, Terumo recognizes that reducing CO₂ emissions from its business activities, through means such as

improving energy efficiency and combating climate change, is an important responsibility and is advancing Groupwide activities to this end.

Target for Reduction of CO₂ Emissions

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

Reduction of CO₂ Emissions (Scope 1, 2, 3*)

The entire Terumo Group is working to reduce CO₂ emissions. In fiscal 2017, such efforts included improving the operating methods of energy supply facilities by limiting the number of compressors in use, optimizing air-conditioning operation, and other means. In addition, we introduced once-through boilers, LED lighting, and other high-efficiency equipment and took steps to prevent air and steam leaks and other problems through regular inspections. In office environments, we conducted activities including promotion of energy-saving by setting thermostats appropriately and

turning off unneeded lighting in order to involve the entire Terumo Group in energy-saving activities.

As a result of these activities, per revenue CO₂ emissions in fiscal 2017 were 41% lower than in fiscal 2005 and 10% lower than in fiscal 2016.

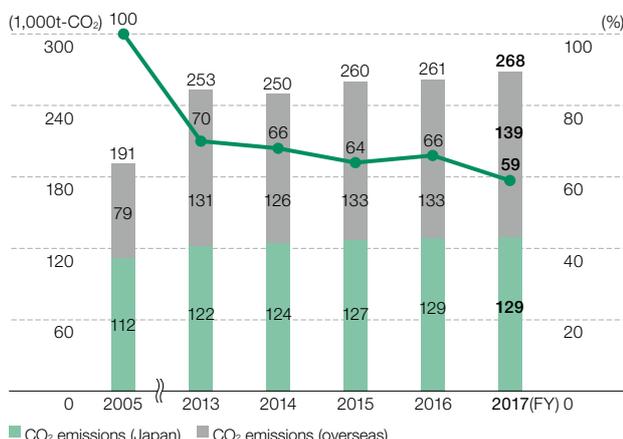
* Scope: Reporting is based on the following GHG Protocol categories.

Scope 1: Emissions of greenhouse gases from direct fossil fuel combustion

Scope 2: Greenhouse gas emissions from secondary uses such as purchased or acquired electricity

Scope 3: Greenhouse gas emissions from business activities that are not applicable under Scope 1 or Scope 2

CO₂ Emissions in Total and Index per Unit of Consolidated Net Sales/Revenue



■ CO₂ emissions (Japan) ■ CO₂ emissions (overseas)
 ● Index per unit of consolidated net sales/revenue (FY2005=100) (right)
 * Scope: Terumo Group business sites in Japan and manufacturing sites overseas
 * Figures for fiscal 2005 and fiscal 2014–2015 have been restated to rectify past errors in the collection of overseas data.

Energy Consumption

Fuel type	FY2015	FY2016	FY2017
Electricity	1,506,279	1,525,594	1,552,236
City gas	1,055,107	1,016,203	1,006,781
LPG	27,868	26,037	27,837
Heavy oil	20,119	20,060	19,941
Diesel oil	22,595	13,397	4,401
Steam	124,645	130,164	132,356
Gasoline	615	598	363
Total	2,749,115	2,720,407	2,893,202
Consumption per unit of product net sales/revenue (GJ/¥100 million)	524	529	492

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

* From fiscal 2017, the method for calculating energy consumption from electricity use was changed to employ secondary energy conversion coefficients instead of primary energy conversion coefficients. Figures for fiscal 2015 and fiscal 2016 have been restated to reflect this change.

Reducing the Environmental Impact of Our Business Operations

CO₂ Emissions in Fiscal 2017 (Scope 1 and Scope 2)

	(t-CO ₂)		
	Scope 1	Scope 2	Total
Japan	40,102	88,877	128,979
Overseas	17,851	120,781	138,632
Total	57,953	209,658	267,611

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

Renewable Energy Use in Fiscal 2017

	(kWh)
Photovoltaic power	303,143

* Scope: Terumo Group

CO₂ Emissions in Fiscal 2017 (Scope 3)

