

Sustainability at the Terumo Group

Terumo Group Sustainability Policy

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

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

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

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



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

Sustainability Priorities

Sustainability Priorities

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

Social value creation

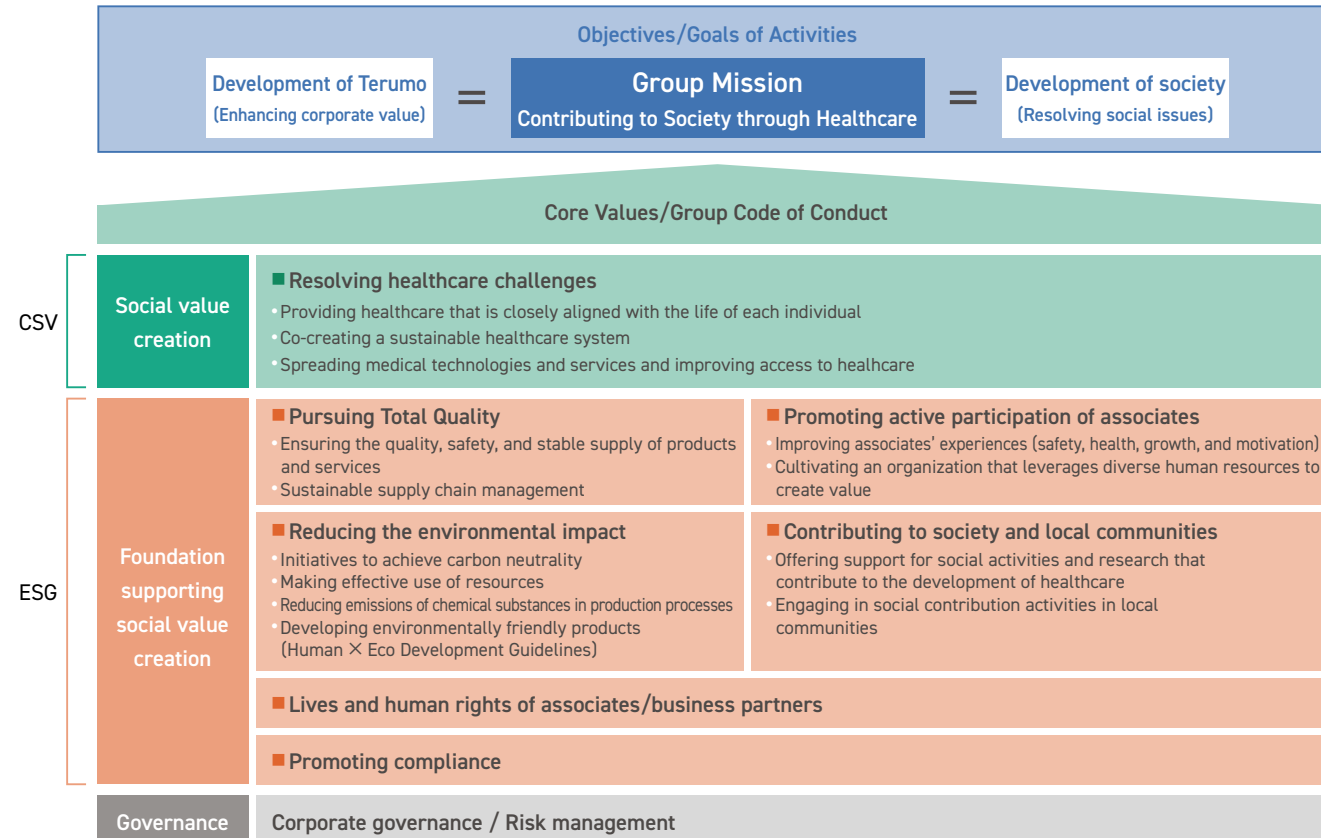
We have defined "Resolving healthcare challenges" as the most important sustainability priority for us and will focus on contributing to the advancement of healthcare and the enhancement of patients' quality of life. By doing so, we will create value for society and strive to realize a sustainable society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

Foundation supporting social value creation

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

Sustainability Priorities

■ ■ : Sustainability Priorities



Sustainability at the Terumo Group

The Process to Determine Sustainability Priorities

The Terumo Group determines priorities according to the following process.

