

Corporate Citizenship Report
Fiscal Year 2016





Terumo Europe is a core player in the EMEA* healthcare market and provides best in class quality products and services meeting customer and regulatory requirements supported by an effective Quality Management System.

We are a strong actor within the Terumo Group by contributing to innovation and sustainable growth. We conduct business locally while pursuing a unified EMEA strategy. Our EMEA headquarters is based in Leuven (Belgium). Our European Distribution Center is based in Genk (Belgium). We have production facilities in Leuven (Belgium) and in Liverpool (UK); and sales and marketing offices across the EMEA region.

OUR BUSINESS

Terumo Europe produces, distributes, markets and sells a vast range of medical devices across the EMEA region. Terumo Europe has the following five business units:

- Interventional Systems**
- Pharmaceutical Solutions**
- Cardiovascular Products**
- Medical Products**
- Diabetes Management**

* Europe, Middle-East and Africa



Contributing to Society through Healthcare

We contribute to society by providing valued products and services in the healthcare market and by responding to the needs of patients and healthcare professionals.

This is both Terumo's starting point and unchanging corporate mission. A corporation that does not contribute to society has no value of existence. To become a company indispensable to the world through healthcare is what Terumo is seeking to be and what all Terumo employees, called 'Associates', are aiming for. This is our will and commitment.

Based on this corporate mission we will advance communication that promotes even greater trust and understanding from all of our stakeholders, from customers to shareholders, Associates, suppliers, and local communities, as we pursue social and environmental initiatives through our business activities. We contribute to society by providing valued products and services in the healthcare market and by responding to the needs of patients and healthcare professionals. This Terumo does not only do through healthcare and innovation, but also by reducing our environmental impact and by continuously developing our Associates. Hence, we believe in being responsible towards our patients, our own Associates, the environment, our suppliers, our shareholders, authorities and the communities in which we live and work.

Terumo has given shape to the mission of "Contributing to Society through Healthcare" by setting out Five Statements (formulated in 1996; see page 6). These principles guide the Group's global business development to make a valuable contribution to healthcare worldwide. Going forward, Terumo will continue to fulfill its responsibilities as a global enterprise, while aiming to achieve sustainable growth.



In 2012, Terumo became a signatory of the United Nations Global Compact. This action reflects Terumo's agreement with the Ten Principles of the compact, relating to human rights, labor practices, the environment and anticorruption measures.



TABLE OF CONTENT

Our corporate citizenship	6
PEOPLE	7
1. ASSOCIATES	7
1.1. Diversity & inclusion	7
1.2. Work environment	8
1.3. Personal development	9
1.4. Well-being	11
2. COMMUNITY	12
2.1. Grants and donations	12
2.2. Social activities	13
2.3. Contributing to the wider community	13
PATIENT	14
1. Sustainable procurement and supply chain	14
1.1. Supplier Code of Conduct	14
1.2. EcoVadis assessment	14
1.3. Maintaining business continuity	15
2. Compliance and ethical business practices	15
3. Quality assurance	15
3.1. Commitment to quality	15
3.2. Maintenance of quality management system	15
3.3. Training	16
3.4. Quality management system certifications	16
PLANET	17
1. EHS Management	17
2. Audits and certificates	18
3. Resources	18
4. Product end of life	19
5. Environment & donations	19
6. Short- & long term EHS targets	20
Statement for the future	21

This report concerns all Corporate Social Responsibility (CSR) initiatives and activities for Terumo Europe in the EMEA region.

Terumo Europe NV is the legal entity that covers the EMEA region where Terumo Europe is active.

REPORTING PERIOD Fiscal year 2016 (April 1, 2016 through March 31, 2017)

This report: September 2017

Next report: September 2018

REFERENCED GUIDELINES This report was written with a GRI-reference. This material references disclosures 102-1; 102-2; 102-3; 102-4; 102-5; 102-6; 102-7; 102-8; 102-13 from GRI 102: General disclosures.

CONTACT Terumo Europe, Communications : TEMEA.-COM@terumo-europe.com



Dear,

Welcome to the first edition of the Terumo Europe Corporate Citizenship Report. This report provides a description of our sustainability approach and gives you a detailed overview of all Corporate Social Responsibility (CSR) initiatives and activities across the EMEA region.

Although Terumo Europe has been active in CSR for years, this is the first time we have integrated all our CSR activities into an overall EMEA-wide program. Today, I am happy that we have an integrated CSR program in place that is supported by an active program of projects and initiatives, which are owned and driven across the business. We are encouraged to start up new initiatives and evaluate the impact of our actions on our Associates, our customers, the natural environment and wider society.

The key element of the Terumo Europe CSR Program is well embedded in our business and is based on our mission, vision and Terumo values. We are especially pleased that our Associates recognize the role that CSR plays in supporting our business goals. Not only are they 'Contributing to Society through Healthcare', our unchanging mission, they are also contributing to sustainability through their jobs. We have established a cross-functional team and a group of Terumo EMEA CSR Ambassadors to discuss and drive CSR related initiatives and promote the importance of CSR at our affiliates across the EMEA region.

