

## Quality

# Compliance

The Otsuka Group has maintained an organization and created a corporate climate which enable all employees to behave with extremely high ethical standards, including compliance with laws, regulations, and bioethics.



Otsuka Group: Legal network meeting



Otsuka Chemical: Compliance training

## Compliance

The Otsuka Group Global Code of Business Ethics is implemented in line with the Group's corporate philosophy. Each Group company has its own compliance programs based on this code of ethics, as a code of conduct to be followed worldwide, utilizing management frameworks, consultation desks, forums, and conferences to ensure that all employees are thoroughly educated on regulatory and ethical compliance.

In addition, the Group companies that work with pharmaceuticals\*1 follow the Prescription Drug Promotion Code, which is a code of behavior for healthcare professionals, and have formulated their own Code of Practice. The Otsuka Group companies work to forge relationships of mutual trust with medical practitioners, as well as with all of its stakeholders, to foster appropriate collaboration on compliance issues. In particular, as the social responsibility to clearly specify the relationship between pharmaceutical companies and healthcare-related organizations is questioned, it is striving to ensure adherence to norms, in order to fulfill its responsibility as a pharmaceutical company and ensure the practice of proper medical care based on ethics and a patient-centered commitment.

Since 2009, it has gathered legal affairs personnel from Group companies for international meetings by region, in order to promote a global legal affairs system. In fiscal 2014, it held a meeting in Hong Kong mainly for the companies in Asia. In addition, the Group updated its framework to ensure proper legal compliance in the U.S., particularly in response to the U.S. Sunshine Act\*2 (made effective August 1, 2013 that requires pharmaceutical companies to disclose such information as financial payments to medical institutions and other entities.

As a measure aimed at ensuring compliance, the Otsuka Group implements compliance training for all employees, including directors and divisional managers. The training covers a wide range of topics with a practical focus, including recent examples of inappropriate corporate behavior. Topics include the Act on the Protection of Personal Information, the National Public Service Ethics Act, prevention of insider trading, sexual harassment, and abuse of power. In addition, subcommittee meetings on compliance are regularly held as opportunities for employees to present proposals and improvement ideas as well as to express requests and opinions about compliance to the company. Through these initiatives, all Group companies are working to develop employees with a high sense of ethics.

The Otsuka Group has established the Internal Report Consultation Office for the purpose of strengthening compliance management. In fiscal 2013, Taiho Pharmaceutical newly established the Power and Sexual Harassment Hotline to provide an external channel for documenting problems and investigating intent for those employees who may be hesitant to report such issues. The identity of persons filing the report and the information they provide are handled in the strictest confidentiality to prevent repercussions from having filed a report.

\*1: Otsuka Pharmaceutical, Taiho Pharmaceutical and Otsuka Pharmaceutical Factory

\*2: Formulated as part of the Affordable Care Act, this U.S. law requires pharmaceutical manufacturers to report to relevant authorities financial payments, items of value, and benefits provided to physicians and teaching hospitals in the U.S. The Act strengthens U.S. law in this area and includes punitive damages for omissions in reports and intentional concealment. (Enacted on August 1, 2013)