Environment

EHS Management

Basic Approach

Ensuring occupational safety, promoting the health of employees, and reducing the environmental impact of business activities are important social responsibilities for companies and are crucial to sustainable growth. Acting in accordance with the Terumo Group Environment, Health and Safety (EHS) Policy, the Terumo Group advances initiatives for ensuring occupational safety and promoting the health of its employees throughout all of its business activities, strives to develop safe and comfortable work environments, and works to reduce the impact of its business activities on the environment. (For information on the initiatives to promote occupational safety and health, please refer to "Occupational Safety and Health" on p. 36)

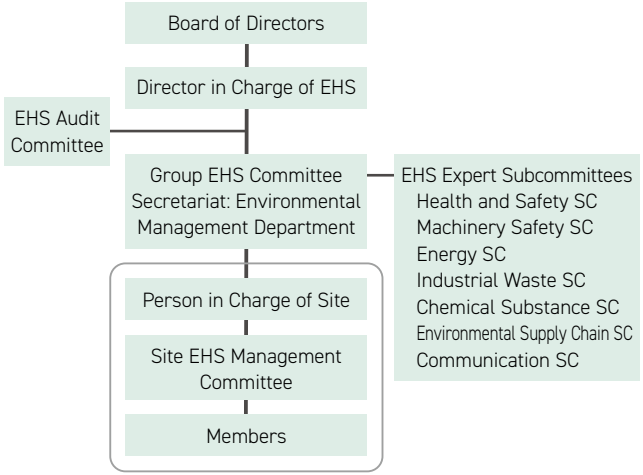
Terumo Group EHS Policy (Please visit the Regulations and Standards section of Terumo's corporate website.)
https://www.terumo.com/about/regulation

EHS Management

Based on the Terumo Group EHS Policy, we employ an EHS management system that is compliant with international environmental (ISO 14001: 2015) and occupational health and safety (ISO 45001: 2018) standards.

As a key part of Terumo's focus on sustainability in business, EHS policies, risks, opportunities, goals, and activity plans are discussed and related decisions are made by the Group EHS Committee, which is chaired by the director in charge of EHS, and then reflected in EHS activities at Terumo Group sites worldwide. EHS Expert Subcommittees, consisting of experts drawn from individual business sites, have been established under the Group EHS Committee, and these subcommittees propose strategies, policies, targets, and activity plans pertaining to their respective areas of responsibility. In addition, the EHS Audit Committee conducts internal audits of business sites to confirm the implementation status and effectiveness of their systems and their compliance with relevant laws. Ongoing improvements are pursued based on the results of these audits.

Organization for Companywide Promotion of EHS Management System



ISO 14001 (Environment) Certification

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 standards. (For information on ISO 45001 certification, please refer to p. 36)

Company name	Site
Terumo Corporation	Head office (Environmental Management Department)
	Fujinomiya Factory
	Kofu Factory
	Ashitaka Factory
Terumo Yamaguchi Corporation	–
Terumo Europe NV	Haasrode Factory
	Genk Warehouse
Terumo Vietnam Co., Ltd.	Terumo Vietnam Factory
Terumo BCT, Inc.	Terumo BCT Lakewood Factory
Terumo Penpol Pvt. Ltd.	Blood bag factory
Terumo BCT Vietnam Co., Ltd.	Terumo BCT Vietnam Factory
Terumo BCT, Ltd.	Terumo BCT Larne Factory
Vascutek Ltd.	Vascutek factory

EHS Management

EHS Risk Management

EHS Internal Audits

The Terumo Group EHS Audit Committee conducts EHS internal audits to confirm the status of initiatives for reducing environmental, health, and safety risks and 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.

In fiscal 2021, such audits were conducted at 11 business sites.

Audit Tasks

1. Check conformity with ISO 14001:2015 and ISO 45001:2018
2. Check compliance with EHS-related laws, regulations, agreements, etc.
3. Check compliance with the Terumo Group EHS Policy and with internal rules and standards
4. Check the operational status of EHS management systems and performance (effectiveness, key performance indicators)
5. Check the status of improvement regarding issues identified through audits, etc.