One of the actions that stands out from this first year is the introduction of an extensive training catalogue available to all Associates. It is a key element in our aim to become a Learning Organization. We strongly believe that by providing our Associates with opportunities for development, we participate in continuous improvement, increasing our Corporate Social Responsibility.

Another highlight was the implementation of our Supplier Code of Conduct for our suppliers that will ensure Terumo's commitment to conduct its business and all its relations ethically and with integrity.

We continue to minimize our impact on the environment throughout our value chain, and we are committed to being a good corporate citizen through our investments in the communities in which we operate and live.

Reporting on our efforts is a key CSR commitment for our organization. We invite you to read more about our goals and performance.

Kyo Nishikawa
Managing Director Terumo Europe NV

OUR CORPORATE CITIZENSHIP



The key element of our Terumo Europe Corporate Social Responsibility Program is the Terumo DNA, which is composed of our corporate mission 'Contributing to Society through Healthcare', vision 'Innovating at the Speed of Life' and our Terumo five statements.

Society and Healthcare are the key elements in every CSR-related initiative at Terumo Europe.

Our approach covers three main themes.

- **People:** At Terumo we respect our Associates and offer fulfilling jobs in a safe and healthy work environment where people can continuously develop personal and professional skills. At the same time our social mission of 'Contributing to Society through Healthcare', focusing on local communities and healthcare organizations, is key to all Associates.
- **Patient:** At Terumo we believe that ethical business practices and processes are at the heart of our sustainable organization. Our patient comes first in every business process where the final goal is to supply our customers with the most innovative and high-quality medical products in order to treat our patients in the most efficient manner.
- **Planet:** At Terumo we engage in the set-up and implementation of an Environmental and occupational Health and Safety policy. Our general objective is to reduce the impact of our activities on the environment.

The Terumo five statements describe the principles that guide our actions and decisions. These statements are the basis for our culture; how we behave, interact and treat each other.

• Open Management

We maintain a fundamental policy of open management, work to secure and return to our benefactors a suitable profit, and strive to develop our business on a global basis as befits a leading company in the industry.

• Enhanced Value

We emphasize the importance of scientific thinking, creativity, and time appropriation, and respond in depth to customer needs by creating valued products and services.

• Safety and Reliability

We pride ourselves on our commitment to the development of technologies and quality assurance systems that ensure safe, reliable products.

• Respect for our Associates

We emphasize respect for the individual, promote intercultural understanding, and encourage openness in the workplace in accordance with our slogan "Associate Spirit" as we prepare to meet the challenges of the future.

• Corporate Citizenship

We conduct our business activities in a fair and equitable manner and act responsively toward the environment as we fulfill our responsibilities as good corporate citizens.



PEOPLE

HIGHLIGHTS

- Performance Development Cycle introduced for all Associates
- Learning and development: Training catalogue available to all Associates
- Listening to our Associates: Setup of various surveys and polls in order to receive regular input and feedback from all Associates

1. ASSOCIATES

At Terumo Europe, the real value of our organization is the total value of the Associates working here. Terumo respects their rights and offers them fulfilling jobs, by giving maximum consideration to enable each Associate to take pride in being a member of Terumo. At the same time, Associates have an obligation to always improve themselves, bear the responsibility of the corporate philosophy and social mission of 'Contributing to Society through Healthcare' and to contribute to Terumo's development and growth.

Our ultimate objective is for Terumo and its Associates to work together to improve medical care for patients around the world.

1.1. DIVERSITY & INCLUSION

We value diversity within our organization and aim to offer an inclusive working environment for all.

Gender diversity

At Terumo, we continuously strive for a balance concerning gender diversity – overall, as well as for management positions.

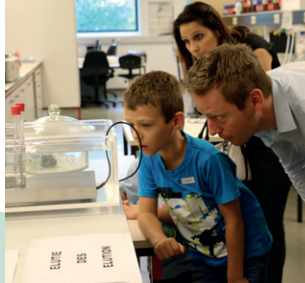
Male	Female	Total
564	671	1235
46 %	54 %	

Date of data retrieval: 31/03/2017 (with a permanent/temporary contract)

In FY16, the representation of women in management positions was 39% versus 61% men. If we split gender according to level in the organization, we notice that in top management positions women hold up to 36.4% in the total senior management team.



Number of men & women in management positions, according to different management levels / Date of data retrieval: 31/03/2017



We regularly share 'gender pay gap' statistics with our works council in order to raise awareness on the topic. In comparison to the statistics of 2015, improvement was reported on the gender pay gaps. Currently we work with a salary benchmarking system with the objective to consistently benchmark all remuneration packages within the medical device sector and strive to have gender equality in compensation.

Cultural diversity

As an international organization, we value the diversity that comes with different nationalities. Overall, we employ Associates with 42 different nationalities in our EMEA region, with a diverse group of 22 nationalities in our Terumo Europe headquarters in Leuven. Furthermore, in our senior management team, six different nationalities are represented.