	(t-CO ₂)		
Category	Emissions volume	Method of calculation	
Category 1	Purchased goods and services	2,121,971	Calculated by aggregating emissions per unit of revenue and emissions intensities by division using relevant industry charts
Category 2	Capital goods	130,536	Calculated by aggregating emissions intensities per unit of capital goods price for annual capital expenditure amounts
Category 3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	17,013	Calculated by aggregating emissions intensities of electricity and steam consumption amounts
Category 4	Upstream transportation and distribution	684,585	Calculated by aggregating emissions per unit of revenue and emissions intensities by division using relevant industry charts
Category 5	Waste generated in operations	9,122	Calculated by aggregating emissions intensities of waste amounts
Category 6	Business travel	3,031	Calculated by aggregating emissions intensities based on employee numbers
Category 7	Employee commuting	4,780	Calculated by aggregating emissions intensities based on employee numbers
Category 8	Upstream leased assets	1,297	Calculated by aggregating emissions from vehicles leased in Japan
Category 9	Downstream transportation and distribution	435,881	Calculated by aggregating emissions per unit of revenue and emissions intensities by division using relevant industry charts
Category 10	Processing of sold products	—	Not applicable as emissions from processing within the Group are included under Scope 1 and Scope 2
Category 11	Use of sold products	4,571	Calculated based on life span and electricity consumption of principal medical electronics (pumps)
Category 12	End-of-life treatment of sold products	987	Calculated by aggregating emissions per unit of revenue and emissions intensities by division using relevant industry charts
Category 13	Downstream leased assets	—	Not applicable as emissions associated with leased assets are accounted for under use of sold products
Category 14	Franchises	—	Not applicable as no facilities considered franchises exist
Category 15	Investments	—	Not applicable as no emissions were generated through investment
Total		3,413,773	

* Emissions intensities used in calculations are based on the database of emissions intensities for calculating organization greenhouse gases across the supply chain provided by the Ministry of the Environment (Ver. 2.5).

* Scope: Terumo Group

TOPIC

Reduction of CO₂ Emissions and Establishment of Targets for Fiscal 2030

Companies are now expected to set science-based CO₂ reduction targets and to work toward the achievement of these targets in order to contribute to accomplishing the Paris Agreement's goal of maintaining the increase in average global temperature to less than 2°C above pre-industrial levels.

In fiscal 2018, Terumo plans to establish a new target for the Group based on the methodology for setting CO₂ emissions reduction

targets endorsed by the international initiative known as Science Based Targets.

Moreover, we are committed to reducing CO₂ emissions through a concerted Groupwide effort to help mitigate climate change risks and accomplish the goal of the Paris Agreement.

Reducing the Environmental Impact of Our Business Operations

Waste Reduction and Recycling

As part of its efforts to use resources more efficiently, Terumo sets targets for recycling and for reducing final disposal waste. From a safety perspective, it is difficult to reuse waste (practice material recycling) internally. We do, however, segregate various types of waste from manufacturing processes and from business activities in offices, and, with the cooperation of a recycling company, turn it into floor tiles and

other types of plastic products, refuse plastic fuel (RPF), and organic fertilizer. For fiscal 2017, we achieved a recycling rate of 85% at Terumo Group business sites in Japan and manufacturing site overseas, with final disposal waste accounting for 0.2% of total waste at domestic Terumo Group business sites, accomplishing our targets for the year.

Recycling Target

Achieve a recycling rate of 85% or higher for the Terumo Group

Waste-Reduction Target

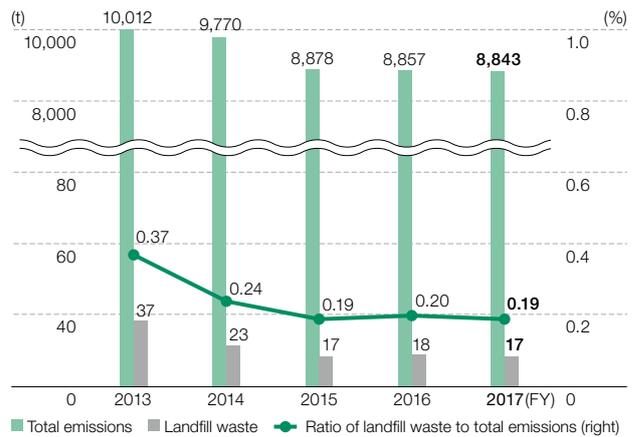
Reduce final disposal waste to 0.5% or less of total waste at Terumo Group business sites in Japan

Recycling Volume and Rate



* Scope: Terumo Group business sites in Japan and manufacturing sites overseas
 * Figures for fiscal 2013–2016 have been restated to rectify past errors in the collection of overseas data.

Landfill Waste



* Scope: Terumo Group business sites in Japan
 * Figures for fiscal 2013 have been restated to rectify past errors in the scope of disclosure.

Initiatives to Collect and Recycle Small Rechargeable Batteries

Terumo works through the Japan Portable Rechargeable Battery Recycling Center (JBRC) to collect and recycle used rechargeable batteries from Terumo products. This is in compliance with Japan's Act on the Promotion of Effective Utilization of Resources. To promote the proper recycling of small rechargeable batteries, we display a recycling logo on

our products and inform customers through product instruction booklets that batteries should be recycled. In addition, for products covered by our maintenance services, we regularly inspect and replace small rechargeable batteries and recycle batteries that are no longer usable.

