

**Corporate Citizenship Report  
Fiscal Year 2017**





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.*



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This report concerns all Corporate Citizenship 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 2017 (April 1, 2017 through March 31, 2018)

This report: August 2018

Next report: August 2019

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.

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Dear,

It is my pleasure to introduce the Terumo Europe Corporate Citizenship Report for the fiscal year 2017. This report provides an overview of the Corporate Citizenship initiatives and activities for Terumo Europe in Europe, the Middle-East and Africa.

Our Corporate Citizenship Program is based on our mission, vision and the Terumo values. It is embedded in our business and our associates recognize how Corporate Citizenship is supporting our business goals.

In 2017 we implemented several new initiatives and further established our network of Terumo Corporate Citizenship Ambassadors. The Corporate Citizenship Ambassadors Network initiates and executes local Corporate Citizenship initiatives and ensures local buy-in from all associates.

Through the ongoing support and participation of all associates, we have met many targets we had set for 2017. Our associates continued to grow and develop themselves through a well-developed learning and development program. We created the framework to contribute to society through charitable donations and supported charitable projects related to organizations that support local community and healthcare purposes. Also, we continued to minimize our impact on the environment and encouraged our suppliers to be sustainable in their activities by implementing the Terumo Europe Supplier Code of Conduct that will ensure Terumo's commitment to conduct its business and all its relations ethically and with integrity.

Reporting on our initiatives and activities is a key Corporate Citizenship commitment for our organization. I invite you to discover our fiscal year 2017 initiatives and activities in this report.

A handwritten signature in black ink, appearing to be 'Nori Kunimoto'.

Nori Kunimoto  
Managing Director Terumo Europe NV

# OUR CORPORATE CITIZENSHIP



The key element of our Terumo Europe Corporate Citizenship 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 Corporate Citizenship 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.

## Extract of Terumo Europe's EHS Policy

Well-being, environment and energy management is part of the daily operations and is important to ensure the continuity of Terumo Europe. This policy is based on the Code of Conduct for the Terumo Group, named "Sakura rules", and on the EHS Global Policy.

### • Well-being

Preventing accidents remains our objective. We wish to achieve this aim by complying with legislation but also by implementing new technical insights and reducing the risks step-by-step. Safe conduct by everyone at all times is the main theme of our well-being policy. This includes talking to each other with respect and self-control when highlighting undesirable behaviour.

### • Environment

In order to achieve a balance between environmental management and economically viable business operations, the aim will always be to apply the best available technology, taking into account both criteria.

We work closely with suppliers, customers and other sectors of industry to limit waste products at the end of the products' lives and to recycle as much as possible. Every

associate must be adequately informed about environmental care and his/her own task within the environmental policy. The environmental policy is aimed at always complying with all legal provisions, both European, national and regional.

### • Energy

Terumo Europe pays attention to the structural reduction of energy consumption in line with achieving the climate targets and the relevant environmental legislation.

Terumo Europe has implemented this energy policy by setting up an energy management system in which energy consumption is systematically reported and analysed and energy-saving measures are planned and implemented. To put the energy policy into practice, an energy coordinator has been appointed and the associates are actively involved in implementing this policy.



## FY17 TARGETS

In order to set-up a structural Corporate Citizenship Program within Terumo Europe, we have an integrated Corporate Citizenship program in place that is supported by an active program of projects and initiatives, which are owned and driven across the business. In order to ensure adequate and efficient implementation in all entities over our EMEA region, we have a network of Corporate Citizenship Ambassadors. The Corporate Citizenship Ambassador initiates and executes local Corporate Citizenship initiatives and ensures local buy-in from all associates.

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.