Terumo strives to develop our business globally in harmony with our clients and Associates, who represent increasingly international backgrounds. At Terumo we see the advantages of leveraging this multi-cultural richness and diversity, and we actively promote intercultural understanding, by investing in learning and development of business and personal skills designed to enhance intercultural co-operation. This way Terumo ensures its global future as a diverse organization, and Associates are well-prepared for working in our worldwide markets.

In addition to intercultural trainings, we have organized a Japanese week to celebrate the anniversary of 150 Year Friendship between Belgium and Japan. Through various intercultural workshops and cultural activities, Associates had the opportunity to discover the Japanese culture.

1.2. WORK ENVIRONMENT

Work/life balance

Terumo Europe aims to increase flexibility so that Associates can work enthusiastically and exercise their full potential. Our employment system aims to promote flexible work approaches to enable our Associates to achieve balance in their professional and private life. Therefore, we offer flexible work schedules, including flextime, home office and an overtime policy when legally applicable.

Labor relations

Terumo recognizes that a successful employer-employee relationship based on trust and mutual understanding is extremely important for us to grow and develop together with our Associates. Input from the unions is treated as valuable feedback, and we resolve issues by taking actions that are acceptable to both management and Associates through a successful and constructive dialogue.

Fostering recognition and engagement amongst our Associates

Because we believe that recognition of our Associates is important in terms of their engagement, we regularly organize social events where Associates are rewarded for their everyday work. Summer barbecues, year-end lunches etc. are the perfect opportunity to show our appreciation to all.

Terumo EMEA Awards

The Terumo EMEA Awards are created to promote and reward a culture of 'Contribution' and 'Innovation' within our business.

Through the Terumo EMEA Awards program, we recognize Associates and teams who reflect and live our mission, vision and values, whatever their level or position. Chosen from Associate nominations, our Terumo EMEA winners are invited to the official Terumo EMEA Awards Ceremony where they are presented with the award attended by our top leaders. Winners receive a donation to a charitable organization of their choice.

Terumo Patient's Day

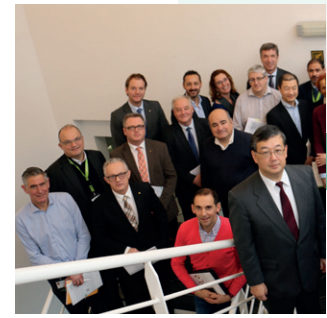
During our annual Terumo Patient's Day, Associates get the opportunity to reconnect with our mission, consider again, what it means to personally contribute to the progress of

medical care and reflect on the value we provide to patients and society.

This year, approximately 200 Associates registered for the different programs, lifestyle activities and presentations by healthcare professionals, managers & product trainers. In order to connect with our patients we invited a patient to testify how the treatment with our Terumo product has changed his life.

Terumo Family Day

In FY16, Terumo Europe HQ invited all Belgian Associates and their families to visit our headquarters and plant in Leuven. Over 500 visitors discovered the Terumo products exhibition and followed the guides on a tour that took them through the main building and the plant.



Listening to our Associates

We believe that input and feedback from our Associates is key to the well-functioning and growth of our organization. During the past year, we have elaborated on various, existing tools in order to help capture the opinions and reactions to various events and initiatives within our company.

Well-being at work survey

In order to map existing psychosocial hazards in the workplace, we have conducted an extensive questionnaire on well-being at work throughout our organization in Belgium. Associates were invited to share their opinion through an anonymous and confidential survey that was conducted online as well as in classroom sessions. The response rate of this questionnaire was 76%.

The overall results of this questionnaire were shared in our prevention committee meetings, after which departments were informed via our Human Resources department. If necessary, the responsible departments were asked to set up an action plan in order to address the issues that were identified during the questionnaire.

Feedback surveys

For different internal events and initiatives, we regularly send out feedback surveys to all involved Associates, in order to get insight in their opinion concerning these topics.

The output of these questionnaires is used to continuously improve in line with input from our Associates.

Associates' Poll

In FY16, we launched our Associates' Poll, a biweekly poll on business culture-related topics. Via this online tool, we receive input and feedback from our Associates on various initiatives, with an average response rate of 20%. With every new poll we launch, we also share the results and feedback of the previous poll, in order to inform the respondents on the outcome. Regularly, these results are also shared with the management team to get insight on the actions that were taken in regards to this.

Exit interviews

In case Associates decide to leave our organization, we consistently deduct exit interviews. Firstly, an online survey is completed by the Associate, after which a full one-on-one interview is conducted by the HR Business Partner.

In order to continuously inform our Associates on various business-related topics, we regularly organize meetings where business updates are shared amongst the business. We believe that increased information sharing across departments benefits the overall functioning of our organization.

TELIM Meeting

With our quarterly TELIM, Terumo EMEA Leadership Information Meeting, we invite all EMEA managers to a business update meeting. Different departments and business units share various highlights, opportunities and current issues with other managers. Afterwards a Q&A session is organized where all managers can interact and bring forward possible questions or concerns.