Audits of Waste-Treatment Contractors

To confirm the appropriate processing of industrial waste generated by Terumo, we perform systematic audits of waste collection and disposal contractors. In fiscal 2021, we conducted audits at 50 contractors and determined that waste collection and disposal are being performed properly.

Training and Education

To ensure solid understanding of the Terumo Group 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.

Response Training for Environment-related Emergencies and Accidents

Individual business sites have established emergency response procedures to prevent accidents and disasters, and to lessen the severity of such incidents should they occur. They also conduct emergency response training and review the results on a regular basis. In fiscal 2021, there were no serious environment-related accidents or leaks.

Compliance with Environmental Laws and Regulations

In fiscal 2021, there were no major legal or regulatory violations or citations related to the environment requiring fines or punishments.

Award Program for Recognizing Outstanding EHS Activities

Every year, we present the Terumo Human × Eco Awards, to recognize activities that contribute to the environment, health, and safety 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.

In fiscal 2021, the initiatives that were recognized as eco-friendly measures included activities aimed at realizing carbon neutrality, such as energy-saving measures and switching over to renewable energy, and activities relating to the effective utilization of resources, such as the reduction of water usage, reducing the amount of waste generated and increasing the recycling rate, etc. Initiatives recognized as being both human-friendly and eco-friendly included measures that both reduced the amount of resources used when manufacturing products and made the products safer to use for patients, and measures that realized reduced EHS risk through effective chemical reagents management.

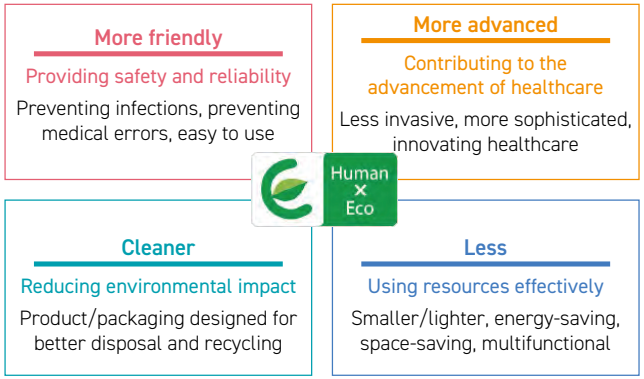
Development of Environmentally Friendly and Safe Products

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

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 while also reducing costs and resource usage associated with post-procedure complications.

TRI introducer kit

Guiding Catheter for TRI—Minimally Invasive, Medically Cost Efficient, and Resource Conserving

Used together with Terumo's TRI introducer kit, this guiding catheter makes it possible to perform TRI for treating peripheral artery diseases. Compared with the transfemoral approach, TRI is less invasive, places less of a burden on medical professionals and patients, and is more medically cost efficient. In addition, the packaging type used for this guiding catheter has been changed to realize a 45% reduction in package weight and a 61% reduction in package size. This change is anticipated to contribute to the environment by helping to conserve resources and space and reduce the amount of energy required for transportation.

Guiding catheter for TRI

Drug-Eluting Stents—Minimally Invasive, Medically Cost Efficient, and Resource Conserving

Drug-eluting stents are medical devices that are embedded in patients' bodies to treat conditions such as angina pectoris and myocardial infarction resulting from contraction or blockage of the coronary artery of the heart. Terumo has proceeded to refine the delivery systems of its drug-eluting stents to improve ease of use and passage in order to facilitate smooth treatment of even complicated lesions. These refinements are expected to reduce the burden placed on healthcare professionals and patients while offering higher economic benefits.
In addition, the packaging type used for these drug-eluting stents has been changed to realize a 14% reduction in package size. This change is anticipated to provide environmental benefits by helping to conserve resources and space and improving transportation efficiency.

