



# Supplier Guidelines

Terumo Corporation

Procurement Dept.

## 1. Quality, Safety

Terumo requires suppliers to comprehend that goods and services that suppliers provide affect the quality and safety of Terumo's products used in healthcare, and to provide goods or services that have patient's and product's safety, efficacy, and reliability.

### 1-1. Quality Management Systems

Suppliers shall establish and maintain quality management systems and comply with all relevant operational procedures in order to assure the quality of their goods or services that they provide Terumo.

### 1-2. Corrective and Preventive Action

If non-conformance is found with regard to goods or services that suppliers provide Terumo, then suppliers shall immediately notify Terumo of non-conformance, investigate the root cause, specify its influence range, and take corrective and preventive actions.

### 1-3. Pre-Proposal for Any Changes

If there occur any changes that may influence the quality or function of goods or services that they provide Terumo, such as those related to specification, raw material, components, manufacturing, supply process, manufacturing place, machine, or vendor, then suppliers shall make the relevant proposal to Terumo prior to the change in order to judge its influence on Terumo's products.

### 1-4. Audit

Suppliers shall accept audit of facility, systems, products, and services that they provide carried out by Terumo or a representative approved by Terumo, and shall immediately take corrective measures against any indication of irregularity in the audit.

### 1-5. Notification of issues on medical device and drug regulation

Suppliers shall notify Terumo if they have a finding in an audit by regulatory authorities of medical device and drug or receive notice such as warning letter.

## 2. Stable Supply

Terumo places much value on stable procurement in order to achieve its corporate activities: never stop the supply chain of healthcare. Terumo requires suppliers who provide goods or services used for Terumo's products, and OEM products to offer a stable supply, which means fulfilling supply responsibilities by mutual consent as part of the supply chain connected to healthcare.

### 2-1. Cooperation for Stable Supply

Terumo requires that suppliers respect "never stop the supply chain of healthcare" that is to ensure stable, timely and uninterrupted delivery of high-quality products mentioned by Terumo Code of Conduct, and address any issues with Terumo.

### 2-2. Provision for Stable Supply

Terumo requires suppliers to always secure a stable supply, to manage maintenance and inspection as planned appropriately in order to avoid a situation wherein circumstances and machines related to suppliers' manufacturing fall into a production stop for a long time because of breakage or breakdown, and to completely manage it.

Terumo also encourages suppliers to take measures for safe supply; however, there are some cases that need evaluation, that is, when there are some changes in products or services that suppliers provide Terumo. Therefore, if there are any changes, then suppliers shall immediately make a proposal to Terumo in advance, and shall take a rational action considering safe supply, following discussions with regard to measures during an evaluation or risks in the event of non-conformance.

### 2-3. Provision against Risk of Interruption of Supplies

Terumo requires suppliers to strengthen provision against the risk of interruption of supplies due to disasters, terrorism, and other incidents, and to make BCP : Business Continuity Plan in order to reduce the risk.

### 2-4. Information of Interruption of Supplies

If, in spite of the provision against risk above, there is interruption of supplies provided to Terumo due to natural disasters, terrorism, other such incidents, discontinuation of business, or any other unavoidable business-related reasons, Terumo requires suppliers to inform Terumo of interruption of supplies provided immediately.

### 3. Promotion of Compliance

Terumo requires that suppliers are business partners who act with integrity and ethically,

#### 3-1. Compliance and Ethical Actions

Suppliers shall comply with the requirements of applicable laws and regulations. Terumo does not condone actual or suspected illegal or unethical conduct on the part of suppliers.

#### 3-2. International Trade Control

Terumo requires that suppliers comply with laws and regulations relevant to international trade control.

#### 3-3. Opposition to Organized Crime

Terumo is committed to firmly reject all relations with companies, associations, or individuals known to be affiliated with organized crime groups. It therefore requires that suppliers do not provide funds to, or conduct transactions with, organized crime groups, that they do not succumb to the unjust demands of, or business disturbances caused by, organized crime groups or other parties that operate under the name of these groups, and that they firmly reject such demands.

#### 3-4. Voicing Questions and Concerns, Non-Retaliation

Terumo requests that suppliers foster an environment where employees can raise questions and concerns as they understand it honestly, without fear of punishment or retaliation. Terumo also requires that suppliers ensure that retaliation in any form against employee who raises a question or a concern is forbidden.

#### 3-5. Animal Protection

Terumo requires that non-clinical experiments involving animals follow widely accepted standards for ethical treatment, including the principles of the “three Rs” (replacement, reduction, refinement) plus a fourth “R” (responsibility).

## 4. Fair Dealings

Terumo expects that suppliers have fair dealings together.

### 4-1. Fair Competition

Terumo requires that suppliers always compete fairly and comply with applicable competition (including antitrust and antimonopoly laws) in all countries. Suppliers shall provide Terumo with truthful information of the quality and value of goods or services that they provide. They shall never use deception or concealment, or use improperly divulge confidential information about other companies in order to gain an unfair advantage. Terumo requires that suppliers do not make disparaging statements about others and intentionally infringe others' intellectual property rights.

### 4-2. Combating Bribery and Corruption

Terumo has zero tolerance for bribery and corruption. Terumo, either directly or indirectly through a third party, never offer, promise, or authorize improper payment or provision of money, benefits, or anything of value to healthcare professionals, government officials, or any third party. Terumo only engages suppliers who share Terumo's commitment to zero-tolerance of bribery and corruption. The supplier shall maintain a policy relating to the identification and prevention of bribery and corruption and shall promptly notify Terumo upon becoming aware of any instance or suspected instance of bribery or corruption connected to the business relationship between Terumo and the supplier.