Town Hall Meeting

Annually we organize Town Hall meetings for all Associates across the Terumo EMEA region to inform them on business related news. With this annual business update, we aim to provide high-level information sharing to all Associates.

Lunch with our CEO

Every month at the Terumo HQ we organize a casual and informal lunch with our CEO for new joiners to the company.

1.3. PERSONAL DEVELOPMENT

Our vision starts from the concept of the Learning Organization, where people continually expand their capacity to create the results they truly desire; where new and innovative patterns of thinking are nurtured; where collective aspiration is set free, and where people are continually learning how to learn together.

Training catalogue

One of the important pillars is "personal mastery". Whether our Associates are based in Belgium or working in other parts of the EMEA region, we encourage all our Associates to have the necessary basic behavioral competences to perform well in their roles, so that we can all 'Contribute to Society through Healthcare' for the tomorrow we are creating. Our mission is to offer the right basic tools and support by providing a broad training offer, where self-development is key.





By providing an extensive array of trainings, our Associates are encouraged to find those specific trainings that contribute to their development.

Insights Discovery

At Terumo Europe, we believe that self-awareness is the first step in any self-development process. In order to become more self-aware, it is necessary to have a good insight into your own thoughts, feelings, preferences and styles. Therefore, we adopted the Insights Discovery Framework and embedded it in our trainings and way of working. Insights Discovery uses a simple and accessible four-color model to understand an individual's unique preferences. During an intensive workshop, we measure these preferences based on responses to a short online questionnaire. The results of this questionnaire are analyzed and bundled in a personal profile. Every Discovery Personal Profile provides information on an individual's strengths and weaknesses, communications style, and their value to a team. Each profile also includes suggestions for development that can be put into practice the next day.

We currently offer over **40** different trainings.
In FY16, we had **217** people that followed trainings (166 Associates and 51 managers).
Overall in FY16, we had **296** enrollments in **63** training days.

Leadership program

In addition to our training catalogue, which targets all Terumo EMEA Associates, we have implemented a specific development program for people managers. In this program, managers that are steering teams have the opportunity to acquire specific skills and abilities that will allow them to become better at managing their people. In that respect, the program is not only open to existing managers that need to update their leadership skills but, more importantly, it is also targeting Associates transitioning into leadership roles.

Over the course of 2 years, participants of the Leadership Program have to complete a number of mandatory trainings related to change management, communication, performance and development management, building teams and leadership styles. Since the program is organized in a modular approach, every manager can progress at his/her level and follow the trainings at his/her own pace. Of course, the Insights Discovery Framework plays an important role in this program because it allows a manager to become more self-aware and reflect on certain situations and behaviors.

Besides the mandatory trainings, the Leadership Program offers a number of extra modules that managers can follow on a voluntary base. These modules offer more in-depth knowledge on certain topics handled in the mandatory trajectory.

In addition, various innovative training methods are used such as Lego Serious Play.

In FY16, **257** managers were eligible for the Leadership Program.
Many of whom have already finished the first couple of modules.

Lunch and Learn

With our monthly Lunch and Learn sessions at our HQ, we aim to stimulate informal, quick learning moments during lunchbreak. 'Lunch and Learn' creates a workplace of learning, communication and collaboration where sharing thoughts and best practices go hand in hand with asking questions.

Performance development

In FY16, we digitalized our HR platform, introducing an online performance management system (Success Factors GMPM). This enabled our organization to:

- Share the overall organizational and leadership priorities down through the chain of command, going from vision to practical execution
- Monitor progress and encourage a (2-way) feedback culture
- Compare results at regular intervals versus expectations, and aligning the rewards and recognition
- Align training of skills development for immediate needs, and building towards future needs (both on individual and organizational levels)

Associates are expected to set SMART (Specific, Measurable, Achievable, Realistic, and Time) objectives in four mandatory categories: quality & compliance, people management (depending on job function), business objectives, personal development. Subsequently, the Associate undergoes a yearly performance evaluation based on these set objectives.

Compliance of this online performance development system (between 90-95% of office-based Associates) is as close as we can get to full adoption, taking into account employee movement (in/out) and absences. In addition, our operators in Leuven and Genk work with an offline performance de system.



1.4. WELL-BEING

At Terumo Europe, we strive to create a safe and healthy workplace so that our Associates can realize their full potential. Additionally in Belgium, the prevention committee guards the effective implementation of our Code of Conduct and addresses all health- and safety topics concerning our Associates. Similar representative bodies also fulfill this mission in certain of our country affiliates, such as France, Germany and our UK Plant.

Confidential advisor and prevention advisor

In addition to our external prevention advisor, two internal confidential advisors are at the disposal of our Associates. In case of violence, bullying or sexual harassment in the workplace, the confidential advisors will help our Associates to find appropriate solutions for their specific issue.