Drug-eluting stent

Intravascular Ultrasound Catheter—Shortened Examination Times and Improved Efficiency

Intravascular ultrasound catheters are used when performing intra-vascular ultra-sounds, 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

Development of Environmentally Friendly and Safe Products

Infusion Pump—Resource Conservation and Improved Usability

An infusion pump is a medical device that administers an intravenous solution (IV) etc. at a specified flow rate. By comparison with conventional devices, this product is around 40% lighter. This makes it easier to carry around, and it is also expected to make a positive contribution to environmental protection through resource conservation and enhanced delivery efficiency. Furthermore, the use of a color LCD display makes the display easier to read, and the provision of a wireless communication function that enables simple transfer of activity record data is expected to contribute toward enhancing the working efficiency of medical professionals.

Infusion pump

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

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

Products Free of Hazardous Substances

Leading the Industry toward Mercury-Free Products

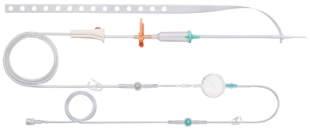
The Minamata Convention on Mercury took effect in August 2017. Under the convention, it has been illegal to manufacture and engage in trade involving products containing mercury since 2021. Terumo ceased production of mercury thermometers in 1984. That was over 30 years ago and since then we have contributed 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 the 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

Initiatives to Address Climate Change

Various international frameworks have been established in regard to climate change, such as the Paris Agreement and the United Nations Sustainable Development Goals, which were both adopted in 2015. Against this backdrop, companies are expected to set and work toward accomplishing GHG emissions reduction targets based on scientific evidence.

Terumo recognizes that reducing the GHG emissions from its business activities, through means such as improving energy efficiency and implementing climate change countermeasures, is an important management task. Accordingly, we are addressing this task through a concerted Group effort.

To further accelerate countermeasures against climate change, Terumo revised its reduction target for GHG emissions from its business activities (Scope 1 and 2) in fiscal 2021 and set a new target of achieving carbon neutrality* by fiscal 2040. Based on this revision of the GHG emission reduction target, Terumo has applied to the Science Based Targets initiative (SBTi) for an updated certificate for the "1.5°C target" which is in line with a level that limits the temperature rise to 1.5°C above pre-industrial levels. In addition, Terumo newly set a target for renewable energy use to achieve the revised GHG emission target. Terumo will further promote the use of renewable energy such as solar power in addition to conventional energy-saving activities. Terumo will also work to reduce GHG emissions throughout the value chain such as reducing waste, making effective use of natural resources, developing environmentally friendly products, and advancing joint delivery with other companies.

* Carbon neutrality means that the amount of carbon dioxide emitted and the amount of carbon dioxide absorbed are in balance.

Terumo Group's Greenhouse Gas (GHG) Emissions Reduction Targets

Scope 1 and 2*

- Reduce absolute GHG emissions by 50% by 2030 compared to 2018
- Increase the renewable electricity use ratio 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: Reporting is based on the following GHG Protocol categories.

Scope 1: Direct GHG emissions by the company (e.g., fuel combustion)

Scope 2: Indirect GHG emissions from energy production such as purchased electricity (e.g., GHG emissions from electric companies)

Scope 3: Other indirect GHG emissions (Emissions from other companies in raw material production, transportation, disposal, and other activities related to the company's business operations)

Reduction of GHG Emissions

Scope 1 and 2

The Terumo Group is reducing GHG by improving energy efficiency through the adoption of high-efficiency equipment and by using facilities more efficiently, as well as by switching over to renewable energy and energy that has low GHG emissions.

In fiscal 2021, we reduced GHG emissions by an amount equivalent to 1.3% of the Group's overall energy use in the previous fiscal year, by implementing 89 energy efficiency improvement projects, including upgrading of utility facilities and production equipment, along with an improvement of operational methods. In addition, we increased the ratio of electricity derived from renewable energy to 10.6% for the entire Terumo Group while taking into account the electric power supply system in each country that we operate in. In Europe, where renewable energy sources are widely used, about 88% of the electricity used at production sites comes from renewable energy sources. The Terumo Vietnam factory switched over to using electricity derived from renewable energy for all electricity used at the factory by obtaining a Tradable Green Certificate. Furthermore, large-scale solar panels installed on the premises of the factory will go into operation in fiscal 2022. In Japan, GHG emissions were reduced by 16 thousand tons in fiscal 2021 by switching over to using clean electricity with a low CO_2 emission coefficient. In the Americas, a new factory of Terumo BCT started operation in October 2021 in Costa Rica, where the ratio of renewable energy use is high.