Collection and Recycling of Small Rechargeable Batteries in FY2017

	Nickel-cadmium batteries	Nickel-metal hydride batteries	Lithium-ion batteries	Sealed lead-acid batteries
(kg)	3,149	2,480	550	912

* Scope: Terumo Corporation business sites in Japan

Reducing the Environmental Impact of Our Business Operations

Reduction of Packaging and Promotion of Recycling

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

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

Terumo fulfills its recycling obligation by engaging the Japan Containers and Packaging Recycling Association to recycle waste. In fiscal 2017, we sent a total of roughly 238 tons of paper and plastic packaging materials to this organization for recycling.

Effective Utilization of Water Resources

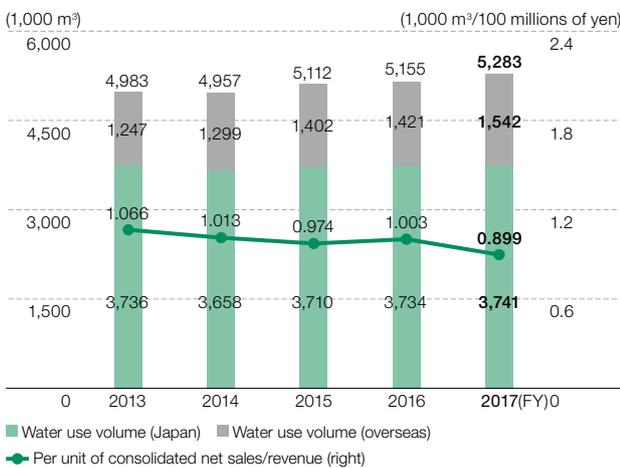
In every country and region where Terumo's manufacturing sites are based, we examine the state of water resources and ascertain risks and opportunities in water use. The Terumo Group also strives to use water resources effectively and to reduce water consumption by, for example, circulating water and using rainwater. As a result, in fiscal 2017 we achieved a nearly 10% reduction in our water use per unit of revenue compared with fiscal 2016.

We will continue Groupwide efforts to promote the effective use of water resources going forward.

Medium-Term Target

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

Water Use Volume



* Scope: Terumo Group business sites in Japan and manufacturing sites overseas
 * Figures for fiscal 2016 have been restated to rectify past errors in the collection of overseas data.

Reducing the Environmental Impact of Our Business Operations

Proper Control of Chemical Substances

Terumo monitors and controls the use, emission, and disposal of chemical substances according to voluntary targets established under the Terumo Global EHS Policy.

Management Systems and Procedures

At Terumo, the Chemical Substance Subcommittee (one of the EHS Expert Subcommittees) leads efforts at Terumo Group business sites in Japan to track both the amounts of chemical substances we handle and the amounts we emit, reduce our usage of these materials, and properly manage what we use. Chemical substances are managed based on

our Chemical Substance Management Guidelines, which set forth procedures for the acquisition, storage, handling, disposal, and other activities involving chemical substances. In addition, risks in the working areas where chemical substances are used are assessed based on our Chemical Substance Risk Assessment Procedures.

Voluntary Action to Reduce Chemical Substance Emissions

● Reduction of Dichloromethane Emissions

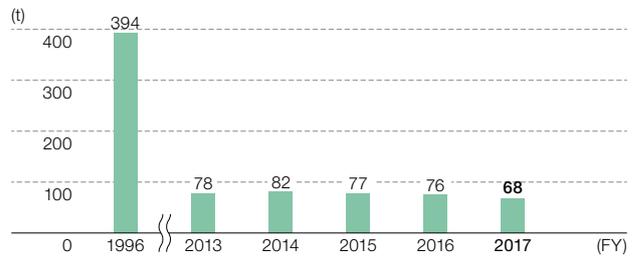
Terumo is working to reduce its emissions of dichloromethane* based on its own voluntary targets. At our Kofu Factory, which handles large amounts of dichloromethane, we have installed a recycling system to reduce emissions of this air pollutant as much as possible. As an added measure, we monitor dichloromethane concentrations at the boundaries of the factory site to ensure standards are not exceeded.

* Dichloromethane is designated as a hazardous air pollutant (volatile organic compound) under Japan's Air Pollution Control Act, which has set an upper limit of 150 µg/m³ on annual average atmospheric concentrations. This standard does not apply to designated industrial areas, such as the location of the Kofu Factory. Nevertheless, Terumo has set and abides by a voluntary standard that is stricter than the official environmental standard.