FY17 Targets	FY Assessment	Comment
<b>PEOPLE</b>		
Encouraging our associates to continue growing through a well-developed learning and development program. <ul style="list-style-type: none"> <li>- 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.</li> </ul>	✓	3,062 enrollments registered
Creating a social network through which associates can develop on a personal level and expand their network within the organization. <ul style="list-style-type: none"> <li>- Terumo Europe will set up a social committee that will organize multiple inspiring, social events for its associates.</li> <li>- Terumo Europe's innovation team will aim to organize multiple creativity-inducing, innovative activities throughout the FY.</li> </ul>		As of FY18, associates can apply for social activity support, allowing all associates to take initiatives.
Contributing to society through charitable donations. <ul style="list-style-type: none"> <li>- Terumo Europe will aim to support at least 10 projects annually, related to organizations that support local community and healthcare purposes.</li> </ul>	✓	
Encouraging associates to support local communities through volunteering. <ul style="list-style-type: none"> <li>- Empower and engage at least 5% of TE associates to participate in social volunteering activities.</li> </ul>		For the EMEA organization, a social volunteering program will be implemented as of FY18. However, we have set up a voluntary Social Volunteering program in several legal entities. In addition, some legal entities have already participated in social team buildings.
<b>PLANET</b>		
Reducing the environmental impact of our business. <ul style="list-style-type: none"> <li>- 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.</li> <li>- By the start of FY18, we strive to have banned all plastic throwaway cups, by providing reusable coffee mugs to all associates.</li> </ul>	✓	
<b>PATIENT</b>		
We encourage our suppliers to be sustainable in their actions. <ul style="list-style-type: none"> <li>- We aim to have successfully implemented a Terumo supplier code of conduct throughout Terumo Europe's procurement and supply chain activities.</li> </ul>	✓	Implementation completed for all new and renewed contracts. Implementation for existing contracts/suppliers to be completed.



# PEOPLE

## HIGHLIGHTS

- Introduction of Terumo's Learning Management System, The Cube
- Launch of Terumo's Employee Experience Management platform
- Contributing to the wider community through various initiatives

## 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 and to lead a happy life. 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.

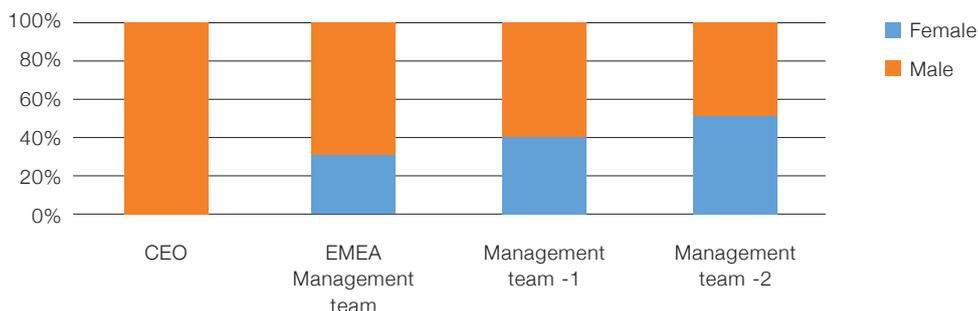
#### Gender diversity

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

Male	Female	Total
590	706	1296
46 %	54 %	

*Date of data retrieval: 31/03/2018 (with a permanent/temporary contract)*

In FY17, the representation of women in management positions was 43.2% versus 56.8% men. However, if we split gender according to level in the organization, we notice that in top management positions women hold up to 28.6% in the total senior management team.



*Number of men & women in management positions, according to different management levels/ Date of data retrieval: 31/3/2018*



Currently we work with a salary benchmarking system with the objective to consistently benchmark all remuneration packages within the medical device sector.

## Diversity and inclusion

As an international organization, we value the diversity that comes with different nationalities. Overall, we employ associates with 45 different nationalities in our EMEA region, with a diverse group of 25 nationalities in our Terumo Europe headquarters in Leuven. Furthermore, in our senior management team, multiple nationalities are represented.

We strive 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 her global future as a diverse organization, and associates are well-prepared for working in our worldwide markets.

### Inter-Terumo exchanges

In order to strengthen global Terumo, we have participated in some first Terumo Group exchanges in FY17.

Intercultural understandings, in combination with a cross-company learning are of added value to all Terumo associates.