As a result of these measures, the Group's overall GHG emissions in fiscal 2021 were down 5.8% year on year, and down 8.2% compared to fiscal 2018.

Initiatives to Address Climate Change

Scope 3

Terumo has established and applied its proprietary Human × Eco Development Guidelines, a set of guidelines for developing products that are friendly to both people and the environment, to product development. By adhering to these guidelines, we aim to reduce resource use and improve transportation efficiency by making products smaller and lighter and designing packaging with loading efficiency during product transportation in mind. In addition, we established the Supplier Guidelines in 2019, and we have been working on joint transportation of procured goods with our suppliers as well as a shift to more eco-friendly modes of transportation for shipped products (specifically, a shift from trucks to ships). In fiscal 2020, we also launched a new shared transportation initiative within Japan for shipped products, and worked on reducing CO_2 emissions associated with product delivery.

CO_2 Emissions (Scope 1 and 2)

	FY2019	FY2020	FY2021
Japan (t-CO_2)	156,814	154,277	138,904
Overseas (t-CO_2)	125,225	119,839	119,400
Total (t-CO_2)	282,038	274,116	258,304*

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

* Data assured by a third party

Note: CO_2 emissions are calculated by using the CO_2 emission factors for electricity for each fiscal year provided by power companies.

CO_2 Emissions in Fiscal 2021 (Breakdown of Scope 1 and 2)

	Scope 1	Scope 2	Total
Japan (t-CO_2)	44,680	94,224	138,904
Overseas (t-CO_2)	21,987	97,413	119,400
Total (t-CO_2)	66,667*	191,637*	258,304*

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

* Data assured by a third party

For more information about CO_2 emissions (Scope 3), energy consumption, and renewable energy use, please refer to "Data Sheets" on pp. 61-62.

Responding to the Risks and Opportunities Resulting from Climate Change (Information Disclosure Based on the TCFD Recommendations)

In March 2022, Terumo publicly declared its support for the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB), and for its recommendations. Below, Terumo discloses the impacts of climate change on our business activities and our measures to address them under the TCFD framework.

Governance	• The director in charge of EHS, who is a member of the Board of Directors of Terumo Corporation, has responsibility for oversight relating to environmental matters, including climate change. • The Group EHS Committee, which is chaired by the director in charge of EHS, is the Company's highest decision-making body in regard to matters relating to climate change. The Committee identifies climate change related risks and opportunities, formulates and revises related policies, strategies, and targets, monitors the achievement status of targets, and reports to the Executive Management Meeting. The Group EHS Committee meets three times a year, and has established an Energy Subcommittee (Energy SC) under it as an EHS Expert Subcommittee. The Energy SC conducts progress management in regard to energy-related targets, and submits periodic reports to the Group EHS Committee. • A project aimed at making the Company carbon-neutral has been launched under the director in charge of EHS. The project team collaborates cross-functionally with the Production Department as well as other functional departments at the head office, including the Treasury Department, to formulate and revise policies, strategies, and targets aimed at reducing GHG emissions, monitor the achievement status of targets, and report to the Board of Directors.
Strategy	• Under the Group mission of "Contributing to Society through Healthcare," the Terumo Group recognizes that ensuring an uninterrupted supply of medical devices and pharmaceuticals to safeguard people's lives and health is its most important task. We also believe that, by providing new treatments, we can help to make healthcare provision more efficient and facilitate the reduction of GHG emissions deriving from medical settings. • Regarding climate change scenarios, we are focusing on two scenarios: the scenario that assumes the highest level of physical risks, with average global temperatures rising by 4.0 degrees compared to the situation prior to the Industrial Revolution (RCP8.5), and the scenario that assumes the highest level of transitional risk, with the rise in average global temperature kept down to within 1.5 degrees (RCP1.9). For these two scenarios, we have collated the potential opportunities, and the potential risks that might affect our business, as shown in the table on the next page.
Risk Management	• The Group EHS Committee identifies climate change related risks and opportunities, evaluates the potential impact on the Company's business operations, directs related departments to implement management in a way that will reduce risk and maximize opportunities, and manages progress status. • The scope of the risks covered by the Terumo Group's risk management includes climate change-related risks noted by the Group EHS Committee. The climate-related risks are monitored based on the risk management plan under the risk management system established by the Risk Management Committee.
Indicators and Targets	• To further accelerate countermeasures against climate change, Terumo revised its reduction target for GHG emissions from its business activities (Scope 1 and 2) in fiscal 2021 and set a new target of achieving carbon neutrality* by fiscal 2040. Based on this revision of the GHG emission reduction target, Terumo has applied to the Science Based Targets initiative (SBTi) for an updated certificate for the "1.5°C target" which is in line with a level that limits the temperature rise to 1.5°C above pre-industrial levels. • Terumo newly set a target of increasing the ratio of renewable electricity use to 50% by 2030.

