

## Otsuka Group Procurement Policy

Otsuka Holdings Co., Ltd. and its subsidiaries and associates (collectively, the “Otsuka group,” the “Group,” “we,” “our” or “us”) are dedicated to contributing to the health of people around the world through creating innovative products in pursuit of our corporate philosophy, “Otsuka-people creating new products for better health worldwide.”

To ensure the continuity of our business in pursuing our corporate philosophy, we adhere to and respect international standards, such as the Ten Principles of the U.N. Global Compact and the ILO Declaration on Fundamental Principles and Rights at Work, and promote sustainable procurement activities.

The Otsuka group hereby formulates the Otsuka Group Procurement Policy (hereinafter referred to as the “Policy”) as a guideline to promote sustainable procurement, including procurement that ensures quality, safety and a stable supply, and to fulfill our responsibilities in compliance with the Otsuka Group Global Code of Business Ethics which represents our commitment to building our business on high ethical standards.

The Otsuka group also strives to ensure that all suppliers who conduct business directly with the Group and companies that operate upstream in our supply chain understand the Policy and the Otsuka Group Sustainable Procurement Guidelines (hereinafter referred to as the “Procurement Guidelines”) and work with us to realize sustainable procurement activities.

### 1. Relationship with Suppliers

We engage with suppliers as our partners, exchanging information and opinions fairly and appropriately to achieve mutual understanding, build good relationships of trust, and thus promote the sustainable development of each other.

### 2. Selection of Suppliers

We select suppliers fairly, impartially, and transparently based on a comprehensive evaluation of their quality, cost, delivery, and compliance status with the Procurement Guidelines.

### 3. Human Rights and Labor

We conduct our procurement activities in compliance with the Otsuka Group Human Rights Policy and ensure that we adhere to and respect international standards related to human

rights. We also require our suppliers to respect human rights and adhere to the commitments listed below while we engage in continuous dialogue and consultation with our suppliers on these issues.

- Prohibition of discrimination and inhumane treatment
- Diversity, equity, and inclusion
- Promoting labor rights
  - Prohibition of forced labor
  - Prohibition of child labor
  - Compliance with legally mandated or industry standard working hours
  - Appropriate wages and benefits
- Rights to freedom of association and collective bargaining
- Safe and healthy work environments

#### **4. Ethical Business Practices**

We conduct our procurement activities in compliance with all applicable laws and regulations of the countries and regions we operate, including industry-specific rules and requirements. We also comply with the Otsuka Group Global Anti-Corruption Policy, the Otsuka Group Global Policy for Conflict of Interest, and the Otsuka Group Intellectual Property Statement to build our business on social values with high ethical standards, as expressed in the commitments listed below.

- Fair competition
- Prevention of bribery and corruption
- Avoidance of conflicts of interest
- Protection of intellectual property
- Promotion of animal welfare

#### **5. Environmental Management**

We conduct our procurement activities in compliance with the Otsuka Group's Environmental Policy and hold ourselves accountable for the commitments listed below.

- Environmental protection
- Environmental permits
- Reduction of greenhouse gas emissions
- Proper management and reduction of waste and emissions to prevent pollution
- Sustainable resource utilization and responding to biodiversity

## **6. Privacy and Confidentiality**

We are committed to ensuring the appropriate control and protection of confidential and non-public information obtained through our business activities, respecting the privacy of individuals, and protecting data in compliance with the Otsuka Group Global Privacy Policy. We also work to minimize risks continuously by preparing for various cyber-attacks through measures such as access control, vulnerability management, and threat monitoring.

## **7. Quality and Operational Excellence**

In pursuit of protecting the health and safety of patients and consumers, each company in the Otsuka group formulates and promotes a quality policy and ensures quality management to maintain product safety. We also maintain sound business operations and, if an unexpected situation arises, consistently adhere to our business continuity plan to ensure the restoration and recovery of our critical functions while working with suppliers to ensure a stable supply.

To realize the corporate philosophy of contributing to the health of people in the world by creating innovative products, our product development pursues originality and innovation.

## **8. Responsible Sourcing**

To ensure responsible sourcing throughout our entire supply chain, we are committed to avoiding the use of raw materials that may cause or contribute to serious human rights abuses, environmental destruction, corruption, or any other forms of wrongdoing.

## **9. Establishment of a Management System**

### Training and Competency

To ensure that all employees can implement the commitments set forth in the Policy and other related policies, we provide them with training to appropriately enhance their level of knowledge, skills, and abilities.

### Monitoring

When we require suppliers to comply with the Procurement Guidelines to ensure that the commitments set forth in the Policy are fully implemented, we evaluate the status of supplier compliance, request relevant information, and conduct continuous monitoring.

### Speak-Up Culture

The Otsuka group recognizes the importance of dialogues with stakeholders in implementing the Policy. Therefore, in accordance with the Otsuka Group Global Speak-Up Policy, we have

established a reporting channel so that all interested parties, including suppliers and other external stakeholders, can report to the Group their concerns about the Policy and acts that they suspect may be illegal, and we will take appropriate measures, including investigations and corrective actions, upon receiving such reports. We also ensure that no one is subjected to adverse treatment (such as retaliation, threats, or harassment) because of reporting while we provide alternative channels for anonymous reporting.

End

Otsuka Holdings Co., Ltd.  
Established in September 2020.  
Revised in May 2024.