



CODE OF ETHICS

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I HAVE A CONCERN: LET'S TALK ABOUT IT



INTRODUCTION

Our Mission

Nutrition & Santé's mission is to “Otsuka-people creating new products for better health worldwide” (**Otsuka Group**).

Its foundations are based on the company's longstanding commitments, most notably to health food and organically farmed produce.

This mission represents a commitment to consumers, clients, teams, shareholders, suppliers, and to all Nutrition & Santé stakeholders. It is the basis of our **social responsibility policy**.

It must be shared by all of our employees and key partners.



Our Values

Our company's vision revolves around five founding values:

CARE AND RESPECT

- Treat others with respect, irrespective of their status.
- Be **available** to support your colleagues in their development.
- Participate in creating a **constructive social climate**.
- **Transparently** and proactively share information.
- Respect your partners (clients, suppliers, etc.).

PIONEERING ATTITUDE

- Demonstrate **creativity** and find **new ideas**.
- Dare to take calculated risks.
- Be **open** to the world around you, to culture, and to best practices in your area of expertise.
- Find **practical solutions** when faced with problems.

RESPONSIBLE

- With regard to our: consumers, environment, suppliers, etc.
- Say what you mean and mean what you say.
- Be **honest** and take full responsibility for your errors.
- Demonstrate **ethical** conduct.
- Pass no judgement on your colleagues/team/suppliers that you would not pass in person.

COMMITMENT

- Your commitment makes you reliable and trustworthy to your colleagues.
- Fully support the company's decisions, even when difficult.
- Defend the interests of Nutrition & Santé as best possible, over yours or your team's.
- Show **team spirit**.
- If everyone gets involved, it's because they know they matter to N&S.

SIMPLE & OPEN

- Thanks to: our size, our European culture, the personality of our managers, our **"entrepreneurial" spirit**.
- Minimise complexity and find the time to simplify.
- Avoid "bureaucracy".
- Always **communicate** transparently, openly, and when needed.
- Be **actively attentive** and do not react too hastily.



“A Message from Mr Higuchi

“United around our corporate philosophy – ‘Otsuka-people creating new products for better health worldwide’ –, we continually strive to promote this vision, using our products and services to improve health worldwide. As a major player, we continually evolve by asking ourselves the following questions: Is our work innovative? Are we satisfying our clients’ expectations? Are our products bringing something new to the field of Health? Do our products open up new markets?

*While bolstering our international market presence, we are also hiking our **requirements** with regard to compliance with ethical and regulatory obligations, as well as focusing on our duty to be socially-minded and responsible. In order to both earn and maintain our shareholders’ and consumers’ trust, we **operate** with **integrity** and in an **ethical** manner. The Otsuka Group's Code of Ethics embodies and reiterates our commitments to integrity, which remain unshakeable worldwide. I expect you all to adhere to the principles outlined in said Code, promoting an **open, creative work environment** that will enable us to reach our full potential and improve quality of life around the world.”*

Tatsuo Higuchi

President and Representative Director, CEO
Otsuka Holding Co., Ltd



■ Why Do We Need a Code of ethics?

- The present Code makes it possible to clearly understand what is expected on a daily basis in terms of behaviour from every employee, whatever their responsibilities.
- All of these principles are set out in the Otsuka Global Code of Ethics.

Please read this Code carefully. Experience it. Pass it on.
Respect it and ensure others respect it.
Nutrition & Santé needs everyone to be exemplary in order to be exemplary itself.

Everyday ethics

Who does this Code of ethics apply to?

This Code of ethics applies to all employees and in all countries in which the Nutrition & Santé Group is present, in compliance with international standards, legislation, and local regulations.

The Nutrition & Santé Group also expects its partners to adopt ethical behaviour consistent with the reasoning of this Code, particularly with regard to human rights and working conditions through application of international texts in force.

How do we use this Code?

Each employee must be aware of this Code and commit to respecting it while carrying out their activities, while also complying with the laws and regulations in force relating to their function.


Ethical behaviour is everyone's responsibility. This Code provides a guide for all employees, serving to provide reassurance in their daily choices and allowing them to adopt a good attitude in the delicate situations that may be encountered both internally and with external contacts. As such, everyone should be able to anticipate the risks inherent to their tasks and responsibilities.



When faced with a question of an ethical nature, an employee must always ask themselves:

- Are the laws and regulations in force being applied?
- Are internal procedures being implemented?
- Is the Code of Ethics being respected?
- Should I consult my superiors?