STEP1 Identify potential issues

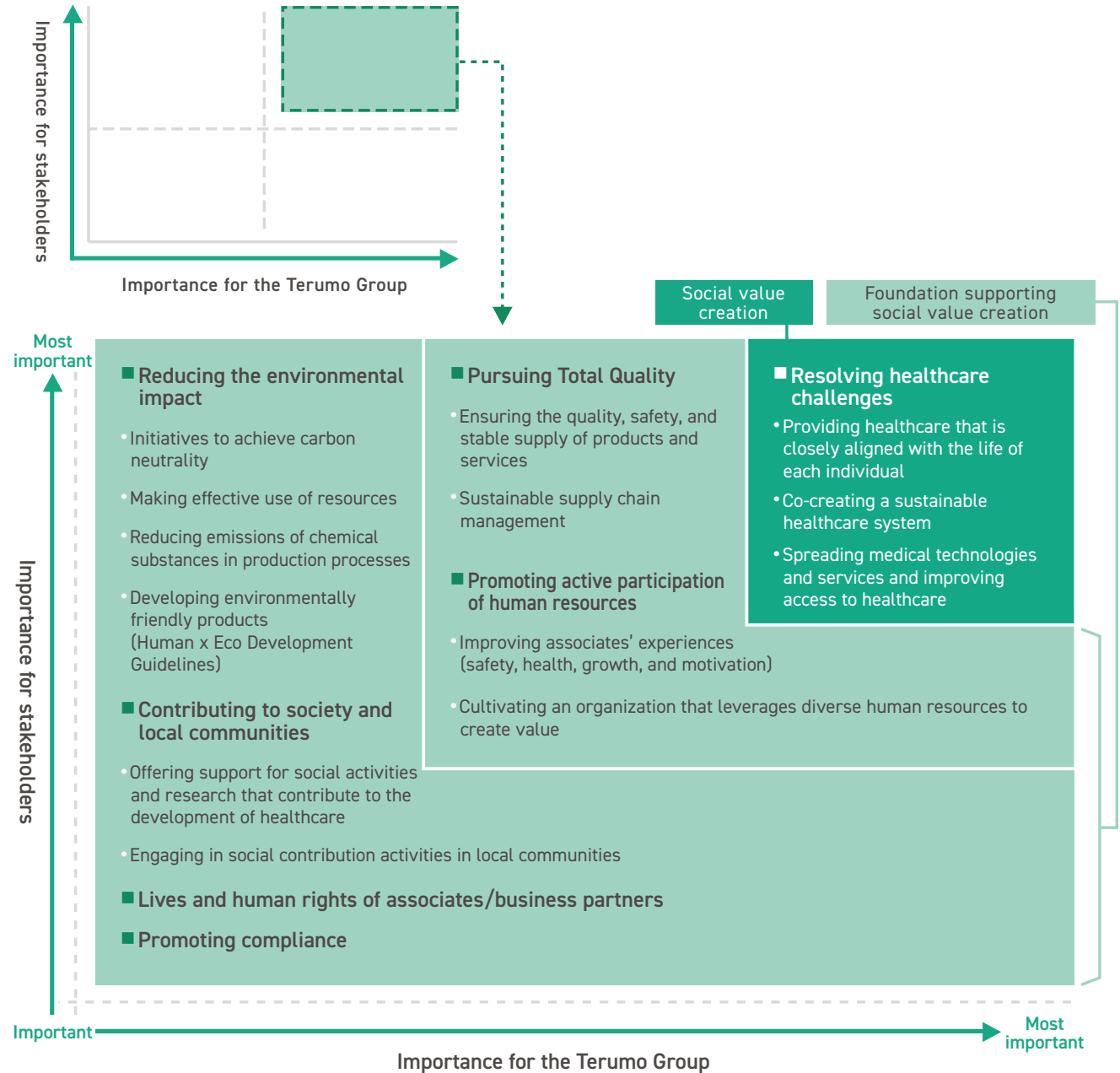
Referring to sustainability guidelines and standards such as those published by GRI and SASB, comprehensively identify which sustainability issues concern the Terumo Group.