Target

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

Dichloromethane Emissions

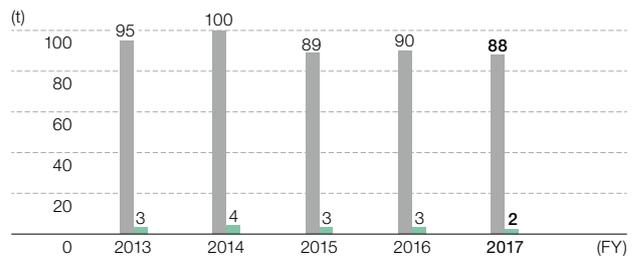


* Scope: Terumo Group business sites in Japan

● Reduction of Ethylene Oxide Emissions

Ethylene oxide is widely used to sterilize medical devices. At Terumo, we are working to reduce ethylene oxide emissions to the outside environment and have installed catalytic oxidation emissions treatment systems at our Ashitaka and Fujinomiya factories and our R&D Center (Shonan Center), along with combustion emissions treatment equipment at the Kofu Factory. In addition, we have voluntarily set an upper limit of 4.3 µg/m³ on atmospheric concentrations at the boundaries of these sites and monitor the atmosphere to ensure we adhere to this standard.

Ethylene Oxide Emissions



■ Amount used ■ Emissions

* Scope: Terumo Corporation business sites in Japan

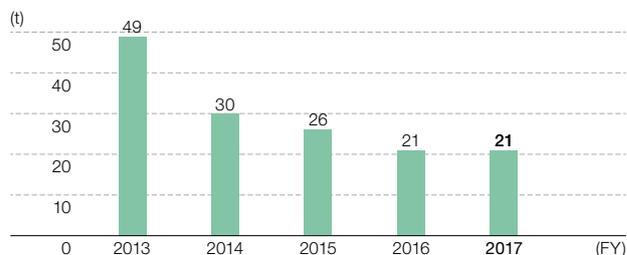
Reducing the Environmental Impact of Our Business Operations

● Substitutes for HCFC-225

In light of the Montréal protocol, an international agreement for the phase-out of substances that deplete the ozone layer, it has been decided that the production of HCFC-225 will be prohibited in Japan beginning in 2020. Accordingly, Terumo is moving ahead with its transition to HCFC-225 substitutes. As part of this undertaking, Terumo's Eco-products and Safety Subcommittee (one of the EHS Expert Subcommittees) has disseminated information on processes that use HCFC-225 at individual business sites, on HCFC-225 substitutes, and on the results of related discussions at individual business sites. In fiscal 2016, the transition to HCFC-225 substitutes in the CX fiber manufacturing processes at the Ashitaka Factory was completed. Seizing on

the momentum of this achievement, we aim to continue our transition to substitute solvents.

HCFC-225 Emissions



Scope: Terumo Corporation business sites in Japan

● Tracking and Management of PRTR Substances

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

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

Amount of PRTR Substances Used, Emitted, and Transferred in Fiscal 2017

(t)

Substance		Fujinomiya Factory	Ashitaka Factory	Kofu Factory	R&D Center (Shonan Center)	Total
Ethylene oxide gas	Amount used	8.1	63.3	16.1	0.0	87.5
	Amount emitted	0.1	0.9	0.8	0.0	1.8
	Amount transferred	0.0	0.0	0.0	0.0	0.0
1, 2-dichloroethane	Amount used	0.0	2.2	0.0	0.0	2.2
	Amount emitted	0.0	1.6	0.0	0.0	1.6
	Amount transferred	0.0	0.0	0.0	0.0	0.0
HCFC-141b	Amount used	2.5	0.0	0.0	0.0	2.5
	Amount emitted	1.7	0.0	0.0	0.0	1.7
	Amount transferred	0.0	0.0	0.0	0.0	0.0
HCFC-225	Amount used	11.9	16.3	5.0	0.0	33.2
	Amount emitted	5.7	11.8	3.0	0.0	20.5
	Amount transferred	0.2	0.0	0.0	0.0	0.2
Dichloromethane	Amount used	0.1	6.5	147.0	0.1	153.7
	Amount emitted	0.1	3.8	64.2	0.0	68.1
	Amount transferred	0.0	0.0	0.0	0.1	0.1
Toluene	Amount used	0.8	0.0	5.4	0.5	6.8
	Amount emitted	0.3	0.0	0.6	0.0	0.9
	Amount transferred	0.5	0.0	4.8	0.5	5.9
Di (2-ethylhexyl) phthalate	Amount used	353.5	1.9	106.2	0.0	461.6
	Amount emitted	0.0	0.0	0.0	0.0	0.0
	Amount transferred	0.0	0.0	3.2	0.0	3.2
Hydrogen fluoride	Amount used	0.0	19.5	0.1	0.0	19.6
	Amount emitted	0.0	1.4	0.0	0.0	1.4
	Amount transferred	0.0	0.0	0.0	0.0	0.0
n-hexane	Amount used	0.0	6.0	0.0	0.0	6.0
	Amount emitted	0.0	3.0	0.0	0.0	3.0
	Amount transferred	0.0	3.0	0.0	0.0	3.0
N, N-dimethylformamide	Amount used	0.0	6.4	0.0	0.0	6.4
	Amount emitted	0.0	4.2	0.0	0.0	4.2
	Amount transferred	0.0	0.0	0.0	0.0	0.0