### Intercultural lunches TME

In our Middle East office, associates organize a weekly intercultural lunch. A great opportunity to discover each other's culture by local food, country presentations and even typical games.

In addition to our internal diversity, we also focus on inclusion by collaborating with various organizations that support disabled people by offering them adjusted work opportunities in a controlled environment. Therefore, Terumo collaborates with Bewel and Entiris in Belgium for assembling, finishing and packaging.

## 1.2. WORK ENVIRONMENT

### Work/life balance

Terumo 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 and home office.

### Continuous Management- Worker dialogue

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 workers' union 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 a motivating and challenging work environment

Because we believe that recognition to our associates is important in terms of their engagement, we regularly organize social events where associates are rewarded for their everyday work. Summer activities, Christmas 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.

### EMEA Customer service week

With over 90 customer service associates in Terumo EMEA, we have participated to the Customer Service Week, during which customer service employees are internationally recognized for their continuous support and service towards customers. In Terumo EMEA, various internal social initiatives were organized to recognize all involved associates for their continuous contribution.



### 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 150 associates registered for the different programs, lifestyle activities and presentations by healthcare professionals, managers & product trainers. In order to connect with our business, we welcomed two patients and one healthcare professional to share their personal experience.

In addition to our Patient's Day in Belgium, various EMEA entities have organized a local event, such as:

- Terumo Germany: hands-on sessions on Cardiovascular and Interventional Cardiology, Radiology and Embolotherapy.
- Terumo Spain: local product specialists presented the implications of diabetes for patients and focused on the contribution of Terumo Products for these patients.
- Terumo Middle East: Volunteering and charitable donation to Al Noor, a non-profit training center for children with special needs, followed by a CPR training for Terumo associates.
- Terumo France: local associates learned about Terumo Cardiology, Endovascular and Cardiovascular products and participated in hands-on workshops.

### 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.

#### Employee Experience Survey

At the end of FY17, we have implemented an Employee Experience Management Platform, to support our Ongoing Listening strategy. All Terumo associates in the EMEA region were invited to share their experience in an Employee Experience Survey. With a response rate of 69%, this feedback and input provides all managers a better understanding of the level of organizational commitment, satisfaction and overall experience of associates within their responsible department.

#### 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.

#### Employer branding focus groups

During the past FY, we have additionally conducted a strategic analysis that included employee feedback at various organizational levels through focus groups. This to define Terumo's Employee Value Proposition, indicating what drives people to come and work for us and why they would continue working for us. This feedback and input will help us to optimize our employee experience and create a new Terumo Employer Brand.

#### Exit interviews

In case associates decide to leave our organization, we consistently conduct 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 cafeteria meetings for all associates to inform them on business related news. With this annual business update, we aim to provide high-level information sharing to all Terumo 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.



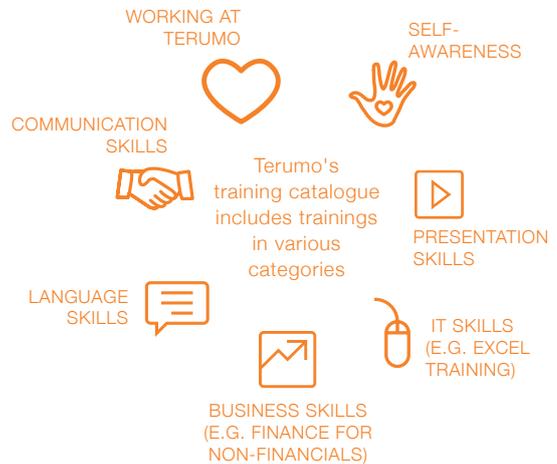
### 1.3. PERSONAL DEVELOPMENT

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 expansive 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 Belgian or working in other parts of EMEA, 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.

In October 2017, we have launched The Cube, our Learning Management System. By providing an extensive array of trainings, our associates are encouraged to find those specific trainings that are interesting to them.



In FY17, we had **3062** enrollments out of **55** different trainings. We had **458** unique associates that followed trainings (classroom trainings, online trainings or informal trainings in The Cube).

