



**Otsuka Group**  
**Business Partner Code of Ethics**

## Otsuka Group Business Partner Code of Ethics

### Introduction

The Otsuka Group<sup>1</sup> strives to continuously demonstrate the overarching corporate philosophy: *Otsuka-people creating new products for better health worldwide*. In our efforts to be consistent with the corporate philosophy, we believe that society and business are best served by responsible business behaviors and practices, including adhering to the Ten Principles of the United Nations Global Compact (<https://unglobalcompact.org/what-is-gc/mission/principles>). We aim to contribute to the solution of social issues through our business activities, including through our business with our Business Partners<sup>2</sup>. We hereby establish the Otsuka Group Business Partner Code of Ethics (“Code”) to articulate our uncompromising commitment to the highest standards of ethical conduct to be achieved in cooperation with our Business Partners.

At the Otsuka Group, the way we do business is as important as the outcome of the business we do. The Code sets expectations and requests for how Business Partners of the Otsuka Group will conduct their business.

#### **Business Partners working with the Otsuka Group are expected to:**

- Operate in full compliance with all applicable laws, rules and regulations, and ethical principles.
- Communicate and apply these principles in this Code within each Business Partner’s organization, and determine how to meet and demonstrate them.
- Apply these principles in this Code to business relationship with third parties.

We recognize that Business Partners’ efforts in promoting integrity and ethical business practices are essential to our success. We value each of those efforts, and expect that from all our Business Partners, including in their own supply chain. Otsuka Group will consider the compliance with and the effort to abide by this Code by Business Partners, when making decisions with regard to contractual relationships. We expect our Business Partners to comply with both the spirit and the letter of this Code.

These principles are not intended to replace, supersede, or conflict with any applicable legal or regulatory requirement or contractual obligation of any Otsuka Group company. If the local laws and regulations deviate from this Code, the stricter rule/law shall apply.

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<sup>1</sup> The “Otsuka Group” refers to Otsuka Holding Co., Ltd, and those entities in which it has, directly or indirectly, an ownership interest of more than 50% and, in the case of companies or joint ventures where it owns 50% or less, where it exercises significant control over those companies.

<sup>2</sup> In the context of the Otsuka Group Business Partner Code of Ethics, a “Business Partner” is a commercial entity with which another commercial entity has some form of business relationship. “Business Partners” means distributors, consultants, agents, service providers, research or licensing resources, suppliers of raw materials, active ingredients, components, finished goods or other products, doctors/medical institutions or any other third-party entity with whom an Otsuka Group company contracts on an arms-length, non-fiduciary basis, unless the contract or operation of law provides otherwise.

## **Human Rights, Labor & Employment Practices**

### **Preventing Harassment, Discrimination and Inhumane Treatment**

We expect Business Partners to share our commitment to a respectful workplace that is free of discrimination and inhumane treatment, including violence, harassment of any kind, corporal punishment, mental or physical oppression, or verbal abuse. Business Partners should not allow discrimination based on an individual's race, color, ethnicity, religion, political affiliation, union membership, age, gender, sexual orientation, gender identity or gender expression, national origin, citizenship, ancestry, marital status, disability, genetic information, military status, or other characteristics protected by applicable laws.

### **Diversity & Inclusion**

The Otsuka Group recognizes the importance of Diversity and Inclusion in our companies. As such, we encourage our Business Partners to respect these values, as well.

### **Promoting Labor Rights**

We request Business Partners to provide a workplace that is free of human rights abuses, and not engage in human trafficking, the employment of forced, bonded, enslaved, indentured, or involuntary prison labor, the use or threat of mental or physical punishment, coercion, or abuse, including verbal abuse. All work must be voluntary, and workers shall be free to leave or terminate their employment at any time.

We request Business Partners to afford working hours and provide wages and benefits that comply with local laws and industry standards. Business Partners shall pay workers in accordance with applicable wage laws, including minimum wages, overtime hours and mandated benefits.

We request that Business Partners will prohibit the use of child labor, as defined by the United Nations Global Compact, and all our Business Partners' employees should meet the applicable local legal requirements related to age and compulsory education.

We expect that Business Partners will not use misleading or fraudulent recruitment practices and will disclose to workers all information regarding key terms and conditions of their employment.

### **Freedom of Association and Collective Bargaining**

We request Business Partners to respect the rights of workers, as set forth in local laws, to associate freely and bargain collectively. We expect that Business Partners will encourage open communication and direct engagement with the management and workers (and/or designated union officials, if applicable) regarding working conditions without threat of reprisal, intimidation, or harassment.