* Scope: Terumo Corporation business sites in Japan

Reducing the Environmental Impact of Our Business Operations

Proper Disposal of Polychlorinated Biphenyls

In Japan, Terumo has ceased the use of all products (transformers, capacitors, etc.) containing high concentrations of polychlorinated biphenyls (PCBs) and has formally requested that the Japan Environmental Storage & Safety Corporation* dispose of them. Regarding products containing low concentrations of PCBs, Terumo continues to conduct surveys to identify them and plans to complete disposal thereof by

fiscal 2019. Products identified as containing PCBs are stored under strict controls for PCB waste at individual business sites. At our Ashitaka Factory, disposal of all products containing PCBs was completed in April 2017.

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

Compliance with Chemical Substance Regulations

● Construction of System to Ensure Regulatory Compliance

[Collection of Regulatory Information]

Our Environmental Management Department gathers information on environmental regulations via the Japanese government's Official Gazette and through industry activities and regularly receives information from local subsidiaries in Europe, which has the most advanced chemical regulations in the world. It then shares this information throughout the Group to address shortcomings in regulatory compliance and ensure ongoing compliance.

[Considerations in Design and Procurement]

At the product design stage, designers are informed of regulated substances and instructed to take all possible steps to avoid using these and other environmental pollutants. We use our Human×Eco Development Guidelines as a tool to raise designer awareness.

[Monitoring of Chemical Substance Content of Procured Items]

Terumo seeks to comply with the Restriction of Hazardous Substances Directive (RoHS*1), the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH*2), and

other regulations pertaining to chemical substances. For this reason, the Company is stepping up management of these substances by collaborating with related departments to monitor the regulated substances contained in procured items.

In addition, we request that suppliers provide information on their use of conflict minerals through the conflict mineral reporting templates developed by the Responsible Business Alliance (formerly the Electronic Industry Citizenship Coalition) and the Global e-Sustainability Initiative.

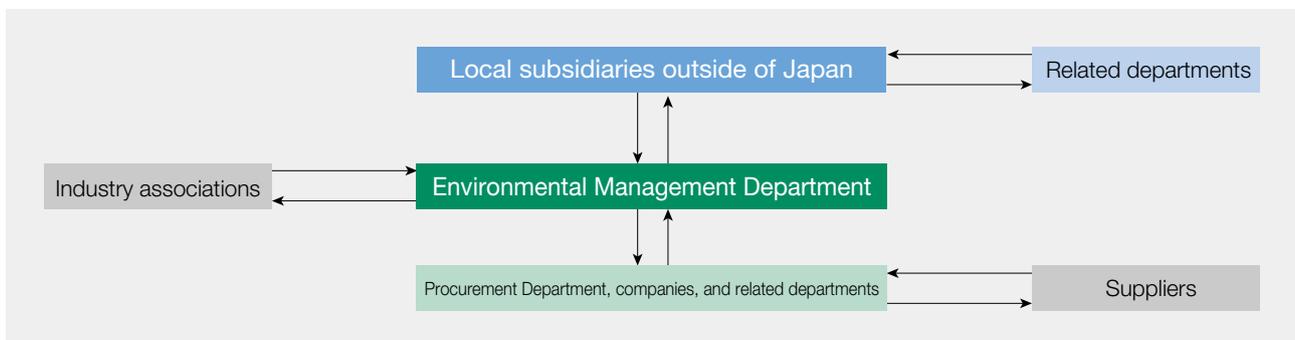
*1 Directive of the European Union that restricts the use of certain hazardous substances included in electrical and electronic equipment.

*2 Regulation of the European Union regarding the registration, evaluation, authorization, and restriction of chemicals.

[Global Information Sharing]

To ensure legal compliance, the Environmental Management Department provides information to relevant departments and local subsidiaries. In addition, EHS internal audits are conducted regularly, and steps are taken to share regulatory information and ensure the proper functioning of the regulatory compliance system.

Feedback to Local Sites



● Response to GHS International Chemical Management Rules

At Terumo, we provide GHS*-based information on hazardous chemical substances to all associates working in locations that handle chemical substances. Proper handling of

chemical substances in accordance with this information helps protect the environment and the health of associates.

* GHS: Globally Harmonized System of Classification and Labelling of Chemicals

Reducing the Environmental Impact of Our Business Operations

Initiatives for Biodiversity Conservation

Terumo understands that our lives and health and even the practice of medicine itself depend on the existence of diverse living organisms and ecosystems. As a company whose business draws benefits from nature, Terumo seeks

to preserve biodiversity through environmental education and reforestation activities and works to support the development of a society in which humans coexist with nature.