#### 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.

#### 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, we have implemented the module 'Building teams' for managers & their respective teams.



## T-Talks

In FY17, we have introduced a brand new learning moment for our managers: T-Talks. We want to feed our managers with the latest corporate trends and make sure we put these on their radar to make our organization more future proof.

## Lunch and Learn

With our monthly Lunch and Learn sessions at our HQ in Belgium, 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

Our digitalized HR platform, including an online performance management system (Success Factors GMPM), enables 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 P-Smart objectives, a Positive formulation, Specific, Measurable, Achievable and Realistic, with a clear Time aspect, 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. In addition, the 'Ask feedback process' gives our managers the opportunity to ask feedback on their direct reports to other associates.

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. Our operators in Leuven and Genk work with an offline performance 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 Belgium. 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 in Belgium, every associate is invited to an on-site medical checkup. Furthermore, our associates are offered on-site influenza immunizations annually. In addition, the members of our higher management are invited for an extra annual medical screening.

### **Healthy lifestyle**

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. In addition, our legal entity in the Middle East has organized a Fitbit challenge for its' associates, encouraging a healthy lifestyle.

As of FY17, we also introduced car allowance within our updated company car policy to consider alternative means of transportation. In Belgium, we also participated to a local campaign, promoting cycling to work.

### **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.

### **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.

- EHS Campaigns @ digital screens
- EHS SharePoint site
- Class room trainings
- Workshops with teams
- Workshops to empower the managers
- Shop floor presence



## 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 line with the MedTech Europe Code of Ethical Business Practice, we comply with the Grants and Donations Policy. 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. Terumo has implemented a Grants & Donations Committee to assess every individual request or ensure they comply with the requirement established by the Code for the award of grants and or charitable donations.

In order to inform all associates that have interactions with healthcare organizations, or that are involved in grants or charitable donations, we have rolled out a mandatory Grants & Donations training in our digital learning platform, The Cube.

#### 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 and our local communities. Amongst these donations, we have supported the implementation of an Automatic External Defibrillator in a local school of Leuven.

Additionally we have supported 5 organizations within our EMEA region, through our Terumo EMEA Awards where all winners could donate the amount to a charity of their choice. One of those donations for example was made to Hippo & Friends, a local fund that supports research on Diabetes Type 1 in Leuven (Belgium).

#### 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 social running events 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.

#### Clean up walk

Terumo Italy associates are joining a quarterly Clean-Up Walk during lunchtime to contribute to a waste-free working and living area.

#### Shoebox Appeal

Terumo UK associates have donated money to gifts for children overseas who are less fortunate, the Shoebox Appeal. During a get-together with all associates, they have packed 50 shoeboxes, for children of all ages abroad.

#### McMillan Coffee Morning

In September, UK Plant associates held a McMillan Coffee morning due to some of the local associates losing love

ones and having used the services of the McMillan cancer services. The staff members brought in bought or baked cakes, buns and tray bakes to raise funds for the McMillan Cancer Charity.

#### Product donations to African NGO's

During FY17, the African Business Division within Terumo Europe has completed various product donations to South Africa, Uganda & Zambia, consisting of blood pressure monitors and thermometers.

#### Blood donation during working hours

In Terumo Nordics, our local associates have the opportunity to participate in blood donations during their working hours.



## PATIENT

### HIGHLIGHTS

- EcoVadis: Golden recognition level
- Fraud awareness campaign and trainings implemented

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

In FY17, we have completed a first implementation phase of Terumo's Supplier Code of Conduct for all new and renewed contracts or suppliers. Terumo 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 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. In FY17, we were again assessed by EcoVadis, an online CSR-assessment platform, where we have received a Golden CSR rating.

*"Your company has obtained a score of 68, and for this reason has been awarded a gold recognition level. This excellent result includes your company among the top 5% performers evaluated by EcoVadis. Congratulations!"*





## 2. COMPLIANCE AND ETHICAL BUSINESS PRACTICES

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### 2.1. COMPLIANCE

Terumo Europe 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 Europe 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.