Initiatives to Address Climate Change

Risks Affecting Our Business Activities

Risks	Risk Content
Physical risks	・Damage to buildings, facilities, or inventory in the event of a natural disaster occurring, and lost opportunities resulting from the disruption of supply of products due to temporary cessation of operations
	・Increased energy costs and reduced labor productivity due to steady temperature rise or water shortages, and lost opportunities due to temporary disruption of operations
	・Sudden, rapid increase in demand for specific products due to the impact of natural disasters on the healthcare system (which constitutes important social infrastructure), and negative impact on revenue resulting from an extended deterioration or stagnation in the functioning of the healthcare system
Transition risks	・Increased energy costs and raw material costs in the event of the introduction or raising of carbon tax
	・Replacement of equipment and accompanying increase in capital expenditure costs, resulting from the tightening up of environmental regulations such as those governing CO_2 emissions
	・Increased costs in the event of an increase in demand for GHG emissions reduction or demand for the supply of environmentally-friendly products from customers or business partners, and loss of opportunities in the event that it is difficult to respond effectively to such demands

Opportunities Relating to Our Business Activities

Opportunities	Opportunity Content
Physical opportunities	・Provision of products in response to changes in long-term disease patterns as a result of climate change, and provision of products that contribute toward strengthening the resilience of the healthcare system
Transition opportunities	・Reduced costs due to enhancement of energy efficiency in production and in the supply chain
	・Provision of products that contribute toward enhanced efficiency in medical settings or toward reduction of GHG emissions

Based on analysis of the potential impact on Terumo's business of the above-mentioned risks and opportunities in both the 4.0-degree scenario and the 1.5-degree scenario, it is anticipated that the following risks could have a comparatively high impact.

4.0-Degree Scenario

- Damage to buildings, facilities, or inventory in the event of a natural disaster occurring, and lost opportunities resulting from the disruption of supply of products due to temporary cessation of operations

1.5-Degree Scenario

- Damage to buildings, facilities, or inventory in the event of a natural disaster occurring, and lost opportunities resulting from the disruption of supply of products due to temporary cessation of operations
- Increased energy costs and raw material costs in the event of the introduction or raising of carbon tax

Regarding the response to risks relating to business continuity such as natural disasters, etc., the Group Business Continuity Management (BCM) Policy clearly stipulates the Terumo Group's shared basic approach to business continuity and the related systems and response measures. The risk management representatives at individual production sites, functional departments at the head office involved with raw materials procurement, distribution, etc., individual companies, and overseas subsidiaries liaise with one another and draw up business continuity plans (BCPs) to prevent our operations from being disrupted even under extreme circumstances, and to ensure that operations can be quickly restored and resumed should they be disrupted. If a serious risk emerges that could affect business continuity, the Countermeasures Headquarters, led by the President and CEO of Terumo Corporation, will be established to swiftly initiate response activities. If it becomes apparent that the Terumo Group's supply chain or operations will be temporarily interrupted, we will strive to restore normal supply chain and operational functions as quickly as possible.