### **Responsible Sourcing**

We expect Business Partners that engage in development, manufacturing and/or are in the Otsuka Group's supply chain to maintain processes and procedures to ensure the responsible sourcing. Business Partners shall endeavor to avoid the purchase of materials that directly or indirectly finance, or benefit armed groups or perpetrators of serious human rights abuses. When necessary, Otsuka Group companies will request our Business Partners to provide information that shows the source and origin of materials used by the partner. Minerals (e.g., tin, tantalum, tungsten, and gold) and agricultural crops (e.g., cacao, palm oil) are examples of such materials, but it is not necessarily limited to them.

### **Safe and Healthy Work Environment**

We expect Business Partners to follow safe working procedures and to be provided with a safe environment (including equipment) in which to work, including protecting employees and others from overexposure to chemical, physical, and biological hazards. Potential emergency situations should be

identified, assessed, and addressed to minimize those impacts through emergency plans and response procedures. We expect Business Partners to be able to demonstrate and document their efforts in this area.

## **Ethical Business Practices**

### **Complying with Laws**

We request our Business Partners to operate in compliance with all applicable laws and regulations of the countries, states, and localities in which they operate, including the requirements of the industry specific regulations.

We expect that each Business Partner will comply with import/export controls, economic sanctions, customs, and trade compliance laws that govern how the Otsuka Group products move across international borders.

We expect that Business Partners will have programs in place that are designed to foster compliance, prevent fraud, and misconduct, and allow for the prompt reporting of concerns regarding fraudulent acts or misconduct.

### **Competing Fairly**

We expect each Business Partner to be honest and accurate in its dealings; this includes never making false representations about the Otsuka Group, its relationship with the Otsuka Group, or any product marketed by Otsuka Group companies. We also request each Business Partner to compete fairly in the marketplace in full compliance with antitrust and fair competition laws.

### **Preventing Bribery and Corruption**

We request each Business Partner to comply with laws that prohibit bribery and corruption. Our Business Partners cannot offer or accept anything of value, either directly or indirectly, to obtain an improper advantage for individual employees of the Business Partner, the Business Partner's organization, or any Otsuka Group company. Moreover, we request Business Partners to make efforts to ensure that their actions do not create an appearance of impropriety.

We expect Business Partners to maintain books and records that accurately and completely reflect transactions. We expect Business Partners to develop and maintain documentation that demonstrates compliance with applicable laws, regulations, guidelines, and industry codes, such as records of accounting/transaction or regulated operations in production lines.

As a company, we prohibit facilitation payments (modest payments made to low-level foreign government employees for managing routine government actions), even when permitted under local law. We require that each Business Partner abide by the same rule.

### **Avoiding Conflicts of Interest**

We must avoid situations or relationships that may cause an actual or potential conflict of interest between each Business Partner's own interests and the interests of the Otsuka Group. To avoid the appearance of an unfair advantage and a conflict of interest, we request that our Business Partners refrain from giving lavish gifts to employees of Otsuka Group companies. We expect Business Partners to establish mechanisms to avoid and manage conflict of interest, and disclose any situation or relationship that creates – or appears to create – such potential conflict of interest. This includes conflicts arising out of personal relationships, investments, outside activities, offers of employment, and personal benefits.

### **Promoting Animal Welfare**

We are dedicated to the ethical and responsible treatment of all animals used in the development of our products. Prior to testing on animals, we work to replace the use of live animals, reduce the number of animals used, and refine our procedures to minimize distress, whenever scientifically valid and acceptable to regulators. We expect Business Partners to comply with all the applicable laws and regulations that we do, when conducting animal-based research on our behalf.

### **Protecting Intellectual Property**

We request Business Partners to fully respect the intellectual property rights of other companies, comply with related laws and regulations, and raise awareness of intellectual property.

## **Environmental Management**

### **Protecting the Environment**

We expect Business Partners to operate in an environmentally responsible and effective manner to minimize environmental impact. We also require Business Partners to conserve natural resources, avoid the use of hazardous substances whenever possible, and strive to reuse and recycle.

### **Environmental Permits**

We require Business Partners to comply with all applicable environmental regulations, laws, codes, and other government requirements and approvals.

### **Reducing Greenhouse Gas Emissions**

We expect Business Partners to promote energy conservation to reduce greenhouse gas emissions.