The Terumo Group 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.

### 2.2. FRAUD AWARENESS PROGRAM

As many other companies, also Terumo Europe N.V. is a target of fraud attempts, however several actions are taken to not become a victim of these fraud attempts. The majority of the fraud attempts Terumo Europe N.V. is facing are related to phishing emails. In order to recognize phishing emails a fraud awareness campaign was started as well as fraud awareness training that was attended by more than 500 associates of Terumo Europe in total.

In addition, the Finance & Accounting department reviewed the procure-to-pay business process to avoid fraud attempts and implemented additional controls on vendor master data and outgoing payments. Furthermore, two insurance policies related to cybercrime and CEO fraud were signed.

## 3. QUALITY ASSURANCE

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### 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.

Each year, Terumo Europe is experiencing an increased number of audits and inspections triggered by changing regulatory requirements and/or by new business (new customers, additional countries). The audits cover internal audits, customer audits, notified body & other regulatory audits/ inspections. It is a corporate quality objective to continuously decrease the number of audit findings by 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.

Terumo EMEA associates are continuously reminded of the company's Quality Policy by internal promotion.

### 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 will be adjusted to EN ISO 13485: 2016 certification in 2018.
- 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 needed to support and assure our business.



# PLANET

## HIGHLIGHTS

- Reduction of environmental impact by reducing energy and water consumption on target
- Increased waste recycling

## 1. EHS MANAGEMENT

EHS (Environment, Health and Safety) 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.

Within Terumo Europe, we use an EHS management system that is compliant with law, environmental standard (ISO 14001:2015), occupational health and safety standard (OHSAS 18001:2007). We conduct regular internal and external audits to monitor the compliancy.

## 2. EFFECTIVE USE OF RESOURCES

For the energy, raw materials and other inputs we use, we identify the environmental impact in terms of 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

We strive to continuously reduce and optimize the utilization of electricity and gas. In FY17, we have succeeded to reduce more than 5% of our consumption. In FY18, we aim to further decrease our consumption.

### Water

We continuously strive to reduce waste and to promote water recycling by utilizing water resources effectively through activities. In FY17, we have succeeded to reduce more than 5% of our water consumption. In FY18, we plan to continue by further circulating and reusing water.

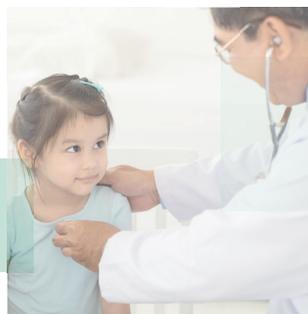
### Emissions

In order to minimize the emissions of the chemical solvents, we have installed two recovery plants. These installations purify the oxygen by recovering the solvents. Consequently, an external partner that uses these recovered solvents as a raw good for a new product collects these.

### Waste

For our production activities, we have dedicated recycling flows for paper, plastic, solvents, wood, pallets etc. In the Belgian office environment, we have implemented recycling islands in order to separately collect plastic, paper and ink cartridges.

- Reusable coffee mugs: By providing reusable coffee mugs to all associates, we have banned plastic throwaway cups.
- Packaging waste analysis: In FY17, we have conducted a study in our European Distribution Center that demonstrates that we can further reduce our carbon footprint and our packaging waste. In FY18, we ensure implementation of these recommendations.
- Foil: In FY17, we have implemented a new-wired wrapping foil, which allows us to reduce plastic foil waste with 40%, increase safety and operator ergonomics.



### 3. 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 to 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.

### 4. INITIATIVES FOR BIODIVERSITY CONSERVATION

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

Another example 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.

Through sustainable procurement, we have planted 20 trees over the last year. In addition, Insights Discovery – one of our suppliers – is planting one tree for every Insights Discovery profile we assess at Terumo Europe.

### 5. MATERIAL FLOW

For the energy, raw materials and other inputs we use, we identify the environmental impact in terms of wastewater and waste generated by our business activities, and use this data as indicators for activities aimed at reducing environmental impacts going forward.