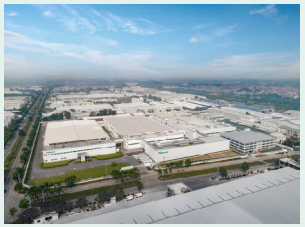
With regard to a possible increase in energy costs or raw materials costs, we are continuing to implement measures to adopt production equipment with high energy efficiency, and to develop products that can be manufactured with less raw materials and less energy.

TOPICS

Terumo Vietnam installs a large-scale solar panel array at its factory

In Vietnam, coal-fired power generation is the main source of electricity supply and with the recent increase in electricity usage, the impacts on the environment are starting to attract attention.

Responding to this situation, the Terumo Vietnam factory, which produces products for the Cardiac and Vascular Company, is installing a large-scale solar panels with a total output of approximately 3.53MW on the premises of the factory. The implementation will be completed within fiscal 2022. Through this initiative, the factory will reduce CO_2 emissions by approximately 2,700 tons annually and the solar panels will also provide power to meet 14% of the total power consumption of the factory. The factory is also aiming to achieve stable factory operation through this in-house power generation.



Terumo Vietnam factory in Hanoi City

Electricity generation has begun, increasing in stages starting from August 2022

MicroVention's Costa Rica plant wins an Ecological Blue Flag Award

MicroVention's Costa Rica factory (located in San José City) has been implementing waste sorting and recycling, environmental protection awareness-raising activities for associates, energy-saving activities in line with ISO 50001 (the international standard for energy management systems), tree-planting, etc. As a result of continued implementation of these measures throughout the factory, it has succeeded in raising the waste recycling rate and reducing energy consumption. These achievements have been recognized by the Costa Rican government, which has presented the factory with the Ecological Blue Flag award, which is given to companies and organizations in Costa Rica that proactively implement activities to reduce the burden on the environment.

Tree-planting activity

Poster encouraging associates to sort and recycle waste

Effective Utilization of Resources

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 (i.e., practice material recycling) internally. We do, however, strive to reduce the amount of plastic and metal waste generated in manufacturing processes and from business activities in offices. In addition, we segregate various types of waste from such processes and activities, and, with the cooperation of a recycling company, turn it into plastic products, refuse plastic fuel (RPF), and organic fertilizer.

In fiscal 2021, the recycling rate (for Terumo Group business sites in Japan and manufacturing sites overseas) was 90.0%. Final waste disposal accounted for 0.14% of total waste at domestic Terumo Group business sites, accomplishing our target for the year.

Terumo will continue to pursue higher levels of resource efficiency going forward through means such as ongoing waste reduction efforts and extensive sorting of waste.

Medium-term Targets from Fiscal 2020 to Fiscal 2022

- Waste recycling rate for the Terumo Group (Terumo Group business sites in Japan and manufacturing sites overseas): 88% or higher
- Final waste disposal amount of all Terumo Group business sites in Japan: 0.3% or less of total waste generated

Mid- to Long-term Target (Fiscal 2030)

- Waste recycling rate for the Terumo Group (Terumo Group business sites in Japan and manufacturing sites overseas): 90% or higher

Recycling Volume and Rate

	FY2019	FY2020	FY2021
Recycling volume(t)	17,872	18,232	19,503
Recycling rate(%)	83.8	88.2	90.0

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

Final Waste Disposal

	FY2019	FY2020	FY2021
Total emissions (t)	10,304	10,427	11,408
Final waste disposal(t)	16	16	15
Ratio of final waste disposal to total emissions (%)	0.15	0.16	0.14

Scope: Terumo Group business sites in Japan

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. (For more information about performance in relation to the collecting and recycling of small rechargeable batteries, please refer to "Data Sheets" on p. 62.)

