Climate-Related Financial Risk Disclosure Reporting Statement

Terumo BCT is publishing our first report under California Senate Bill 261 (hereafter "SB 261") for the annual reporting cycle covering the fiscal year ending March 31, 2025. This report has been prepared in accordance with the requirements of SB 261, the Greenhouse Gases: Climate-Related Financial Risk Act, which mandates public disclosure of material climate-related financial risks and the measures taken to mitigate or adapt to those risks.

In preparing this report, we have followed the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standard S2 (hereafter "IFRS S2"), issued by the International Sustainability Standards Board (ISSB), which builds upon the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

IFRS S2 provides transition relief for the first annual reporting period in which an entity applies the standards. We have applied the following transition relief:

- Relief from the requirement to disclose comparative information in the first annual reporting period.

Where information is not currently available under the IFRS S2 standard requirements, we have highlighted our plans to fill in identified gaps to ensure increased compliance with the IFRS S2 standards in our next biannual report.

IFRS S2 Ref.	Governance	
6 (a) (i-iv)	**Government body (bodies) or individual(s) responsible for the oversight of climate-related risks and opportunities**	Terumo BCT's CEO is a member of the Terumo Group Sustainability Committee, ensuring that environmental considerations at the local company level are integrated at the highest level of decision-making. Our Executive Management Committee is also engaged on sustainability and climate topics, as appropriate. Our established Sustainability Advisory Committee assesses relevant business considerations to inform strategy. The committee identifies risks and opportunities, then develops initiatives and proposals to address these. The committee also widely advocates for sustainable principles and practices in its sphere of influence. Our Sustainability Director reports to the Vice President of Global Process Engineering, and ultimately to the CEO, thereby maintaining focus on sustainability throughout the organizational hierarchy.
6 (v)	**Inclusion of climate-related remuneration policies**	The Remuneration Committee of the Terumo Group does not currently incorporate climate-related performance metrics into remuneration policies. By extension, Terumo BCT does not currently incorporate these metrics into remuneration.
6 (b) (i-ii)	**Management's role in governance processes**	Terumo BCT has hired a Sustainability Director with long-term work experience in sustainability management. The Director works with senior leadership to create and maintain a comprehensive business plan for sustainability and specific climate-related policies and procedures to be implemented consistently across the company. The Director also steers sustainability and climate-related activities and provides leadership and vision for us to excel in our environmental effort and achieve set targets. Several functional leaders sit on the Sustainability Advisory Committee and work closely with the Director and other teams on comprehensive business plans for sustainability and to comply with various climate-related regulations and customer requests. These leaders support the Sustainability Director in executing the plans.

	Strategy	
10 -13 *15 -21*	**Climate-related risks identified and their anticipated impact on value chain, financial position, performance, and cash flows**	**Physical risk impacts** Terumo BCT's physical climate risk impacts are mainly driven by the extreme temperatures hazard. In a moderate warming scenario, the modeled average annual loss is projected to increase to approximately $7.3 million in the 2030s compared to the 2020 baseline. This reflects a short-term escalation in physical climate risks. In the medium term, losses are expected to continue rising as climate impacts intensify, with the upward trend remaining consistent across scenarios. By the end of the century, the increase is modeled to become more pronounced. Under the moderate warming scenario, modeled losses could reach $47.6 million, while in the high warming scenario, losses could reach $116 million relative to the 2020 baseline. Without adaptation measures, extreme temperature-related risks could result in operational impacts in office and light manufacturing sites such as: ▪ **Reduced employee productivity** and health, potentially impacting revenue and increasing operational costs for management ▪ **Increased cooling costs** to maintain suitable temperatures in offices and manufacturing sites ▪ **HVAC degradation** that increases repair and replacement costs due to equipment failure in manufacturing and office sites We also assessed the physical risk exposure of our suppliers globally by total spend. In a medium warming scenario, the chemicals and technology hardware sectors from which we purchase showed the highest level of modeled risk exposure, again driven mainly by temperature extremes. This is a valuable insight that will further inform our stakeholder engagement plan going forward. **Market risk** We assessed our supplier sectors to understand their exposure to carbon pricing. Under a high warming scenario, the overall market risk exposure to carbon pricing of our suppliers was modeled to be moderate in 2030 but high by 2050, indicating a growing possibility of increased costs being passed on to us. Particular sectors at risk include chemicals, air freight and logistics, and marine transport. **Policy risk** The analysis offers a stress test for us to understand our carbon pricing exposure under low, medium, and high carbon pricing scenarios. These scenarios represent what carbon prices are

