



Code of Conduct 2023

MARUZEN PHARMACEUTICALS CO., LTD.

Message

We, Maruzen Pharmaceuticals Co., Ltd., based on compliance with laws and regulations, have been striving to pursue safe and functional ingredients from the customer's viewpoint, to continue our business that is kind to people and useful to the world, and to preserve the global environment.

As we celebrated our 70th anniversary in 2019, we believe that corporate involvement in and resolution of environmental and social issues facing the world will become even more important, and we have formulated a code of conduct and begun initiatives to ensure that we conduct our daily business activities with responsibility for everyone involved in our business and the future of the global environment.

Maruzen Pharmaceutical's most important asset is its employees. We believe that respecting human rights, recognizing each other's individuality, and creating a safe and secure environment in which employees can feel fulfilled in their work are the cornerstones of management. All of us at Maruzen Pharmaceuticals are committed to the "power to care," "power to nurture," and "power to discuss our dreams with each other. Maruzen's tagline, "Connecting the Blessings of Nature" refers to "nature's blessings" not only in terms of plants used as raw materials, but also in terms of the various types of energy that are indispensable to our business activities.

In procuring plants as raw materials, we take various measures, such as local cultivation guidance, not only for business continuity but also for the preservation of species. We are striving to conduct our business activities in a sustainable manner while giving due consideration to the global environment in many ways.

In order to fulfill our responsibility to society by valuing the various "connections" with our business partners, employees, and the global environment, our code of conduct will continue to earnestly address these various dreams and issues. This will lead to our contribution to the health and prosperity of people's lives through our business, leading to the 100th anniversary of our founding.



President
Yasuhiro Higurashi

Our Mission

Maruzen Pharmaceuticals Co., Ltd., is located in Mukaihigashi, Onomichi City (one of the islands in the Seto Inland Sea), in an area with its tranquil waters, picturesque mountains, and traditional culture. Our relationship with such a local community has nurtured our corporate activities from all perspectives, including environmental and cultural aspects. From the time of our founding until now, we have been committed to proposal-based sales. Our starting point was to thoroughly test the application of licorice in every field with original ideas. Always keeping in mind our original corporate philosophy, we have consistently focused on useful plants in the natural world and the functional components of the plants themselves. We believe that the results of our continuous efforts in extraction technology are the result of today's corporate development themes and needs. Since our establishment in 1938, we, Maruzen Pharmaceuticals, have consistently pursued highly safe and functional ingredients from the customer's point of view, using extraction methods mainly from useful plants in nature, and have been striving not only to provide safe materials but also to continue our business that is useful for a people-friendly world and to preserve the global environment. We believe that continuously providing products and services demanded by society in any era will lead to "customer satisfaction," which is the source of our company's existence. Maruzen Pharmaceuticals has been developing its business and conducting its activities with a clear sense of purpose and philosophy of enjoying the joy that comes from the company's mission statement, "to offer you the vitality of nature to enhance health, beauty, and humanity". We will continue to work with functional ingredients as our keywords. In the fields of pharmaceuticals, cosmetics, and food additives, we will continue to deliver the blessings of nature to the world in harmony with the assets of "people, society, business and nature.

自然の恵みをつなぐ

Connecting the Blessings of Nature

On the occasion of our 70th anniversary, we have taken a fresh look at our domain and renewed our traditional tagline. It expresses our determination to contribute to the development of society by firmly linking the blessings of nature with our customers, society, and the future through a variety of means.

Code of Conduct

Maruzen Pharmaceutical has established a “Code of Conduct” and contributes to the development of society by firmly connecting the blessings of nature to our customers, society, and the future through a variety of means.

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Fair Business Practices

Maruzen Pharmaceuticals' officers and employees will work together to ensure that all corporate activities are conducted in a fair and law-abiding manner.

