

3. Compliance

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Compliance System

Terumo's corporate philosophy, "Contributing to Society through Health Care," is the goal not only of the company but of all Associates. We will continue to conduct honest and fair business practices based on strict legal compliance and corporate ethics and thereby maintain our position as an ethical health care company.

To promote these honest and fair business practices, we established the "Internal Control Committee" which deliberates and executes important group-wide issues from compliance perspectives. In addition, based on directions of the Internal Control Committee, each entity placed a "Compliance Officer" whose role is to facilitate compliance activities, and carries out such activities at each entity. Through these activities, the Internal Control Committee receives and deliberates important information to enhance group wide compliance activities.

Compliance with Code of Conduct of the Terumo Group (SAKURA Rules)

To go further toward meeting social expectations, in April 2008 we established the "Code of Conduct of the Terumo Group (SAKURA Rules)," which sets the standard for the conduct of daily business activities for all Associates within the Terumo Group, including overseas entities. A booklet of the SAKURA Rules is distributed to all Associates of the Terumo Group.

The SAKURA Rules, which is based on Terumo's corporate philosophy, states that "each Associate must conduct business activities honestly, take responsible action for environmental conservation and make consistent efforts to enable the company to become a role model reliable corporate citizen." We carry out study sessions on the SAKURA Rules that respond to each site and encourage Associates to recognize the importance of corporate ethics. We also clearly state and thereby promote the need to respect human rights and eliminate discrimination in our Rules of Conduct.

Corporate Ethics Hotline "ROBA NO MIMI"

In 2003, we created a Corporate Ethics Hotline "ROBA NO MIMI," operating under the mottos "all Associates improving the company together" and "creating a culture of openness." This ROBA NO MIMI is open to all Associates—both permanent and temporary without distinction—wishing to voice concerns over or seek advice regarding any worrisome information or activities in light of the SAKURA Rules. Associates can contact the hotline on an anonymous basis via telephone, e-mail, postal mail and other means and we have established a system to ensure that the privacy of those using the hotline is protected and they are also protected from being penalized or punished. With these protections, we endeavor to resolve issues which need to be improved.

Respect for Bioethics

Respect for life is our top priority in our evaluation and development of medical devices and equipment and pharmaceuticals. We are committed to practicing both good ethics and good science not only by observing all relevant laws and public guidelines, but also establishing our own internal regulations.

We have created an internal committee on animal testing for research and development and product evaluation. The committee educates associates, reviews testing plans, ensures the appropriateness of experiments and confirms their completion, and oversees feeding, care, management and in-house health checks of animals to achieve the three R's* stipulated in the 2005 revision to the pertinent law, as well as the fourth 'R': Responsibility.

* The principle of the three R's: The three R's stand for Replacement (with research that does not use animals), Reduction (of numbers of animals), and Refinement (reduction of suffering felt by animals). Russell and Burch first advocated this principle in 1959, stating that it is vital for researchers to consider and examine the three R's fully when conducting research. The 2005 revision to Japan's Act on Welfare and Management of Animals states this principle explicitly.