		needed to maintain temperature rise limits. The analysis used carbon pricing risk data sourced from the International Energy Agency (IEA). The results indicated that our total carbon pricing risk exposure for 2030 could range from $7.2 million to $13 million per annum under the low- to high-carbon price scenarios, respectively. By 2050, the carbon pricing risk is shown to decrease to $2.4 million per annum under a low-carbon price scenario, as well as decrease to $5.2 million per annum under a high-carbon price scenario. This trend is driven by the simultaneous projected reductions in Terumo BCT's greenhouse gas (GHG) emissions, which help reduce the overall carbon pricing risk. While assessing climate-related risks is a crucial first step, we aim to expand our scope to identifying climate-related opportunities we can leverage during the future transition to a low-carbon economy.
14	**Strategy and decision-making**	Terumo BCT's internal transition plan deploys various decarbonization levers to achieve emissions reductions in line with a 1.5-degree pathway. We estimate a total investment of approximately $1 million (excluding inflation) over the period FY24-FY30 toward renewable energy certificates (RECs) and energy attribute certificates (EACs), which will make significant contributions to reduce scope 1 and 2 GHG emissions and help green our energy mix. This will also help reduce our exposure to fluctuations in carbon pricing and other implications from various climate-related risks. We are working with our suppliers on future emissions reductions across our supply chain. This includes piloting tools to optimize opportunities, such as including sustainability and climate considerations in request for proposal (RfP) templates, supplier due diligence, and supplier quality assessments. In the future, with more visibility of climate-related risks identified this year, we aim to invest in data collection systems and tools, as well as conduct life-cycle assessments for key product lines to determine areas for emissions reduction and risk mitigation. We mapped out a wide range of initiatives to reduce scope 3 emissions, evaluating them by cost and effort. We plan to engage stakeholders both internally and externally to implement these solutions. In the coming year, we aim to leverage many of our existing climate mitigation activities and planned investments — such as energy efficiency, fuel switching, and on-site renewable energy — as part of our transition plan. We will also accelerate planned stakeholder engagement, especially among key suppliers, to help reduce risks across the value chain. Any further mitigation activities implemented to address newly identified climate risks will be reported in our next biannual report.

22	**Climate resilience**	Stakeholder engagement, including close collaboration with Environmental, Health, and Safety (EHS) teams across the Terumo Group and its entities, is vital to Terumo BCT's transition plan. We have a strategy to effectively engage stakeholders to share knowledge, mitigate climate risk, and leverage opportunities to drive our transition plan while adapting to emerging risks and maintaining business resilience. In our physical climate scenario analysis, we used a low (< 2 °C by 2100), a moderate (> 2 °C by 2100), and a high (> 4 °C by 2100) warming scenario, sourced from the Intergovernmental Panel on Climate Change (IPCC). The low warming scenario is in line with the Paris Agreement to model a plausible internationally agreed future. The time horizons of impacts to our physical offices, manufacturing sites, and supplier operations were mapped from 2020 to 2090 to help us develop effective mitigation and adaptation plans for resilience across the value chain. In our transition climate scenario analysis, we used three International Energy Agency (IEA) policy scenarios: low (2.4 °C), moderate (1.7 °C), and high (1.5 °C) carbon price scenarios modeled from 2020 to 2050. We assessed our supplier carbon pricing risk exposure based on our emissions profiles and profit margins to determine our exposure to increased carbon pricing under the same three IEA scenarios mentioned above. We then estimated based on the likelihood that our suppliers would pass on these costs to us.
	Risk Management	
25 (a-b)	**Processes and policies used to identify, assess, and prioritize climate-related risks**	Terumo BCT identifies, assesses, and manages our climate-related risks through an internal risk tool. We then develop countermeasures to each identified climate risk (such as an increase in climate-related regulation) to mitigate or adapt to it. For effective management, we assign an owner to oversee progress of each risk, set KPI milestones, and document progress each quarter. The results of this reporting year's first climate-related scenario analysis will further inform and help improve our current risk identification and assessment processes.