■ Ensure compliance with laws and regulations

Maruzen Pharmaceutical has upheld compliance with laws and regulations in its internal rules and regulations and conducts its corporate activities in strict compliance with laws and regulations. Whenever laws related to corporate activities are enacted or revised, the General Affairs Department takes the lead in notifying the company and ensuring that all employees are fully aware of the changes.

All officers and employees will be subject to disciplinary or other action in the unlikely event of inappropriate behavior.

Directors and employees may consult or report to the "Compliance and Harassment Consultation and Reporting Desk" if they discover violations of laws, regulations, ethics, or other company rules, or if they are subjected to harassment of any kind.

The Consultation and Reporting Desk will examine the information received, accurately grasp the facts, and take corrective measures as necessary. Confidentiality of consultants and reporters is protected, and they will not be treated unfavorably because of their consultation or reporting.



Fair Business Practices

■ Cutting off relations with antisocial forces

Maruzen Pharmaceuticals has declared that it will take a resolute stance against antisocial forces and will sever all relations with them.

■ Compliance with antitrust Laws

Maruzen Pharmaceutical shall comply with the Antimonopoly Law in all areas of production, sales, purchasing, etc., and conduct business activities based on fair and free competition.

■ Prohibition of conflicts of interest

Maruzen Pharmaceuticals does not engage in any acts that benefit individuals based on their position in the company or information obtained in the course of their duties, nor does it engage in any acts that benefit the company or its employees.

The company will not engage in any conduct that conflicts with the interests of the company or the company's employees.

■ Bribery and the giving and receiving of gifts

Maruzen Pharmaceuticals prohibits employees from accepting or offering bribes and does not permit unfair dealings in accordance with internal rules. Official gifts to external parties are also permitted only with the prescribed approval.



Research & Development

From material exploration to product development, Maruzen Pharmaceuticals is committed to responding to customer feedback with analytical technologies and cutting-edge evaluation technologies, and to developing products with an eye toward solving social issues.

■ Natural material search

The search for natural materials is the first step in our research. We pursue natural materials that can meet the needs of our customers and strive to search for useful materials from all over the world, both domestically and internationally. We conduct research on materials we obtain by confirming their scientific names, checking for legal restrictions, and investigating their resources. When acquiring materials, we take into consideration their impact on biodiversity and strive to conserve the natural environment and use them in a sustainable manner.

■ Active ingredient analysis

Active ingredient analysis is performed through separation and purification, structural confirmation, and content analysis of various components contained in natural materials using instruments such as NMR, LC-MS, and SFC to analyze active ingredients and explore the superior functions of natural materials.

■ Bioresearch

In biotechnology research, in order to obtain useful natural materials of stable quality, we conduct research on seedling production using plant culture technology and the use of microorganisms and enzymes to impart new functionality to natural materials.

■ Activity evaluation

Our activity evaluation aims to ensure that our customers can use our products with confidence by evaluating their efficacy utilizing more than 100 different activity evaluation systems to find the bioactivity of natural materials.

■ Extraction and purification technology

Extraction and purification technologies are being studied with the aim of acquiring and installing the latest manufacturing equipment technology in order to utilize new extraction and purification technologies in our own production.

Research & Development

■ Product development

In product development, we aim to propose new products that our customers will be happy to use and that we will create together with them by obtaining natural materials and adding technical development to basic research for use in actual pharmaceuticals, cosmetics, quasi-drugs, and food products.

■ Regulatory compliance

For regulatory compliance, we provide the tools necessary to handle various procedures, including applications for approval of quasi-drugs, as well as our own research on regulatory-related information in Japan and overseas.

■ Patent support and literature search

We view patent correspondence and literature searches as essential rights and information management for our customers to use our products with confidence. We strive to collect and utilize the latest information through literature searches, patent searches, and legal information searches.

■ Intellectual property management

Based on our corporate philosophy of continuing to provide the world with the blessings of nature while coexisting with the assets of "people, society, business, and nature," Maruzen Pharmaceutical is working to protect our products by applying for, obtaining, and maintaining intellectual property rights, including patents and trademarks. We also respect the intellectual property rights of third parties by managing intellectual property risks through research of third-party rights.