Protecting Forests

● Mt. Fuji Reforestation Project

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

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

A special commemorative cherry tree was planted in fiscal 2017 to celebrate the 15th anniversary of the Terumo Mt. Fuji Reforestation Project.

In the spring, volunteers cut back high branches to allow more sunlight to reach seedlings, reinstalled barriers to protect seedlings from hungry deer (those damaged by wind and deer), and painted Megumi-no-Mori signs. In the fall, volunteers planted trees, made benches and tables out of wood collected during thinning activities, and created walking paths paved with wood chips. The volunteers, approximately 330 in total, included associates, their families, and local junior high school students.



Volunteers creating walking paths paved with wood chips

Reducing the Environmental Impact of Our Business Operations

● Donations Based on Volunteer Activities of Associates

Each year, we hold the ECO Challenge in which volunteer Terumo associates in Japan and their families conduct a variety of voluntary environmental preservation and health improvement activities at home and work. At the beginning of the ECO Challenge, a “Challenge Sheet” describing specific activities is distributed to participants, who then perform them. Points are calculated based on the activities

of participating associates, and Terumo translates these points into a monetary value for donations to the following two programs (described below) arranged by the Organization for Industrial, Spiritual, and Cultural Advancement—International (OISCA).

In fiscal 2017, a total of 4,516 associates participated in the ECO Challenge.

[The Children’s Forest Program]

OISCA conducts the Children’s Forest Program in which children take part in forestry activities based around their schools. The goal of this program is to help members of local communities learn about the importance of forests and the environment and encourage them to engage in forest preservation through environmental education and tree planting by community members. Funds donated by Terumo are used to provide environmental education to children in the Philippines, to expand woodlands by planting and nurturing seedlings, and in other activities.



Children’s Forest Program

[The Coastal Forests Restoration Project in Tohoku Region]

Coastal forests play an important role in preserving local living conditions, acting as sand and wind barriers and as dampers against tsunamis. With the loss of coastal forests due to the tsunami generated by the Great East Japan Earthquake, salt damage along the coast of the Tohoku region is growing worse. The Coastal Forests Restoration Project is intended to promote expanded production of seedlings and the planting and nurturing of forestland. The project also works for the recovery of disaster-affected regions through farmland restoration and job creation.