25 (c)	**Integration of processes for identifying, assessing and prioritizing climate-related risks into overall risk management**	Terumo BCT's processes to identify and assess climate-related risks are adopted from those of the Terumo Group. A risk management system/tool created by the Terumo Group Risk Management Committee is in place for all geographical entities to report identified material risks alongside other business risks. We regularly update the Terumo Group Sustainability Committee on our progress and provide support for further management of our climate risks.
	Metrics & Targets	
29	**Climate-related metrics**	Terumo BCT's climate-related metrics include scope 1, 2, and 3 greenhouse gas emissions. Please refer to the GHG emissions in the environment report to view the aggregated scope emissions. We also track our water consumption and waste management. Please refer to our environment report. The Terumo Group has already implemented an internal carbon pricing system to steer investment decisions; however, Terumo BCT has not yet incorporated the initiative into our climate reduction plans. At the Terumo Group level, the Remuneration Committee has not yet established climate-related remuneration policies for entities to adopt in the future. Our approach to calculating emissions is aligned with the Greenhouse Gas Protocol. For a detailed breakdown of the methodology and measurements across all scopes, please refer to section 4 in the supplementary notes section.
33-37	**Climate-related targets**	To continue progress toward managing risks, Terumo BCT has adopted SBTi-validated emissions reductions targets from the Terumo Group: **Scope 1 and 2:** ▪ Reduce absolute GHG emissions by 50.4% by 2030 compared to 2018 ▪ Increase renewable electricity use ratio to 50% by 2030 ▪ Achieve carbon neutrality by 2040

	Scope 3: ▪ Reduce GHG emissions by 60% per unit of revenue by 2030 from a 2018 baseline **Waste target:** ▪ Achieve 90% or greater recycling rate at manufacturing locations by fiscal year 2030 **Water use target:** ▪ Achieve 20% or greater reduction in water use per unit of revenue by fiscal year 2030 **Target for all UK commercial operations:** ▪ Achieve net zero for scopes 1, 2, and 3 by 2050 from a 2018 baseline **Current progress on meeting targets:** For scope 1 and 2 emissions, we are on a strong glide path to meet our target by FY30, despite increased emissions in FY23 due to the opening of two new manufacturing sites. We have reduced scope 1 and 2 emissions by 22% from FY23 to FY24 and are on track to meet the target as a result of the following planned mitigation activities: ▪ Energy audits to identify energy-saving opportunities ▪ Energy efficiency in manufacturing sites ▪ Fuel-switching to low-carbon alternatives ▪ On-site renewable energy installations ▪ Off-site reductions with Renewable Energy Certificates (RECs) For scope 3 emissions, we achieved an 8% reduction in intensity from a 2018 baseline. To accelerate progress, we aim to enhance our data collection methods, increase stakeholder engagement, and undertake product life-cycle assessments. As the target is measured in emissions per unit of revenue, we also believe that sharp growth in revenue will contribute to the goal.

Supplementary Notes

1. Fair preparation

This IFRS S2 appendix table should be read alongside Terumo Group's financial statements, which are prepared in accordance with accounting principles generally accepted in the U.S. The reporting period is the 12 months ended March 31, 2025, consistent with Terumo Group's financial reporting cycle.

Climate-related financial disclosures are presented on a consistent basis (hereafter, biannually) with the financial reporting boundary that reflects the operations of Terumo BCT. Where relevant, Terumo BCT has also considered material exposures across our value chain, including suppliers and contract manufacturers.