STEP2 Prioritize

Evaluate how important these issues are for the Terumo Group, in terms of their importance to stakeholders and relevance to our Group Mission and other related policies. Select those that are highly important to both parties.

STEP3 Determine priorities

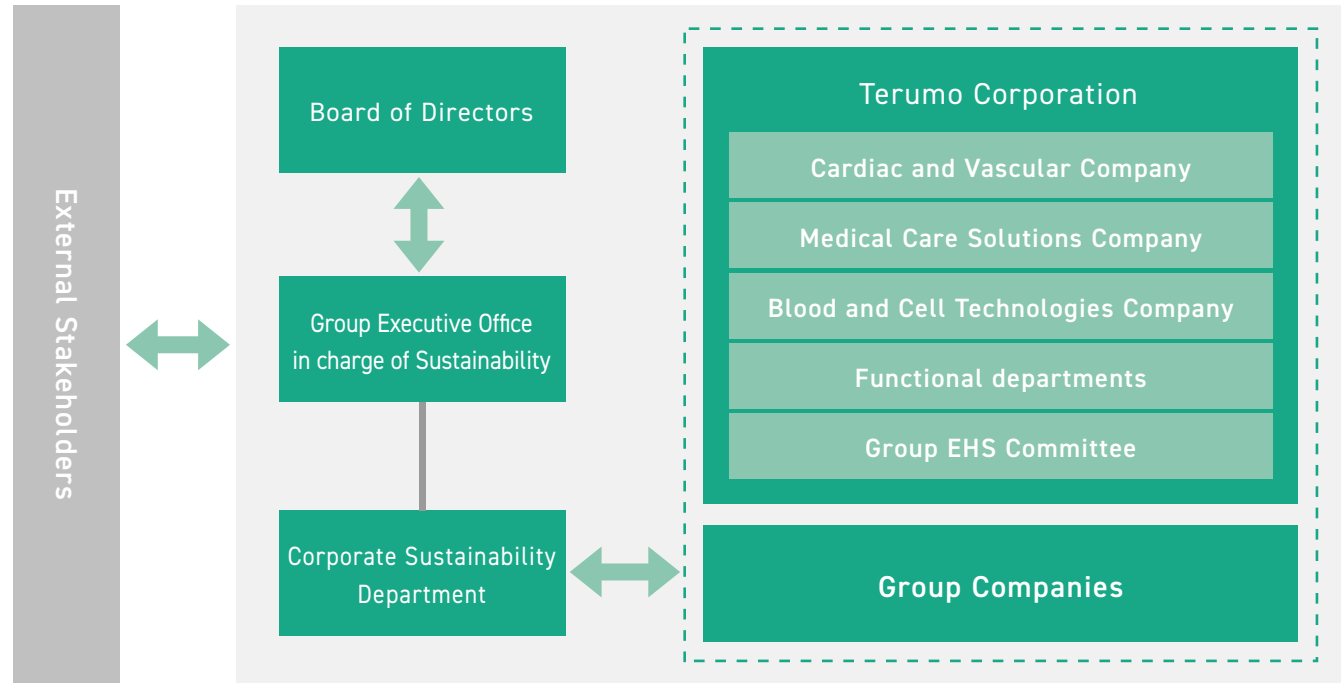
Taking into consideration the current status of initiatives within the Terumo Group, determine the sustainability priorities from among those that had been selected for their high level of importance. The executive management meeting and the board of directors meeting then deliberates over the priorities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



Sustainability at the Terumo Group

Sustainability Management

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



As of October 31, 2022

Sustainability at the Terumo Group

Participation in Initiatives

United Nations Global Compact

In 2012, Terumo became a signatory to the United Nations Global Compact. This action reflects Terumo's agreement with the Ten Principles of the compact, which relate to human rights, labor practices, the environment, and anti-corruption measures. Under the Group mission of "Contributing to Society through Healthcare," the Terumo Group is striving to practice these principles throughout the course of its business operations.

WE SUPPORT



Science Based Targets Initiative (SBTi)

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



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

External Recognition

MSCI Japan ESG Select Leaders Index

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

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2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

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

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



FTSE4Good



FTSE Blossom Japan



FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

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



SOMPO Sustainability Index

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



Sompo Sustainability Index

Health & Productivity Stock Selection

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