Medical

At the beginning of an employment agreement, every Associate in Belgium is invited to an on-site medical checkup. Furthermore, our Associates in Belgium are offered on-site influenza immunizations annually. In addition, the members of our higher management are provided the opportunity to participate to an extra annual medical screening.

Corporate yoga

Since we aim to support our Associates in maintaining a healthy lifestyle, we have introduced multiple corporate yoga sessions in various countries. Interested Associates were offered the opportunity to work out onsite together with colleagues after working hours.

Training

Terumo holds a global EHS policy – Environmental Health and Safety - in order to regulate and guide all. We work to ensure the safety and health of Associates in all business activities and create safe and comfortable work environments. Additionally, we strive to prevent occupational injuries by continuously providing training and EHS information to all Associates.

We systematically and continuously provide education and training in order to increase EHS awareness.

To ensure that our first aid workers and fire fighters team are both fully trained, an annual refresher training is organized. Additionally, all new hires are trained concerning EHS regulations, as well as GMP and GDP – Good Manufacturing Practice and Good Documentation Practice.

Training subject	Trained Associates	Number of participants
First aid and AED	First aid workers	33
Fire fighters	Fire fighters team	50
EHS/GMP introduction	New hires	111

Date of data retrieval: 31/03/2017; Scope: Haasrode and Genk

EHS Communications

In order to continuously inform our Associates on various EHS related topics and/or changes in regulations, we regularly communicate with them via multiple channels. One example are the campaigns that we launch in our production facilities, where specific topics are highlighted, such as for example our campaign on clean work (c)overalls.



Workplace accidents

Since a safe and healthy workplace environment is central to our EHS Policy, we are continuously improving processes etc. in order to reduce the number of work related accidents.

	Fixed and temporary contract Associates	Interim Associates
Total number of work related accidents	14	3
- Accidents resulting in lost working days	8	0
Number of lost working days because of accident	253	0
- Accidents not resulting in lost working days	6	3
Total number of first aid cases	20	1

Date of data retrieval: 31/03/2017; Scope: Haasrode and Genk

2. COMMUNITY

In addition to caring for our Associates, Terumo Europe also places great importance on the community surrounding our organization and Associates. This we aim to accomplish by supporting various organizations throughout various company programs.

2.1. GRANTS AND DONATIONS

In FY16, we have set up a Grants and Donations Policy, in line with the MedTech Europe Code of Ethical Business Practice. This independent decision-making/review process is created to identify, prevent and mitigate against potential bribery and corruption risks arising in connection with the provision of a Grant or a Charitable Donation to a specific prospective recipient. The Grants and Donations Policy thus includes a documented, prior evaluation of any such associated risks and of the relevant information concerning the intended recipient organization or entity.

Charitable donations

In order to increase the impact of the charitable donations we make, Terumo Europe supports charitable organizations that are related to our corporate mission of 'Contributing to Society through Healthcare'.

This fiscal year, we have supported various organizations within the healthcare sector, such as Cliniclowns; a Belgian organization that offers ill children in the hospital a fun time with clowns to let them forget their illness. Additionally we have supported multiple organizations within our EMEA region, also through our Terumo EMEA Awards where all winners could donate to a charitable organization of their choice.

EMEA AWARDS: CHARITABLE DONATIONS

- Leukemia foundation Josep Carreras
- Lösev Foundation
- Kinderkankerfonds Leuven
- Rondou Foundation
- Make-a-wish Foundation
- Georges Malaika Foundation

Educational and research grants

Terumo Europe regularly engages in granting Educational and Research Grants within the medical sector. These Grants are intended to support genuine independent medical research, advancement of medical science or education, or patient and public education.



2.2. SOCIAL ACTIVITIES

A team of Terumo Europe Associates participated in the Warmathon of Studio Brussel, a social running event to support various local charities. By not only donating resources, but also engaging our Associates, we intend to increase engagement and participation in social charitable activities as a medical company.

2.3. CONTRIBUTING TO THE WIDER COMMUNITY

Next to charitable donations in the healthcare sector, we also focus on the wider community that surrounds our Associates. In the year 2016, Italy was a victim of a strong earthquake, after which we have decided to support the Red Cross in their initiatives. In addition, Terumo Europe - as a strong actor of the Japanese Terumo Group - has supported the celebrations for the 150 years of friendship between Japan and Belgium.

Finally, the Terumo Foundation for Life Sciences and Arts of Terumo Corporation supports programs of non-profit organizations engaged in initiatives that contribute to enhancing medicine and health within Japan and in developing countries in places such as Africa. Our African Business Division within Terumo Europe encourages several NGO's with whom they work to apply for this funding.



PATIENT

HIGHLIGHTS

- Introduction of the Terumo Europe Supplier Code of Conduct
- EcoVadis supplier assessment: silver rating

Terumo believes that ethical and sustainable business practices and processes are at the heart of our sustainable organization. For Terumo, our patient takes up a central position in every business process where the final goal is to supply our customers with the most innovative and high-quality medical products in order to treat our patients.