### 4-3. Business Hospitality

Terumo does not accept gifts, meals, hospitality, etc that is recognized as the mere appearance of impropriety, even when corrupt intend does not exist.

## 5. Consideration for Human Rights for Labor

Terumo respects internationally recognized human rights. Moreover, it respects its employees, values individuality and takes care to produce and maintain a safe and productive work environment. It expects suppliers to do the same.

### 5-1. Fair Labor Practice

Terumo requires that suppliers do not use modern slavery, in all its forms, including child labor, forced or bonded labor, and human trafficking, abide by all applicable labor laws and regulations, and practice fairness in labor by providing employees with appropriate wage, benefits, working hours, holiday, and rest within their own organizations and throughout the supply chain. Suppliers also need to respect the rights of employees to join a labor union of their choice, provided that local law is respected.

### 5-2. Non-Discrimination and Non-Harassment

Terumo requires that suppliers ensure that job applicants, employees and any other individual have the right not to be either unfairly favored or disadvantaged, whether on the basis of race, religion, creed, nationality, ethnicity, age, sex, gender identity, sexual orientation, disability, marital status, military service qualification or military history, or any other status or position, as well as the right to work in the workplace free from any sort of harassment.

### 5-3. Safety and Health

Terumo requires that suppliers strive to secure the safety and health of employees and to prevent industrial accidents by complying with all applicable laws relevant to safety and health and by ensuring proper risk management in the workplace through risk assessment. Terumo also requires that suppliers strive to identify and assess emergency situations in the workplace and any company-provided living quarters, and to minimize their impact by implementing emergency plans and responsible procedures.

### 5-4. Conflict Minerals

Terumo requests suppliers to not procure or use raw materials, parts, and products including tin, tantalum, tungsten, and gold illegally in order to avoid taking part in human rights violation and environmental damage.

## 6. Consideration for Environment

Terumo has established the “Terumo Global EHS\* Policy,” and it strives to reduce the effects of business activities of the whole group on the environment. In accordance with Terumo’s policy, it requires that suppliers comply with environmental laws and regulations, and expects that suppliers address environmental protection.

(\*EHS is an acronym for Environment, Health, and Safety)

### 6-1. Compliance with Laws and Social Norms

Suppliers shall comply with environmental laws, regulations, and agreements in each country.

### 6-2. Risk Assessment of Chemical Substances and Proper Control

Terumo requests suppliers to control (storage, use, waste) chemical substances properly following SDS (Safety Data Sheet), and to conduct risk assessment of chemical substances. In particular, any waste, wastewater, or emissions with the potential to adversely impact human or environmental health shall be appropriately managed, controlled, and treated prior to release into the environment. Terumo seeks that suppliers strive to prevent EHS accidents, such as environmental pollution and occupational injuries, and in emergencies, prevent damage from spreading swiftly and appropriately.

### 6-3. Control and Research Cooperation of Chemical Substances Contained in Products

Terumo requests suppliers’ cooperation for understanding, self-assessment, information provision, and on-sight assessments of chemical substances contained in products that suppliers provide in order to comply with the regulations of each country or region.

### 6-4. Cooperation for Protecting Activity of Environment

Terumo requires that suppliers promote the reduction of greenhouse gas emissions, effective utilization of water or energy, and resource saving such as “Reduce, Reuse, and Recycle,” as well as address environmental protection of air, water quality, soil, biodiversity, etc.

## 7. Management Systems

Terumo requires that suppliers adopt or establish management systems in order to ensure and fulfill the subjects covered in these guidelines. The elements of the management system include the following:

### 7-1. Commitment and Accountability

Suppliers shall demonstrate commitment to the subjects outlined in these supplier guidelines by allocating appropriate human and physical resources. Suppliers shall also strive to maintain and manage the supply chain by seeking the same management from their vendors.

### 7-2. Risk Management

Suppliers shall have mechanisms to manage risks including determination, analysis, assessment, and measures in all areas addressed by these supplier guidelines.

### 7-3. Accurate Records and Documents

Suppliers shall create, maintain, and manage records and documents necessary to demonstrate conformance with subjects of the supplier guidelines and compliance with applicable laws and regulations. Suppliers shall not inappropriately alter, falsify, forge, fraudulently destroy, or conceal records and documents nor create any records and documents with the intent of misleading or deceiving others.

### 7-4. Training and Competency

Terumo requests that suppliers have a training program that helps the management and employees achieve an appropriate level of knowledge, skills, and abilities to address the subjects in these supplier guidelines.

### 7-5. Continual Improvement

Terumo requests suppliers to continually improve by setting performance objectives, executing implementation plans, and taking necessary corrective and preventive actions for deficiencies identified by internal or external assessments, inspections, and management reviews.

#### 7-6. Disclosure and Protection of Information

Terumo requires that suppliers disclose and share the activities and information relevant to the supplier guidelines appropriately with agreement. Terumo does not use or disclose confidential information from suppliers without authorization, and it carefully handles and protects it.

Terumo requires suppliers to respect and protect confidential information, personal information, and intellectual property rights of Terumo. Therefore, when suppliers receive these information from Terumo, they shall not collect or use them other than for reasonable and appropriate business purposes, shall keep them only for the required usage period, and shall access them only to perform necessary business functions. .

#### 7-7. Survey and Investigation

Terumo may at times inquire about suppliers' performance such as through submission of a questionnaire or survey, on-sight assessments of facilities, or audit, and request suppliers to promptly provide records and documents necessary to demonstrate conformance with subject of the supplier guidelines and compliance with applicable law and regulations. It is necessary to understand that suppliers are Terumo's business partners that participate in responsible corporate activities with Terumo by reviewing their performance properly pursuant to these supplier guidelines. If significant non-conformance is proved, Terumo may disqualify or terminate any relationship with such a supplier.