The role of managers

- Due to their own responsibilities and their role as a superior, each manager must be exemplary in ensuring that all their decisions are consistent with the provisions of this Code.
 - Additionally, each manager must nurture a culture that respects ethical rules within their teams. They must ensure that each of the employees they supervise has been trained in the applicable procedures and regulations found within this Code. They must promote compliance with the rules set out by the Code and encourage open communication on individual concerns regarding the implementation of this Code. Any issue of an ethical nature must be possible to approach and solve.
 - Each manager must ensure that the targets they set for team members can be reached in accordance with this Code.
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Human Rights and Labour Standards

We act in compliance with the Universal Declaration of Human Rights and the fundamental labour standards provided for by the International Labour Organization, and we do not engage in any activities that may conflict with Human Rights.

----- We must

- Take the Universal Declaration of Human Rights and fundamental labour standards into account in our daily activities.
- Ensure that our suppliers understand our requirements and respect them.

We must not -----

- Ignore these principles when working with a third party.

Compliance with the Code in practice

Someone told me, in confidence, that our supplier abroad was currently being investigated for forced labour. The supplier themselves said nothing of the sort, and what is more, during our previous site visits; we did not notice anything abnormal. Should I ignore these rumours?

No. You cannot ignore this, and you must ask the supplier for further information. If you have any doubts, please consult the Compliance Department.



Employee Health

Creating an environment that is positive for the physical and mental health of each employee is an essential pillar of our corporate philosophy. We encourage our employees to express their individuality so as to preserve and improve their workplace environment and quality of life.

----- We must

- Maintain an environment that is positive for the mental and physical health of our employees.
- Feel responsible and involved in our own safety and that of others.

We must not-----

- Put our health at risk by ignoring Nutrition & Santé's workplace health and safety rules.

Compliance with the Code in practice

It is sometimes difficult for me to arrive on time for meetings or appointments at various sites (or to arrive at a partner's location) without having to exceed authorised speed limits. Should I ignore these rules and prioritise my professional appointments?

No, employee safety is one of our primary concerns, and worries regarding punctuality cannot in any way justify the violation of road safety rules. Plan your appointments ahead as well as possible, allowing enough time for your travels.



Discrimination and Harassment

Every one of us has the right to respect and human dignity. Any behaviour or actions that may violate this right, and any form of harassment in particular (moral or sexual), is unacceptable.

----- We must

- Support and promote Nutrition & Santé's commitment to a workplace that is free of all forms of harassment and discrimination.
- Be respectful of others: treat others as one's self would wish to be treated.

We must not-----

- Knowingly seek to hurt, offend, or pressure a person into making mistakes.
- Continue behaviour that we have been told is unwanted.

Compliance with the Code in practice

A female colleague in my department is constantly subject to sexist remarks by another colleague. What should I do?

We want every employee to be able to work in a pleasant, respectful environment. Circumstantially, some behaviour may be considered inappropriate due to its severity and frequency. You should encourage your colleague to talk to your supervisor or the Human Resources Department. It is essential to put a stop to any unacceptable behaviour before it worsens.



Diversity and Inclusion

Talent diversity and inclusion both bolster our creativity and allow us to develop and market products that meet consumer expectations.

-----We must

- Support and promote our commitment to diversity, particularly in our Human Resources, Marketing, and Purchasing policies.

We must not-----

- Discriminate against and/or harass people for reasons relating to gender, disability, family status, sexual preference, age, religious beliefs, political opinion, or ethnicity. This not only applies at the time of hiring, but also to decisions regarding training, promotion, continued employment, and working conditions in general, as well as to our dealings with third parties.

Compliance with the Code in practice

When in the process of selecting a candidate to replace someone on maternity leave, I was implicitly asked to avoid recruiting a disabled person, who may be less effective than an able-bodied person. Should I take heed of these instructions? What should I do?

No, Nutrition & Santé condemns any form of discrimination in the selection of candidates or in the actual performance of a function. A candidate must be selected based solely on objective criteria regarding their skills. It is therefore strictly forbidden to take heed of such directions.



Environmental Protection

Beyond just adhering to laws and regulations in force, we are committed to protecting the environment and managing and limiting the impacts of our activities (natural resources, waste, effluents, accidental pollution), so as to progressively gain the ISO 14001 standard for all of our industrial sites. This voluntary and proactive approach relies on everyone's behaviour being environmentally friendly, including that of the key partners with whom we work.

Each employee has the individual responsibility of mitigating the adverse effects of their activities on the environment.

-----We must

- Follow all basic rules and procedures regarding the environment.
- Take responsibility by actively contributing to improving and limiting our environmental impact on a daily basis.

We must not-----

- Ignore Nutrition & Santé's environmental protection rules.

Compliance with the Code in practice

I sometimes make business trips to attend meetings that do not require my physical presence. What alternative methods are there for me to attend these meetings?