Reduction of Containers and Packaging and Promotion of Recycling

To effectively use resources and improve ease of use for customers, Terumo is working to reduce its use of containers and packaging materials. These efforts include the development of smaller, lighter, and slimmer containers and packages and the adoption of new containers and 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 2021, Terumo Group business sites in Japan sent a total of 31 tons of paper to contracted recycling firms, along with 207 tons of plastic packaging materials, for a combined total of 238 tons.

Effective Utilization of Water Resources

Terumo uses large quantities of water in its manufacturing processes and for producing infusion solution. 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 (water withdrawal). The Terumo Group also sets targets related to water use and strives to reuse water and reduce its overall use.

In fiscal 2021, thanks to the progress made in making water use visualizable, overall water use per unit of revenue for the Terumo Group was reduced by 16.2% year on year, representing a 22.6% reduction compared to fiscal 2018. We will continue Groupwide efforts to promote the effective use of water resources going forward.

Medium-term Target (from Fiscal 2020 to Fiscal 2022)

- Overall water use (water withdrawal) per unit of revenue for the Terumo Group (Terumo Group business sites in Japan and manufacturing sites overseas): At least a 10% reduction compared to fiscal 2018

Mid- to Long-term Targets (Fiscal 2030)

- Overall water use (water withdrawal) per unit of revenue for the Terumo Group (Terumo Group business sites in Japan and manufacturing sites overseas): At least a 20% reduction compared to fiscal 2018

Water Use (Water Withdrawal) Volume

	FY2019	FY2020	FY2021
Japan (1,000 m³)	3,864	3,518	3,617
Oversea (1,000 m³)	1,801	1,616	1,310
Total (1,000 m³)	5,666	5,134	4,927
Index of water use per unit of revenue (FY2018=100)	99.5	92.4	77.4

Scope: Terumo Group business sites in Japan and manufacturing sites overseas
Note: Figures for performance in fiscal 2019 and 2020 have been restated to rectify past errors in the collection of data.

Proper Control of Chemical Substances

Terumo manages chemical substances and tracks their use, emissions, and disposal in accordance with the Terumo Group EHS Policy in order to mitigate health risks and reduce environmental impacts associated with these substances. Chemical substance risk assessments are carried out at worksites that use such substances and proper chemical substance control is practiced based on information on hazardous chemical substances derived from the Globally Harmonized System of Classification and Labelling of Chemicals. Voluntary goals have been established with regard to substances that pose a particular risk to people's health and precautions are taken to prevent emissions of these substances.

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 business sites that handle 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 exhaust ports and boundaries of sites.

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. To this end, we have installed exhaust gas treatment systems to limit emissions and regularly check the concentration of emissions at outlets. In addition, we have voluntarily set a target for atmospheric concentrations at the boundaries of sites, and we perform periodic monitoring.

Tracking and Management of PRTR* Substances

At Terumo, we undertake monthly tracking of usage and emissions volumes for PRTR substances, and we also work to reduce emissions of such substances.

For more information about emissions of dichloromethane, ethylene oxide, and HCFC-225, and about amount used, amount released, and amount transferred of PRTR substances, please refer to "Data Sheets" on p. 63.

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

Proper Disposal of Polychlorinated Biphenyls

Terumo's business sites in Japan ceased the use of all equipment (transformers, capacitors, etc.) containing high levels of polychlorinated biphenyls (PCBs). This equipment is in interim storage and being systematically disposed of by the Japan Environmental Storage & Safety Corporation (JESCO). Equipment containing low concentrations of PCBs is also being systematically disposed of by private waste disposal management companies.

Compliance with Environmental Regulations for Products

The regulated substances and environmental pollutants contained in products are clearly identified at the product design and procurement stages. We use our Human × Eco Development Guidelines as a tool to raise designer awareness.

Terumo seeks to comply with the Restriction of Hazardous Substances Directive (RoHS*1), the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH*2), and other environmental regulations pertaining to products. For this reason, the Company is stepping up management of these substances by monitoring the regulated substances contained in procured items.