Coastal Forests Restoration Project

Amount of Funds Dedicated to Biodiversity Preservation Projects

FY2016	¥3.5 million
FY2017	¥3.7 million

Reducing the Environmental Impact of Our Business Operations

EHS Goals and Achievements

Initiatives	Fiscal 2017 targets	Fiscal 2017 assessment	Medium-term targets (fiscal 2017–2019)	Fiscal 2018 targets	Related United Nations SDGs
Establishment and Operation of the Group EHS Management System	Establish Corporate EHS Management System (EHSMS) Manual (global version) that complies with ISO revisions (ISO/DIS 45001:2016, ISO 14001:2015)	△*1	Expand application of the Corporate EHSMS Manual to production sites outside of Japan and operate globally	Establish corporate EHS management regulations and corporate EHSMS manual (global version) that comply with international standards (ISO 14001:2015, ISO 45001:2018) * Establish environmental and occupational health and safety management systems that comply with international standards (ISO 14001:2015, ISO 45001:2018) at all sites	 
	Address ISO 14001 revisions (2015 version) and acquire third-party certification (major manufacturing sites in Japan)	○	Address ISO revisions (ISO 45001:2018, ISO 14001:2015) and acquire third-party certification (including production bases outside of Japan that have already acquired certification)	Acquire ISO 45001:2018 certification (major production sites in Japan) * Transition from OHSAS 18001 to ISO 45001:2018	
	Implement basic EHS education and provide related educational tools (Terumo Group business sites in Japan)	○	Foster an EHS culture in the Group overall - Implement basic EHS education at major production bases outside of Japan	Implement annual EHS and sustainability training at all sites Develop EHS training tools and share throughout the Group (Terumo Group business sites in Japan)	
Reduction of Accident Risk, Health Enhancement	Reduce number of fatal and major occupational injuries to zero Reduce number of occupational accidents (including lost work time but not including commuting accidents) to nine or less (Terumo business sites in Japan: employees, dispatched employees, and contract workers) Achieve 100% consultation rate for regular health exams and consultation rate of 80% or more for follow-up exams (associates at Terumo business sites in Japan)	×*2	Reduce number of fatal and major occupational injuries to zero Reduce number of occupational accidents (including lost work time but not including commuting accidents) to seven or less by fiscal 2019 (Terumo business sites in Japan: associates, dispatched associates, and contract workers) * Bring number of occupational accidents (including lost work time) to levels on par with or below the average frequency rate for occupational accidents in the same industry Achieve 100% consultation rate for regular health exams and consultation rate of 80% or more for secondary exams (associates at Terumo business sites in Japan)	Reduce number of fatal and major occupational injuries to zero Reduce number of occupational accidents (including lost work time but not including commuting accidents) to nine or less (Terumo business sites in Japan: employees, dispatched employees, and contract workers) Achieve 100% consultation rate for regular health exams and consultation rate of 80% or more for secondary exams (associates at Terumo business sites in Japan)	 
	Reduce number of major environmental accidents to zero Establish procedure for response to emergency situations and carry out training	○	Reduce number of major environmental accidents to zero	Reduce number of major environmental accidents to zero Establish procedure for response to emergency situations and carry out training (ongoing management)	
Development of Environmentally Friendly and Safe Products and Production Processes	Provide details on development of at least one Human×Eco product/production process at each development site	○	Launch three Human×Eco products	Provide details on development of at least one Human×Eco product/production process at each development site (Terumo business sites in Japan)	 
	Develop prospects for technology as alternative for chlorofluorocarbons in each product line (countries in which regulations apply)	○	Establish a production process that does not use regulated chlorofluorocarbons (such as HCFC-225)	Select alternatives for chlorofluorocarbon solvents for all products and establish substitution plans (countries applicable to regulation)	
Effective Use of Energy and Resources	Reduce the Group's overall CO ₂ emissions by 1% or more per unit of consolidated net sales/revenue compared with previous year	○	Cut the Group's overall CO ₂ emissions by 38% or more per unit of consolidated net sales/revenue compared with fiscal 2005 * Long-term target: 50% reduction in fiscal 2025	Reduce the Group's overall CO ₂ emissions by 1% or more per unit of consolidated net sales/revenues compared with previous year	   
	Reduce the Group's overall water use by 1% or more per unit of consolidated net sales/revenue compared with previous year	○	Reduce the Group's overall water use by 3% or more per unit of consolidated net sales/revenue compared with fiscal 2016	Reduce the Group's overall water use by 1% or more per unit of consolidated net sales/revenues compared with previous year	
	Raise the Group's overall recycling rate to 85% or higher Achieve recycling rate of 97% or more, reduce volume of waste for final disposal to 0.5% or less of total emissions (Terumo Group business sites in Japan)	○	Raise the Group's overall recycling rate to 87% or higher Achieve recycling rate of 98% or more, reduce volume of waste for final disposal to 0.3% or less of total emissions (Terumo Group business sites in Japan)	Raise the Group's overall recycling rate to 86% or higher Achieve year-on-year improvements in the recycling rates of all sites Achieve recycling rate of 97% or more, reduce volume of waste for final disposal to 0.3% or less of total emissions (Terumo Group business sites in Japan)	
Proper Control of Chemical Substances and Reduction of Emissions	Compile lists of laws and regulations governing chemical substances and assess compliance Improve high-risk environment (over intermediate 3) in chemical substance risk assessments and establish management system, continue education on chemical substance management (Terumo Group business sites in Japan)	○	Continue to observe laws and regulations governing chemical substances (zero violations)	Identify laws and regulations governing chemical substances and assess compliance (ongoing management) Maintain and manage safe working environments - e.g. Ethylene oxide concentration in working environments: 1 ppm or less Dichloromethane concentration in working environments: 50 ppm or less Improve high-risk environment (over intermediate 3) in chemical substance risk assessments and establish management system, continue education on chemical substance management (Terumo Group business sites in Japan)	 
	Achieve EO environmental concentration on outskirts of facilities adjacent to residential areas of less than 4.3 µg/m ³ Implement EO concentration measurements at air pollution outlets Reduce dichloromethane emissions to less than 100 t/year (Terumo Group business sites in Japan) Continue to not have class 3 working areas in which organic solvents are handled (Terumo Group business sites in Japan)	○	Monitor emissions of hazardous chemical substances and appropriately manage them	Identify environmental laws and regulations and assess compliance (ongoing management) Maintain voluntary management in the following areas (Terumo Group business sites in Japan) - EO environmental concentration on outskirts of facilities adjacent to residential areas: less than 4.3 µg/m ³ - Monitoring of EO concentration at air pollution outlets - No class 3 working areas in which organic solvents are handled - Dichloromethane emissions: less than 100 t/year	
Preservation of Biodiversity	Implement education on biodiversity preservation at each site Expand biodiversity preservation activities by planting trees at Mt. Fuji and taking on the Eco Challenge (nationwide recruitment of participants) (Terumo Group business sites in Japan)	○	Globally cooperate and promote biodiversity protection activities (SDGs 15 and 17)	Promote biodiversity preservation activities and share activities throughout the Group e.g., greening activities, forest preservation, education, etc. Expand Mt. Fuji Reforestation Project and Eco Challenge campaign (Terumo Group business sites in Japan) - Promote health improvement through Mt. Fuji Reforestation Project - Raise awareness of biodiversity preservation through Eco Challenge campaign	 
Advancement of EHS Communication	Raise quality of information disclosed in sustainability report - Conform to core items of GRI 4.0, include comparison table	△*3	Raise quality of disclosure of information in sustainability reports - Refer to GRI Standards	Determine sustainability priorities and improve information disclosure based on priorities - Refer to GRI Standards	 