1. SUSTAINABLE PROCUREMENT AND SUPPLY CHAIN

In order to move towards a sustainable procurement and supply chain, we have undertaken several actions in the past fiscal year. Sustainability is a key element of Terumo's mission and forms an integral part of our procurement and supply chain strategy.

1.1. SUPPLIER CODE OF CONDUCT

We have set up a Supplier Code of Conduct. Terumo Europe supports the principles of the Pharmaceutical Supply Chain Initiative (PSCI) in the areas of ethics, labor rights, health and safety, environment and related management systems and has incorporated these principles in the Terumo Europe Supplier Code of Conduct.

Terumo is committed to conducting its business and all its relationships based on ethical conduct, integrity and without modern slavery. Therefore, we demand reliable procurement performance from our valued suppliers and subcontractors, relating to key practices that include business ethics, labor rights, health and safety, environment, patient safety and related management systems. We expect our suppliers to share the principles that are expressed in this Supplier Code of Conduct and to replicate these standards further down the supply chain.

1.2. ECOVADIS ASSESSMENT

Terumo Europe regularly undergoes audits and tender questionnaires from customers in order to be assessed as an eligible supplier. At the End of 2016, we were assessed by EcoVadis, an online CSR-assessment platform, where our score increased from 42 to 58 with a silver recognition level.

"Your company has obtained a score higher than 46/100, and for this reason has been awarded a silver recognition level. This good result places your company among the top 30% performers evaluated by EcoVadis. Congratulations!"





1.3. MAINTAINING BUSINESS CONTINUITY

Terumo Corporation manufactures products in seven factories within and 18 factories outside Japan, and distributes them in over 160 countries. With rapid changes in procurement, the company places top priority on ensuring quality and a stable supply, and procure materials from the most appropriate sources to deliver high-quality products to healthcare providers.

Terumo Europe has implemented a BCP to ensure the supply of critical products to our customers and patients. This plan entails the storage of critical products in a separate location from the normal site and includes policies and procedures together with training of all involved employees in order to guarantee a flawless switch to emergency procedures if needed.

2. COMPLIANCE AND ETHICAL BUSINESS PRACTICES

Terumo is committed to maintaining high standards of business ethics. Terumo expects from its Associates, representatives, consultants, distributors, agents and any other third party intermediary acting on behalf of Terumo to comply with applicable laws, regulations, industry codes and contractual terms, as well as generally accepted standards such as the protection of human rights, safety and environment, and the prohibition of child or forced labor, money laundering and bribery.

Terumo Corporation has formulated the “Code of Conduct of the Terumo Group”, also called “Sakura Rules”, that provides guidance on all aspects of behavior and conduct of Associates are expected to adhere to in their daily business activities. The Sakura Rules are applied within Terumo Europe. Terumo Europe also has its own Terumo EMEA Code of Business Compliance, which has been updated in order to integrate the principles of the new MedTech Europe Code of Ethical Business Practice. Each new Associate of Terumo Europe is trained on the Sakura rules and Terumo EMEA Code of Business Compliance when joining the organization and all Associates are automatically trained once a year. In addition, compliance trainings are provided on a case-by-case basis during annual meetings, specific meetings or upon request.

In 2016 MedTech Europe prepared an online leaflet summarising the key changes in the new version of the MedTech Europe Code of Ethical Business Practice. This code is also implemented in the Terumo Europe Code of Business Ethics. As the MedTech leaflet is targeted at Healthcare Professionals, Terumo Europe proactively has taken the initiative to print the leaflets and encourage our sales representatives to personally hand out the new MedTech Europe Code of Ethical Business Practice leaflet to their customers.

3. QUALITY ASSURANCE

3.1. COMMITMENT TO QUALITY

Terumo Europe is a core player in the EMEA healthcare market by providing best in class quality products and services meeting customer and regulatory requirements. This commitment to quality is embedded in Terumo Europe’s quality policy as a formal statement. The quality policy is supported by an effective Quality System, and is communicated to all Associates.

3.2. MAINTENANCE OF QUALITY MANAGEMENT SYSTEM

Terumo Europe establishes, documents, implements and maintains a Quality Management System, and continuously improves its effectiveness in accordance with the requirements of the applicable standards and regulations. The effectiveness and adequacy of the Quality Management System is reviewed by top management at least twice per year. Appropriate improvement actions are identified to maintain the Quality Management System effective and aligned with applicable quality standards and regulatory requirements. These actions are formalized as quality objectives and allocation of required resources is reviewed.

Regular divisional quality review meetings are performed to analyze trends and review the quality objectives. Quality metrics (KPI’s) are closely followed-up and appropriate actions for improvement are implemented.

An internal audit program is yearly established and evaluates all quality system processes for compliancy. On a corporate level “lessons learned” from other Terumo facility inspections are shared and corporate quality audits are performed. Eventual observations are addressed with corrective action plans to continuously improve the adequacy and effectiveness of our Quality Management System.