To ensure consistency with recognized climate disclosure frameworks, the time horizons for policy, physical, and supplier physical risks are aligned with the Science Based Targets initiative (SBTi) definitions. These horizons reflect decadal modeling intervals commonly used in climate scenario analysis, enabling structured assessment of risk exposure across short-, medium-, and long-term periods:

Risk type	Short-term horizon	Medium-term horizon	Long-term horizon
Policy risk	2025-2035	2036-2046	2047-2050+
Physical risk	2025-2035	2036-2046	2076-2090+
Supplier physical risk	2025-2035	2036-2046	2047-2050+

All disclosures are presented in United States dollars ($USD), consistent with our financial statements. Unless otherwise indicated, figures are rounded to the nearest thousand.

2. Reporting boundary

For the purposes of this report, our reporting boundary includes all wholly owned or leased sites globally that are under the company's operational control. The reporting scope covers direct operations (scope 1), purchased electricity use (scope 2), and selected upstream and downstream activities, including key suppliers and primary product distribution channels (scope 3).

Joint ventures, minority-owned affiliates, and franchise operations are excluded from the reporting boundary.

3. Judgments, measurements, and uncertainties

In preparing this report, we have exercised judgment in identifying relevant climate-related risks and in selecting the information to disclose. Where direct measurement of climate-related metrics was not feasible, estimates were made using internal data, industry benchmarks, and third-party modeling.

Key areas of judgment include the definition of the organizational boundary for greenhouse gas (GHG) reporting, the selection of calculation methodologies, and the determination of which climate-related risks are most applicable to our operations and supply chain.

Some reported metrics, particularly GHG emissions and financial impacts of climate-related risks, involve inherent measurement uncertainty due to data limitations and reliance on modeled assumptions. We have sought to mitigate these uncertainties through the use of consistent methodologies, internal controls, and expert third-party analysis.

4. GHG methodology and measurements

Our approach to calculating emissions is aligned with the Greenhouse Gas Protocol (GHGP), a globally recognized framework for measuring and managing GHG emissions. A summary of our calculation methodologies is provided below, and more detailed information will be included in our GHG Methodology Document, which will be produced in 2026.

Scope 1 — We calculate emissions from stationary combustion at manufacturing sites through the burning of fuels such as diesel, natural gas, and liquefied petroleum gas (LPG). Mobile combustion emissions are generated by owned and controlled company vehicles (gasoline and diesel), which are most common in our EMEA operations.

Scope 2 — We calculate emissions from our use of purchased electricity and heat at our manufacturing sites. To capture a full picture of our emissions and account for any use of renewable electricity, we calculate both location-based and market-based emissions.

Scope 3 — We focus on measuring emissions for eight of 15 scope 3 categories. We have prioritized these categories based on their estimated share of our overall emissions, guidance from our parent company, requests from customers, and our ability to manage emissions. Scope 3 emissions are calculated globally, rather than at site level as for scopes 1 and 2, using a range of methodologies described in the table below. Because of the inherent difficulty in measuring scope 3 emissions, we will continue to refine our methodologies as data accessibility and quality improve.

	Scope 3 category	Calculation methodology
1	Purchased goods and services	Spend based
2	Capital goods	Terumo BCT's share of Terumo Group's emissions, based on share of revenue
3	Fuel and energy-related activities	Terumo BCT's share of Terumo Group's emissions, based on share of revenue
4	Upstream transportation	Terumo BCT's share of Terumo Group's emissions, based on share of revenue
5	Waste generated in operations	Terumo BCT's share of Terumo Group's emissions, based on share of revenue
6	Business travel	Actual data with extrapolations
7	Employee commuting	Actual data with extrapolations
8	Upstream leased assets	Terumo BCT's share of Terumo Group's emissions, based on share of revenue
9	Downstream transportation	Terumo BCT's share of Terumo Group's emissions, based on share of revenue

Terumo BCT, Inc.
Lakewood, CO, USA
+1.303.231.4357

Terumo BCT Europe N.V.
Zaventem, Belgium
+32.2.715.0590

Terumo BCT Asia Pte. Ltd.
Singapore
+65.6715.3778

Terumo BCT Latin America S.A.
Buenos Aires, Argentina
+54.11.5530.5200

Terumo BCT Japan, Inc.
Tokyo, Japan
+81.3.6743.7890