When you need to meet more than one person for a meeting and therefore a telephone conversation or email is not practical, you may consider using videoconferencing (or a Skype conference call). As well as saving valuable time, this solution saves you an unnecessary trip and helps reduce the direct environmental impacts of our activities.



Privacy and Confidentiality

Nutrition & Santé is committed to respecting the personal data of all of its stakeholders, including its employees, consumers, and business partners. Nutrition & Santé only collects and stores data that is required for its activities.

-----We must

- Question personal data handling in order to determine its importance.
- Password-protect all sensitive files containing personal data.

We must not-----

- Keep unnecessary or obsolete personal data on our hardware.
- Share personal data with external parties unless legally obliged.
- Keep personal data for longer than professionally or legally necessary.
- Collect personal data detailing information regarding race, ethnicity, political opinion, religious or philosophical beliefs, trade union affiliation, sexual orientation, or health.

Compliance with the Code in practice

During a business trip, my suitcase was stolen and it had a USB key in it with clients' personal data.

Unfortunately, this data was not encrypted but I don't see what the "thief" could do with it.

Losing personal data can have legal consequences, a negative impact on Nutrition & Santé's reputation, and cause grave problems for those whose data has been lost. In fact, identity theft using personal data lost in this manner is more and more common. This is why it is essential to follow internal data encryption rules and procedures. When possible, personal data must be made anonymous or the files in question must be password-protected.

Intellectual Property

Intellectual property rights cover inventions, models, images, symbols, patent-protected literary and artistic works, as well as copyrights and trade secrets. Protecting our intellectual property allows Nutrition & Santé to maintain its competitive position on the global market. Access to our intellectual property must be restricted to relevant personnel within Nutrition & Santé and authorised third parties.

----- We must

- Protect the company's intellectual property rights by abstaining from sharing current developments or by reporting any fraudulent or inappropriate use brought to our attention.
- Respect the intellectual property rights of third parties and contact the legal department when necessary.

We must not -----

- Misuse Nutrition & Santé's copyrighted works.
- Use resources belonging to third parties (photos, films, articles, etc.) without ensuring that Nutrition & Santé has permission.

Compliance with the Code in practice

On a recipes website, I found photos that would be perfect for a post I want to share on the Facebook page of the brand I work for. Can I use it?

No, the use of photos, recipes, or individuals for commercial purposes may infringe upon the rights of the owners of the above. It is therefore necessary to obtain written permission from the owner of the photo before using it. If in doubt, contact the legal department.

Bookkeeping and Accounting Records

We must keep accurate records reflecting the true nature of Nutrition & Santé's transactions and business activities. Under no circumstances may the data contained in Nutrition & Santé's books and records be falsified or manipulated.

----- We must

- Observe all laws and regulations regarding accounting and publication of accounts.
- Make sure that any transaction we are aware of is correctly recorded in the books and records.

We must not -----

- Falsify documents.
- Falsify or manipulate data.

Compliance with the Code in practice

I have found an error in the figures upon consolidating bills of sale for presentation to auditors for the end of the financial year. What should I do?

Any financial inaccuracy that can affect the consistency and honesty of our accounts must be brought to the attention of your superior or the Chief Financial Officer so that, if confirmed, it can be corrected immediately.



Fair Competition

We are committed to upholding a transparent competition policy. We abide by antitrust laws, which encourage fair, just competition. We also abide by fair competition laws in relation to the consumer.

-----We must

- Report any unfair competition that could affect Nutrition & Santé.
- Refrain from undertaking any actions that would deprive a competitor of a source of supply and/or commercial opportunities.
- Refrain from taking part in any kind of unlawful agreement with a competitor.

We must not-----

- Illegitimately seek information about our competitors.
- Request that our clients or suppliers break contracts they may have with our competitors.

Compliance with the Code in practice

I heard one of my colleagues say that a competing brand was going to abruptly cease all marketing in two months, as the competitor was in default. Can I use this information with my client in order to support my argument?

Nutrition & Santé's competitiveness is founded on the quality of the products it provides, and not on discrediting competitors.

Any behaviour serving to malign competitors or partners is forbidden.



Insider Trading

The Otsuka Group is subject to all laws and regulations governing the trading of its securities. The purchase or sale of corporate securities (stocks, bonds, options, derivatives, etc.), using strategic, privileged information about the Nutrition & Santé Group that has not been made public, is illegal. What is more, we have an obligation to confidentiality with this type of information.

-----We must

- Be conscious of the fact that using privileged inside information within the context of our investments may fall under insider trading legislation.
- Defend the confidentiality of any privileged information to which we may have access so as to avoid accidental disclosure.

We must not-----

- Disclose privileged information to anyone external to the Nutrition & Santé Group.

Compliance with the Code in practice

You are aware that the Nutrition & Santé Group is likely to lose its most important client. Can you talk about it freely with those around you?