*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

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 resources, living organisms, interaction, and health through this agreement.

In fiscal 2021, it was not possible to implement any large-scale activities due to the impact of the COVID-19 pandemic. However, we did undertake forest improvement work necessary for the cultivation of the tree seedlings that had been grown, including cutting back the undergrowth and reinforcing the netting used for protection against damage by deer.

Tree planting activity

Results of Activities under Shizuoka Mirai-no-Mori Supporter Pact (Fiscal 2011–2021)

- Total number of participants: 2,334
- 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.

ECO Challenge

Each year, we hold the ECO Challenge in which volunteer Terumo associates in Japan and their families conduct a variety of voluntary environmental preservation activities at home and at work. In fiscal 2021, a total of 7,825 people took part in the ECO Challenge, undertaking seven energy-saving and resource-conservation activities that will contribute toward reducing CO_2 emissions, as well as a carbon neutrality education program. Points were calculated based on the results of participating associates, and Terumo translated 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).

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.
- Since the launch of this program in 1991, children from approximately 1,162 schools in the Philippines have participated, and have planted around 2.96 million trees to date.*

* Based on information available on OISCA's website (as of July 31, 2022)

Children observing nature

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) and other trees.
- Coastal forests help safeguard against winds, sandstorms, and high tides, playing an important role in protecting the lifestyles of farmers and other community members as well as the environment in coastal regions.
- Since 2011, the project has received a total of ¥880 million in donations, and more than 370 thousand trees have been planted.
- From fiscal 2021, activities have shifted from planting to forest cultivation, and thinning and other activities have been implemented.

Tree planting activities

The total amount of funds dedicated to biodiversity preservation projects in Japan in fiscal 2021, including donations to the Mt. Fuji Reforestation Project and other biodiversity preservation projects, was approximately ¥2.1 million.

Endorsement of Declaration of Biodiversity by Keidanren and Action Policy (Revised Edition)

In February 2020, Terumo declared its support of the Declaration of Biodiversity by Keidanren (Japan Business Federation) and Action Policy (Revised Edition) released by Keidanren and the Keidanren Committee on Nature Conservation. This declaration and policy will guide our activities going forward.

Material Flow

INPUT

Energy

Electricity	208 GWh
City gas	16 MNm^3
LPG	15 t
Heavy oil	1 kl
Diesel	3 kl
Gasoline	1,099 kl

Resources

Industrial water	1,878,000 m^3
Ground water	1,507,000 m^3
Paper	17,940,000 sheets

Chemical substances

PRTR substances	581 t

R&D/ Manufacturing/ Sales

OUTPUT

Atmosphere

CO_2	116,000 t-CO_2
Nitrogen oxide	13 t
Sulfur oxide	0 t
PRTR substances	58 t

Bodies of water

Wastewater volume	2,440,000 m^3
Biochemical oxygen demand	4 t
PRTR substances	0.3 t

Waste

Waste generated	10,207 t
Recycled	10,031 t
Landfill	15.0 t

INPUT

Energy

Diesel	130 TJ
Heavy oil	4 TJ
Jet fuel	8 TJ

Distribution (Contracted)

OUTPUT

Atmosphere

CO_2	13,000 t-CO_2

Scope: Terumo Corporation business sites in Japan

Note1: The volume of energy use and CO_2 emissions to atmosphere associated with distribution indicate the volume resulting from distribution in Japan.
2: The volume of energy use associated with distribution is the converted value calculated using the ton-kilometer method defined by the Act on Rationalizing Energy Use.
3: The CO_2 emissions factors for electricity are the fiscal 2021 factors provided by power companies.
4: Terumo's Sustainability Report 2021 (published in October 2021) gave total CO_2 emissions from R&D, manufacturing and sales activities in fiscal 2020 as 93,000 t-CO_2. However, some data was omitted from the calculation by mistake. The correct figure is 132,000 t-CO_2.