During 2016 Terumo Europe experienced a total of 28 audits including internal, customer, notified body & other regulatory audits/inspections with an average number < 2 findings per audit. It is a corporate quality objective to further decrease the number of audit findings by continuously considering best practices and state of the art in healthcare business.

3.3. TRAINING

Terumo Europe ensures that all Associates are properly qualified to perform their job autonomously, in accordance with the Quality Management System procedures. A Training Plan is set-up per function, including on the job trainings and assessments. Yearly trainings on Good Manufacturing Practices and on changes in regulatory environment are given. Training gaps are closely monitored through a validated electronic management system.

3.4. QUALITY MANAGEMENT SYSTEM CERTIFICATIONS

Terumo Europe has a documented Quality Management System based on recognized standards and regulatory requirements.

Amongst others the following standards and regulations apply:

ISO certification: EN ISO 13485:2012 + AC: 2012 certificate

Applicable Parts of the Federal Food and Drug Regulation 21 CFR

European Directive: EC Medical Devices Directive 93/421/EEC of June 1993, as last amended

Federal Food, Drug and Cosmetic Act, Chapter V, Drug and Devices as last amended

Moreover, Terumo Europe assures regulatory compliance in countries worldwide by obtaining the required quality system certification and national product registrations whenever required to support our business.



PLANET

HIGHLIGHTS

- Introduction of recycling islands into our office environments
- Reduction of waste and energy consumption on target
- Setting up partnerships with non-profit organizations through recycling programs

1. EHS MANAGEMENT

EHS initiatives are a social responsibility and a key for ongoing growth. The entire Terumo Group works to advance EHS initiatives as we endeavor to be a good corporate citizen.

The Terumo Global EHS Policy was established in 2012 as the basic policy on lowering the environmental impact of our business activities, protecting biodiversity, and promoting the safety and health of our Associates. The policy applies to the entire Terumo Group globally and forms the basis for all corporate activities.

Terumo Global EHS Policy

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.



2. AUDITS AND CERTIFICATES

This Terumo global EHS Policy is in accordance with the environmental management system ISO14001 and OHSAS18001 occupational health and safety management systems. Terumo holds these respective certificates for our production facilities in Leuven, as well as our European Distribution Center in Genk. Additionally, our three principal factories in Japan – Ashitaka, Fujinomiya and Kofu - hold the ISO14001 and OHSAS18001 certificates.

In order to be eligible for these certificates, multiple environmental audits are performed on a regular basis. In FY16, we have been assessed through two internal audits and one external audit on the ISO14001 and OHSAS18001 certification. In addition, the Tokyo Marine audited us twice on our fire safety.

3. RESOURCES

For the energy, raw materials and other inputs we use, we identify the environmental impact in terms of CO₂, wastewater, and waste generated by our business activities, and use this data as indicators for activities aimed at reducing environmental impacts going forward. The following numbers include data from our EMEA headquarters, production facility in Leuven (Belgium), and our European Distribution Center in Genk (Belgium).

Energy

In FY16, we have strived to decrease our energy consumption with 12%, and successfully reached this target.

Water

In order to correctly discharge the used water, we collect all water via one separate channel that allows us to regularly take samples. Discharging water is highly regulated and has to strictly apply to certain environmental norms.

Chemical substances

Whereas we try to consistently reduce the use of chemical substances within our production facilities and products, we extensively control the current use in order to create a safe working environment for all Associates. In case of emergency, multiple spill kits are provided at over 30 key locations within our production facilities.

Emissions

Solvents are regularly used in our production facilities. In order to minimize the emissions of this chemical substances, we have installed two solvent recovery plants in our Leuven facility. These installations recover the solvents from the air in order to purify the oxygen. Consequently, an external partner that use these as a raw good for a new product collects these recovered solvents.

Waste

In FY16, we reached our target to reduce our waste production by 5% through various initiatives.

At our Headquarters in Leuven and warehouse in Genk, we have an extensive onsite container park, where general waste, polypropylene, paper, metal and wood are all separately collected. Since extensive recycling is key, we have set up a recycling system within our production facilities in order to encourage correct recycling at the start of our waste production cycle.

Additionally, we have implemented pioneer recycling islands into some office environments. Centralized garbage bins, implying one recycling island per office, will improve correct recycling into general waste, paper, PMD and ink toners. Secondly, this will bring ergonomic advantages to all Associates, since activity and movement at work are crucial elements of an optimal work environment.



INPUT

ENERGY

Electricity18056 MWh
 Gas15740 MWh

RESOURCES

Water 39170 m³

CHEMICAL SUBSTANCES

Methylene chloride47983 l
 Ethylene oxide 6400 kg
 Glue eccobond 933-39 5215 kg
 Isopropyl alcohol 1213 kg
 Novec HFE-71DE 2275 kg



OUTPUT

ATMOSPHERE

CO2 emissions1681 t-CO2/kWh

WATER

Total amount of discharged water..... 39170 m³

WASTE

Total waste generated 450 t
 Hazardous waste 46 t
 Recycled waste 239 t
 Incinerated and landfilled solid waste 165 t

Date of data retrieval: 31/03/2017; Scope: Haasrode and Genk

4. PRODUCT END OF LIFE

Not only do we find it important to recycle the waste in our office and production environments, but we also take into account our products' life cycle. Therefore Terumo joined various Producer Compliance Schemes (PCS), such as Recupel, Bebat, MeLaRec and Val-I-Pac. Additionally we provide quarterly sales information towards the compliance scheme (e.g. weight of EEE placed on market) and we mark all EEE products with crossed-out wheeled bin symbol and a producer identification mark.

