Reducing Environmental Footprint

Preservation of a Healthy Global Environment for Future Generations

Corporate business activities are supported by the global environment as well as by various resources. Reducing environmental impacts and effectively using resources is an important responsibility as a company that develops its business on the earth. Moreover, these efforts are an indispensable part of the Terumo Group's efforts to achieve sustainable growth by continuing to contribute to society through healthcare. Based on this recognition, we have established the Terumo Group Environment, Health and Safety (EHS) Policy, which guides our efforts to reduce environmental impacts and effectively utilize resources across the entire Group.

Initiatives to Address Climate Change

Terumo recognizes that reducing the GHG emissions from its business activities, through means such as improving energy efficiency and implementing climate change counter measures, is an important management task. Accordingly, we are addressing this task through a concerted Group effort. In 2020, Terumo set new medium- to long-term GHG emissions reduction targets which comply with the levels requested by the Paris Agreement. In addition, the target for fiscal 2030 was approved to be aligned with "well-below 2 degrees pathway" and is considered science-based by the international organization known as Science Based Targets initiative (SBTi). In November 2021, the target for scope 1 and 2 was updated to 50% reduction compared to fiscal 2018, which is aligned with "1.5 degrees pathway", in order to accelerate the climate change measures. The Terumo Group also aims to achieve carbon neutrality* by 2040 and sets a new target for the ratio of renewable energy use. In addition, we identified the risks and opportunities for our business operations which might be caused by climate change by utilizing the Task Force on Climate-related Financial Disclosures (TCFD) framework. (For details, please refer to the Sustainability Report 2021.)

* Being carbon neutral means having net zero emissions after deducting carbon dioxide absorbed by forests, etc. or sequestered underground from the organization's GHG emissions.

The Terumo Group's Medium- to Long-Term Greenhouse Gas (GHG) Emissions Reduction Targets (from November 2021)

Scope 1 and Scope 2*:

- Reduce absolute GHG emissions 50% by 2030 from a 2018 base year
- Increase a ratio of renewable electricity use up to 50% by 2030
- Achieve carbon neutrality by 2040

Scope 3*:

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

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

*Scope 1: Direct GHG emissions by the company (e.g. fuel combustion)
Scope 2: Electricity indirect GHG emissions (e.g. GHG emissions from electric companies)
Scope 3: Other indirect GHG emissions (e.g. production of purchased materials, transportation, and waste disposal)

TOPICS

Terumo Europe Haasrode Factory Has Switched to Electricity from 100% Renewable Energy Sources

In January 2021, the Haasrode factory of Terumo Europe NV switched over to using electricity generated from 100% renewable energy sources, thereby realizing a reduction in GHG emissions of around 900 tons in fiscal 2020 (which is estimated to be equivalent to around 4,000 tons on an annualized basis). This is the first Terumo Group business site to switch completely to renewable energy for its electricity.

Comment from the Head of EHS, Terumo Europe

In 2021, we have switched all of the electricity used at the Haasroad factory to electricity generated from 100% renewable energy sources. Our ongoing efforts also include upgrading to more energy-efficient production equipment and utility facilities and promoting a switch of company vehicles to electric and hybrid cars. In addition, we are working to reduce GHG emissions throughout the supply chain, for example by switching from land transportation to water transportation, which emits less CO_2. Going forward, we will further develop action plans in order to achieve carbon neutrality.

Development of Environmentally Friendly and Safe Products

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.

TRI Introducer Kit—Minimally Invasive, Medically Cost Efficient, and Resource Conserving

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

TRI introducer kit

Intravascular Ultrasound Catheter—Shortened Examination Times and Improved Efficiency

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

Intravascular ultrasound catheter

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

Condensed liquid nutrients make it possible for people to receive greater amounts of calories and nutrition while eating and drinking less. These nutrients enable people that cannot ingest large meals to obtain the calories and nutrition they need at their own pace. In addition, these highly condensed liquid contents offer smaller volume, allowing for less packaging, which helps reduce the waste produced.

Condensed liquid nutrients

IV (Intravenous) Solution Bag—Conservation of Resources and Reduction of Waste

We have developed an IV solution bag designed to be environmentally friendly. It is manufactured with less plastic, in a production process that consumes less energy and emits less CO_2 than previous processes. In addition, because the new IV solution bags weigh 23% less than prior bags, we expect them to generate less waste and reduce overall impact on the environment.

IV solution bag

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. 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.

Results of Activities under the Shizuoka Mirai-no-Mori Supporter Pact (Fiscal 2011–2020)

■ Total number of participants: 2,315
■ Activity details:
- Planting of 2,765 trees (sawtooth oak, konara oak, maple, cherry, etc.)
- Production of benches and tables using thinning by-products, creation of walking paths, forest walking events, etc.

Voluntary Efforts by Associates—ECO Challenge

Terumo holds the ECO Challenge program in which volunteer associates in Japan and their families conduct voluntary environmental preservation activities. Points are calculated based on the activities of the participants, and Terumo translates these points into a monetary value for donations to the environmental activity programs noted below, arranged by the Organization for Industrial, Spiritual, and Cultural Advancement—International (OISCA). In fiscal 2020, a total of 6,163 people took part in the ECO Challenge, undertaking seven energy-saving and resource conservation activities that will contribute toward reducing CO_2 emissions.

Environmental Activity Programs by OISCA Receiving Donations from Terumo

■ The Children's Forest Program (The Philippines)
The Children's Forest Program encourages children to get involved in greening activities to cultivate a love of nature and learn the importance of forests by nurturing seedlings on their school grounds and in their communities.

■ The Coastal Forest Restoration Project in Tohoku Region
The Coastal Forest Restoration Project aims to restore coastal forests damaged as a result of the Great East Japan Earthquake by planting black pine (Pinus thunbergii) trees.