

sawai Group Policy for Global Procurement

I. Purpose

The purpose of this Group Policy is to set forth a standard for global procurement activities by Sawai Group Companies, to (a) ensure the effectiveness of internal controls in procurement activities by Sawai Group Companies, and (b) maintain an appropriate business administration to optimize Sawai Group Companies' performance.

II. Basic Guidelines

We, employees in the procurement function of Sawai Group Companies, will conduct procurement activities following the basic guidelines listed below, with engaging understanding and cooperation from business partners within and outside the country.

1. Establish organizational framework for global procurement
 - (1) We will regard and approach supply chain management with a view point of cross-functional and global perspective for optimum benefit to the Sawai Group.
2. Stable and secure procurement, Reduce costs, Procure high quality and sound technology, & Risk management
 - (1) We will promote to execute “countermeasures for business contingency” in a planned and organized manner, with a view point of securing multi-sourced business relationships, including second-sources in domestic or overseas, and the like when feasible.
 - (2) We will promote strategic favorable procurement practices (including, considering market price and market trends for the same or similar items, potential for switching to an alternative items) and will strive to reduce overall cost.
 - (3) We will enter into and maintain a transaction only after giving due consideration of the need for goods or services to be purchased and making sure that the quality requirement for such goods or services are verified to satisfy the relevant criteria.

3. Thorough compliance with laws and regulations & Administration of the contract

- (1) We will comply with any and all the relevant law, rules, and regulations in furtherance of any transaction. When doing so, we will pay attention not only to its individual provisions but also to the goal that the relevant laws, rules and regulations as a whole are considered.
- (2) We will keep in mind sound business ethics and responsibilities, raise awareness toward and address risks relating to laws and regulations, and promote fair procurement activities.
- (3) We will, as a general rule, execute a written master agreement before initiating a transaction with recurring business partners for significant transactions. A copy of executed agreements shall be kept with limited access and in an appropriate condition to maintain confidentiality.

4. Balanced, fair and transparent transactions with our business partners

Concentrating on business relationships with partners by observing mutual benefit and establishing trustful relationships.

- (1) We will deal with all business partners in a balanced and fair manner.
- (2) We will select business partners through an appropriate process, not only based on quality, reliability, timeliness, price, financial condition and technical development capability of cutting-edge technology but also take into due consideration the following factors; fair and open disclosure of its corporate information, and compliance with relevant laws, including, their respect for human rights and labor rights, and their support of environmentally friendly practices.

5. Fair disclosure of information necessary for the transaction, & Internal sharing and maintenance of confidentiality regarding information obtained in connection with the transaction

- (1) We will maintain confidential and proprietary information of our business partners in an appropriate manner.

6. Prohibition of reciprocal dealing and bribery, & Anti-corruption

- (1) We will treat every business partner in a balanced and fair manner, and will not enter into a reciprocal dealing. We will make a purchase decision of goods and services based on quality, price, timeliness as well as technical strength and past performance of the business partner, and other objective elements.
- (2) We strictly prohibit engaging in an offer or acceptance of any bribery. We prohibit doing business with a company involved in any known illegal activity.

7. Create an inclusive working environment, foster professionalism & promote diversity

- (1) We will create and maintain a working environment where employees are encouraged to exercise their competencies and to motivate each other.
- (2) We will encourage our procurement professionals to acquire and maintain necessary knowledge and professional skill to handle procurement in a variety of fields as well as to work with other functions of Sawai group and business partners to contribute to the overall company management.
- (3) We will not discriminate against employees because of their age, race, sex, sexual orientation, gender identity, religion, color, national origin, protected veteran status, disability, or any other classification regarded as protected under state or federal law. Equal employment opportunities allow our procurement professionals, as individuals and as a team, to maximize their ability and effort to achieve the utmost performance.

Supplementary Provisions

This Policy shall be under the jurisdiction of the Group Chief Production Officer of Sawai Group Holdings.

The amendment and repeal of this Policy shall require the resolution of the Sawai Group Holdings Board of Directors.

Enacted and enforced on January 29, 2018

Revised and enforced on April 1, 2021

※Due to the transformation of Sawai Pharmaceutical into a holding company, the former Group policies of Sawai have been partially replaced and applied.