5. ENVIRONMENT & DONATIONS

For the recycling of technological equipment, Terumo Europe collaborates with multiple organizations. As an example, in Belgium, we are working together with a company that collects ink-cartridges and gives us an amount of money in return to donate to 'Beyond the moon'. This organization offers families with a serious ill child the opportunity to enjoy an unforgettable vacation away from hospitals and treatments.

Another example in Belgium is our e-waste, for which we collaborate with the organization 'Out Of Use'. This allows us to sustainably recycle our ICT, electrical and electronical waste in order to go from 100% waste to 90% secondary products. In return, they work together with sheltered workplaces where all recycled secondary products are taken apart. In addition, we receive an amount that we donate to 'Natuurpunt'. For every three mobiles or for every electrical device they plant one tree in return.



6. SHORT- & LONG TERM EHS TARGETS

For the fiscal year 17, we have set new EHS objectives in line with our FY17-19, long-term targets.

Initiatives	FY17 target	FY17-19 target
Reduction of Accident Risk, Health Enhancement	Zero fatal or major occupational injuries.	Zero fatal or major occupational injuries.
	Zero major environmental accidents. Establish a procedure for response to emergencies and carry out training.	Zero major environmental accidents.
Development of Environmentally Friendly and Safe Products and Production Processes	Provide specifics on development of at least one Human x Eco product/production process in each development site.	Bring at least 3 Human x Eco products onto the market.
	Make prospects for technology as alternative for chlorofluorocarbons in each product line (for countries in which regulations apply).	Establish a production process that does not use regulated chlorofluorocarbons (such as HCFC-225).
Effective Use of Energy and Resources	Reduce the group's overall CO2 emissions by 1% or more per unit of consolidated sales top previous year.	Cut the group's overall CO2 emissions by 38% or more compared to FY05 per unit of consolidated sales. Long-term target: 50% reduction in FY25.
	Reduce the group's overall water usage by 1% or more per unit of consolidated sales compared to previous year. UK Plant: Aim to reduce water consumption by 1%.	Reduce the group's overall water usage by 3% or more per unit of consolidated sales compared to FY16. UK Plant: Aim to reduce water consumption by 3%.
	Raise the group's overall recycling rate to 85% or higher. KPI general waste: -5%, through better recycling.	Raise group's overall recycling rate to 87% or higher. KPI general waste: -5%, through better recycling.
Proper Control of Chemical Substances and Reduction of Emissions	List laws and regulations governing chemical substances and assess compliance.	Continue to observe laws and regulations governing chemical substances (zero violations).
	EO environmental concentration on outskirts of facilities adjacent to residential areas: less than 4.3 UG/M3. Implementation of EO concentration measurements at air pollution outlets.	Monitor emissions of hazardous chemical substances (zero violations).
Preservation of Biodiversity	Implement education on biodiversity preservation at each site.	Globally cooperate and promote biodiversity protection activities (SDG-15).



STATEMENT FOR THE FUTURE

With the official startup of our Corporate Social Responsibility program in Fiscal Year 2016, we have set objectives to reach during FY17.

PEOPLE

Encouraging our Associates to continue growing through a **well-developed learning and development program**.

- By the end of FY17, we aim to have registered at least 2000 enrollments in various trainings EMEA-wide, including the training catalogue, the leadership program etc.

Creating a **social network** through which Associates can develop on a personal level and expand their network within the organization.

- Terumo Europe will set up a social committee, that will organize multiple inspiring, social events for its' Associates.
- Terumo Europe's innovation team will aim to organize multiple creativity-inducing, innovative activities throughout the FY.

Contributing to society through **charitable donations**.

- Terumo Europe will aim to support at least 10 projects annually, related to organizations that support the local community and healthcare purposes.

Encouraging Associates to **support local communities through volunteering**.

- Empower and engage at least 5% of TE Associates to participate in social volunteering activities.

PLANET

Reducing the environmental impact of our business.

- By March 2018, we strive to have implemented centrally located waste bins into our office environments in order to stimulate recycling and to raise awareness on the topic.
- By the start of FY18, we strive to have banned all plastic throwaway cups, by providing reusable coffee mugs to all Associates.

PATIENT

We encourage our suppliers to be sustainable in their actions.

- We aim to have successfully implemented a **Terumo supplier code of conduct** throughout Terumo Europe's procurement and supply chain activities.



Terumo Europe

Interleuvenlaan 40, 3001 Leuven, Belgium
www.terumo-europe.com