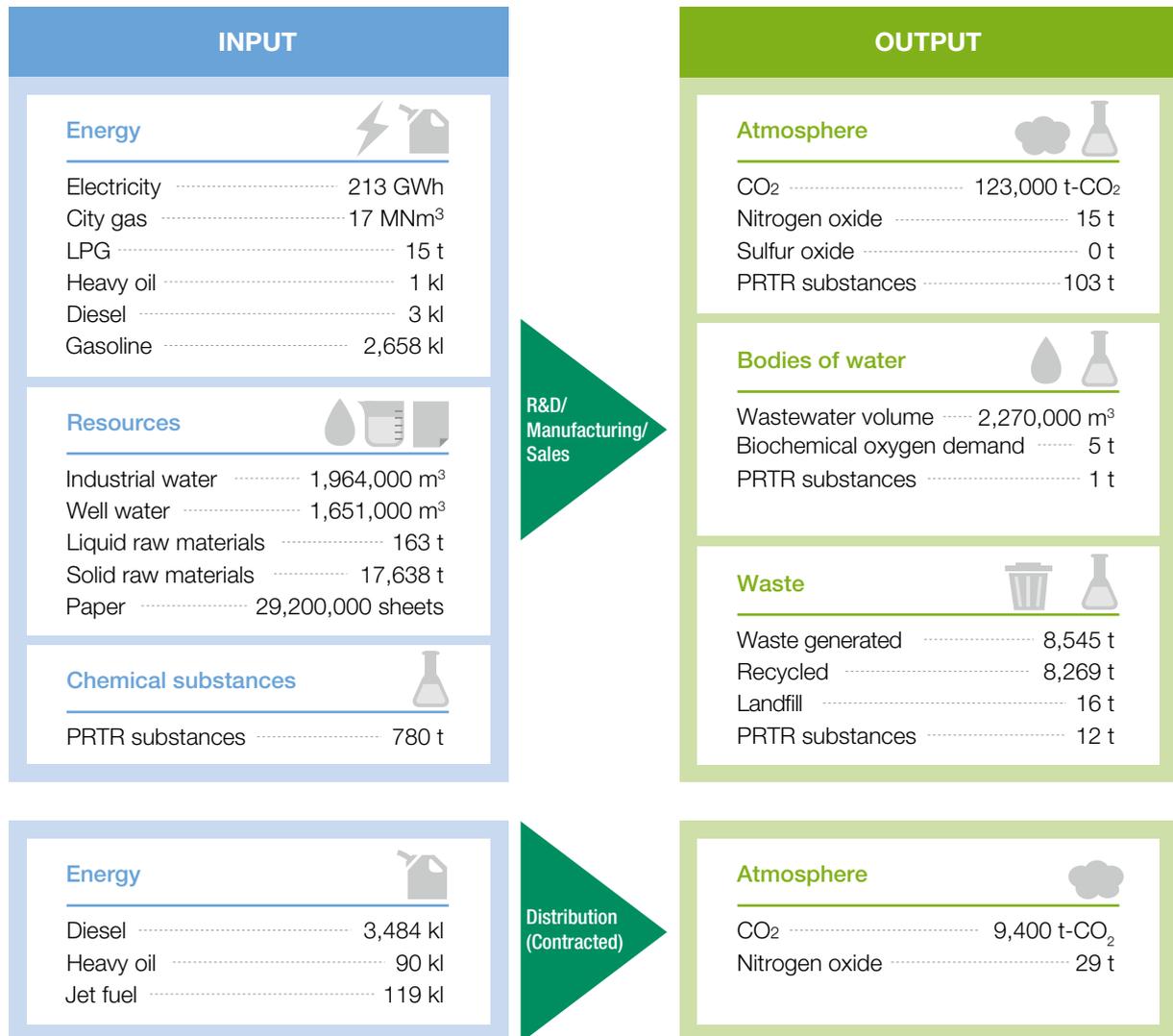
*1 The accomplishment schedule was pushed back until fiscal 2018 due to the delayed release of ISO 45001 (March 2018).

*2 One major occupational accident occurred, corrective measures have already been implemented.

*3 Comparison tables were compiled by referencing core items of GRI 4.0.

Reducing the Environmental Impact of Our Business Operations

Material Flow



* Scope: Terumo Corporation business sites in Japan

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

Promoting Responsible Procurement

Information on our initiatives for promoting responsible procurement can be found in the “Managing Supply Chains That Support Stable Supply” section of this report (pages 21 and 22).