It is essential to always exercise the utmost discretion and caution when discussing matters of a confidential nature in a public place (train station, airport, restaurant, hotel, public transportation, etc.). Whether during a business lunch or outside of work, confidential information must always be protected. Every one of us must avoid any form of unintended disclosure of information that could be harmful to the Otsuka Group on the stock exchange, including in a family context.

Integrity

Being honest means acting honestly and transparently. Our values rely on the integrity we demonstrate in all of our areas of activity.

----- We must

- Act with honesty and integrity in compliance with regulations in force.
- Ensure that the promotions and direct marketing operations we offer the consumer are clear.
- Make sure that promises made in our advertising and all of our promotional materials are based on proven results.

We must not -----

- Employ unfair and/or deceptive practices.
- Seek to exploit the consumer's credulity and lack of knowledge or experience.
- Purposefully exaggerate health claims in order to promote a product.



Compliance with the Code in practice

I am about to finish up a communication marketing strategy for a new protein-rich product aimed at seniors.

The regulatory department tells me it is possible to claim that “proteins contribute to maintaining a normal bone structure”.

My manager reminds me that it is essential that this new product launch succeeds. In order to increase sales, they ask me to try to provoke feelings of worry or fear and to suggest the presence of properties that prevent disease, notably by alleging that insufficient protein intake can lead to an increased risk of bone loss.

I am worried because this seems excessive and non-compliant with regulations. What should I do?

We act in compliance with regulations in force and on the recommendations of the Autorité de Régulation Professionnelle de la Publicité (professional advertising regulatory authorities).

Promoting our products through the use of excessive or misleading claims is dishonest, could be considered false advertising by the administration, and may have consequent risks of penalisation. If in doubt, consult regulatory affairs or your point of contact in that area.



Conflicts of Interest

A conflict of interest arises when our personal activities or relationships (clients, suppliers, competitors, family or friends) impair or could impair our ability to make objective professional judgement on behalf of the Nutrition & Santé Group.

----- We must

- Question whether a situation we are in could result in a conflict of interest.
- Report the existence of a conflict of interest to our manager at the earliest opportunity.

We must not-----

- Conceal information regarding conflicts of interest.
- Place our personal or family interests above those of the Nutrition & Santé Group.

Compliance with the Code in practice

My brother has just started a business and wants to offer his services to Nutrition & Santé. He has attractive rates compared to the competition. Can I recommend him to management?

For this offer to be considered as interesting or not, it is always important to report any potential conflict of interest, such as family ties, at the earliest opportunity. Your brother's offer will not be ignored and will be reviewed objectively in the same way as any other would. A family tie of such nature cannot have the effect of influencing a company's choice in a positive or negative way. Needless to say, you must not be involved in any decision-making process directly or indirectly related to your brother's business.



Corruption

We never give or receive, whether directly or indirectly, any payment, object/goods of value/benefit of any kind (gifts, meals, outings, etc) in order to inappropriately influence an act or decision so as to keep markets or gain any other inappropriate (financial/commercial) advantage.

----- We must

- Question the acceptability of even modest gifts, and always consult our superior if in doubt.

We must not-----

- Give or receive gifts with the intent being to obtain or grant preferential treatment or in order to retain certain contracts.
- Use an intermediary to do what we are not allowed to, or what we refuse to do ourselves.

Compliance with the Code in practice

In order to sell off obsolete products, a supplier says they can personally offer me an exceptional 40% discount. Can I accept?

You need to question the acceptability of said discount. If in doubt, consult your superior regarding any discount, gift, or invitation offered by a supplier.



I HAVE A CONCERN: Let's talk about it



At the Nutrition & Santé Group, we encourage everyone to share **their questions and concerns**.

Employees may have concerns regarding certain practices and require help in responding.

Additionally, we strive to ensure that any inappropriate behaviour taking place at Nutrition & Santé is assessed in detail and that the necessary measures are taken, regardless of those involved.

Therefore, if you have a doubt, you can initially **seek advice** from **your direct superior**.

If your question remains unanswered, we ask that you contact the **Legal/ Compliance/Human Resources** department or any other expert in the area concerned.

We always encourage employees to discuss matters with the appropriate contact person. That being said, if the first two solutions do not seem feasible and you prefer to raise your concern confidentially by other means, we have a **report collection** system available at this link: <https://nutritionetsante.integrityline.org>

When you send a report, you must:

- Be impartial
- Act in good faith
- Have personal knowledge of what you are reporting

Nutrition & Santé will take all the necessary measures to ensure you no fear of reprisals. Employees who attempt to victimise others could face disciplinary action.

False accusations or accusations made **in bad faith** can also lead to disciplinary action.

Written by: Claire Decencière - Internal Control Manager
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