### **Proper Management and Reduction of Waste and Emissions**

We expect Business Partners to have mechanisms in place for the safe handling, transportation, storage, and reuse of waste, exhaust, and wastewater, and their operation and proper management; and for the prevention and minimization of accidental spills or releases to the environment. We require Business Partners to properly manage, control, and treat waste, exhaust, and wastewater that could affect the human body or the environment before being released to the environment.

### **Utilizing Sustainable Resources**

We expect Business Partners to have mechanisms for the reduced consumption and the efficient use of all resources (energy, biological, and water resources), and refrain from using agricultural products or forest resources that may lead to illegal deforestation and environmental destruction.

### **Responding to Biodiversity**

We expect Business Partners to identify and assess the impact of business activities on biodiversity, and promote initiatives to prevent or reduce it.

## **Privacy and Confidentiality**

### **Protecting Confidential & Non-Public Information**

Business Partners have a duty to protect any confidential and proprietary information, including information about Otsuka Group companies, our employees, other companies with whom we work, and the consumers and patients who we serve. Business Partners must safeguard information against inadvertent or unauthorized disclosure and comply with any requirements related to the collection, use, transmission, and retention of confidential and proprietary information.

## **Respecting Privacy and Protecting Data**

We understand that personal data may be required for legitimate business purposes. The Otsuka Group requests Business Partners to collect, maintain, secure, disclose, and use personal data in compliance with relevant laws and regulations. Business Partners must protect the confidentiality and security of personal data with which they are entrusted by safeguarding it against inadvertent loss or unauthorized disclosure and using commercially reasonable controls (determined by region, country, or locality) and encryption to prevent it from being received by unintended recipients.

## **Information Security**

We expect Business Partners to formulate and operate security policies to ensure the same level of information security or stricter than that of Otsuka Group companies. Also, in preparation for various cyber-attacks, Business Partners are expected to implement measures such as access control, vulnerability management, and threat monitoring, and to continue those activities to minimize risks.

## **Quality and Operational Excellence**

### **Managing Quality and Operation**

We request Business Partners to provide products and services of the quality as agreed to protect the health and safety of patients and consumers. There should be no changes to contract terms and conditions, including specifications, designs, quantities, and delivery terms for products and services without the Otsuka Group's express authorization. We also require that work be performed in compliance with all applicable laws and quality control regulations including appropriate product labelling.

### **Continuous Improvement and Business Continuity**

We expect Business Partners to have processes and management systems in place to continuously facilitate the improvement of their internal controls and compliance with expectations of these principles. We also expect Business Partners to have appropriate business continuity plans that support the work that is conducted on behalf of the Otsuka Group, ensure recovery and restoration of critical functions, and minimize disruption of our operations.

## **Training & Competency**

We expect Business Partners have a training program for the management and the employees that achieves an appropriate level of knowledge, skills and abilities to address expectations and requirements in this Code.

## **Monitoring & Compliance**

Our Business Partners should consider applying the principles outlined in this Code when selecting their own partners and suppliers. Otsuka Group companies may engage in ongoing monitoring activities to confirm a Business Partner's compliance with these standards, as well as screening new business partners in the selection process, which may include on-site assessments of facilities, use of questionnaires and self-assessments, review of available information or other measures to review the Business Partner's performance.

## **Speak-Up Culture**

### **Identification of Concerns**

We expect Business Partners to encourage all employees to report concerns or suspected illegal activities without threat of reprisal, intimidation, or harassment, and to investigate such reports and to take corrective action, if needed. We request Business Partners to provide employees with information on how to confidentially report concerns and to ensure that reporting employees are protected from retaliation. Anonymous reporting channels should be provided where permitted by law. We do not accept any retaliation against those who report concerns in good faith.

### **Raising and Reporting Concerns**

Business Partners should encourage their employees to report any suspected occurrence(s) of illegal, unethical, or inappropriate conduct detected in the workplace of Business Partners. It is expected that Business Partners will conduct investigations on such reports and implement remedial actions where necessary.

Where it is believed that an Otsuka Group employee, or anyone acting on behalf of the Otsuka Group, has engaged in actual or suspected violations of this Code or any applicable law or policy, Business Partners are required to report the matter promptly to the Otsuka Group company. Reports of concerns can be made anonymously (subject to local restrictions), and such reports should include sufficient detail to enable Otsuka to conduct an appropriate investigation and implement remedial actions where necessary.

## **Revision History**

Established on March 12, 2024