### 6. MOBILITY

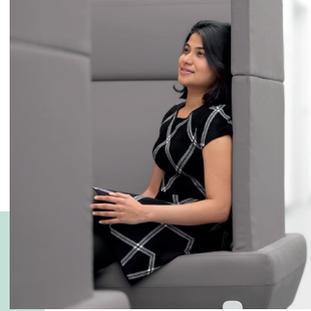
Terumo Europe supported the development of a local industry park association for the companies present on the industry park. The C-Valley Leuven Association strives to improve communications between companies and collaborate around mobility, safety, logistics and landscape.



## 7. SHORT- & LONG-TERM EHS TARGETS

For the fiscal year 18, we have set new EHS objectives in line with our FY17-19, long-term targets.

Initiatives	FY17 targets	FY2017 Assessment	Medium-term targets (FY17-19)	FY18 targets
Establishment and Operation of the EHS Management System		✓	Maintain ISO 14001.2015 certification	Maintain ISO 14001.2015 certification
			Maintain OHSAS 18001 certification	Maintain OHSAS 18001 certification
			Foster an EHS culture	Implement EHS education at least once a year
Reduction of Accident Risk, Health Enhancement	Zero fatal or major occupational injuries.	✓	Zero fatal or major occupational injuries.	Zero fatal or major occupational injuries.
	Zero major environmental accidents.	✓	Zero major environmental accidents.	Zero major environmental accidents.
Effective Use of Energy and Resources	Reduce the CO2 emissions by 1% or more per unit of consolidated sales compared to previous year.	✓	Cut the group's overall CO2 emissions by 38% or more compared to FY05 per unit of consolidated sales.	Reduce the CO2 emissions by 1% or more per unit of consolidated sales compared to previous year.
	Reduce the water consumption by 1% or more per unit of consolidated sales compared to previous year.	✓	Reduce the water consumption by 3% or more per unit of consolidated sales compared to FY16.	Reduce the water consumption by 1% or more per unit of consolidated sales compared to previous year.
	Reduce general waste by 5% or more per unit of consolidated sales compared to previous year.	✓	Raise Group's overall recycling rate to 87% or higher.	Reduce general waste by 5% or more per unit of consolidated sales compared to previous year.
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).	List laws and regulations governing chemical substances and assess compliance.
	Monthly monitoring in place for water and air to ensure zero violation.	✓	Monitor emissions of hazardous chemical substances (zero violations)	Monthly monitoring in place for water and air to ensure zero violation
Preservation of Biodiversity	Implement education on biodiversity preservation.	✓	Cooperate and promote biodiversity protection activities (15 SDG goals)	Implement education on biodiversity preservation.



## STATEMENT FOR THE FUTURE: FY18 TARGETS

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For Fiscal Year 18, we have set new targets to reach in line with our FY18 Corporate Citizenship Program.

### PEOPLE

#### Charitable donations

- Set-up two **structural, long-term partnerships** with a local and international non-profit organization.
- Roll-out of the **annual charity theme, (liver) cancer**, through donations over the EMEA-region.

#### Social activities

- **Associates' activities:** Associates can apply for sponsoring for a charitable organization they support through volunteering.
- **Social activities:** Associates can participate in a social activity & apply for sponsoring.
- **Social volunteering:** Support departments in the start-up of social teambuilding activities.

In FY18, our **ongoing listening strategy** will be rolled out to ensure an improved Employee Experience of our associates throughout their entire Terumo lifecycle. Therefore, we will implement lifecycle surveys and at least 2 surveys to measure employee experience/engagement.

In FY18, we aim to have implemented a new module in our HRIS System, to further **improve the candidate experience** of job applicants.

#### Continuously **improve safety of our associates**

- By monitoring & improving the technical installation
- By developing awareness and responsibility of our associates

### PATIENT

Implementation of the **Supplier Code of Conduct** for all existing suppliers and clients.

### PLANET

- Continuously reduce environmental impact of our business by **reducing energy and water consumption**.
- Continuously **increase waste recycling**.



**Terumo Europe**

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