Product Quality & Safety Management

Maruzen Pharmaceuticals stably supplies reliable products that customers can use with confidence based on our "Quality Policy".

■ Quality assurance

At Maruzen Pharmaceutical, we focus on providing a stable supply of the high quality products demanded by our customers.

We have established a department that assures and oversees overall quality in order to improve customer satisfaction, and we are continuously working to ensure and improve quality.

Maruzen Pharmaceutical's Quality Assurance & Quality Control Division has a dedicated quality control department at each factory that inspects each product to ensure that it meets the company's own standards in accordance with various laws. Our mainstay pharmaceutical licorice-based products are manufactured in a factory that complies with GMP (*). The Miyoshi Factory and related divisions have also obtained ISO 9001:2015 certification (international standard for quality management systems by the International Organization for Standardization (ISO)).

*GMP stands for "Good Manufacturing Practice" and refers to the standards for manufacturing and quality control at a manufacturing facility.

■ Quality analysis

Quality inspections by educated and trained inspectors to ensure product quality and improve customer service.

(We aim to achieve zero quality problems by properly implementing the following quality control measures (raw material inspections, in-process product inspections, product inspections, etc.).

We strive for early detection and improvement of problems.

■ Product safety management

Product safety is managed from product development to shipment in accordance with internal regulations. For safety, we assess risks to the environment and health from the design stage. In addition, we ensure that documentation and reporting required in accordance with internal regulations are carried out.



Management & Protection of Information Assets

Maruzen Pharmaceuticals takes optimal management and protection measures to adequately safeguard information assets against threats to their confidentiality, integrity, and availability.

■ Information asset management

As a measure for business continuity planning (BCP) and the preservation of confidential information, we have relocated our server equipment to a high-security external data center to manage our information assets in an optimal environment. Asset information* on IT equipment connected to the network is automatically collected every 24 hours for asset management.

*Model, application, license, user, purchase information, etc.

Internal rules prohibit the leakage of confidential information of business importance to outside parties, causing damage to the company or interfering with the normal operation of business.

■ Cyber security

In preparation for cyber attacks, we continue to implement cutting-edge security measures, such as enhanced monitoring through our 24/7 intrusion detection service and measures to prevent secondary infection using infection spread detection technology.

Targeted e-mail attack countermeasure systems have been introduced, not only to prevent intrusion but also to detect and we are also strengthening our measures against analysis.

We conduct annual training against targeted e-mail attacks to raise employee security awareness, and at the same time, we are building a system that can respond quickly in the event of an incident.



Management & Protection of Information Assets

■ Privacy

Maruzen Pharmaceuticals fully recognizes the importance of protecting personal information and respects the Personal Information Protection Law, various regulations and guidelines. In addition, employees who manage personal information are audited on a regular basis.

In accordance with the "Act on the Protection of Personal Information," Maruzen Pharmaceutical has established a "Personal Information Protection Policy" to appropriately protect personal information, which is available on our website.

To ensure the proper handling and protection of personal information, education on laws and regulations is provided and monitoring systems are in place.


The protection is provided to prevent information leakage due to theft or loss of PCs, we have implemented measures such as encryption of hard disks and stored data, and cloud-based e-mail management.

In order to encourage appropriate measures for personal information, we have established a "Contact for Questions, Complaints, etc.".

Disclosure of Information

Maruzen Pharmaceutical will continuously disclose accurate and appropriate corporate and product information through its website, newspapers, and information magazines.

Below is a list of major certifications and awards received by March 2022.

Year	Certifications and Awards
2001	Obtained ISO9002:1994 certification (Miyoshi factory and related departments) Perry Johnson Registrar
2003	Obtained ISO9001:2000 certification (Miyoshi factory and related departments) Perry Johnson Registrar
2005	Certified as a comfortable work environment that should be taken by business operators (Shin-Onomichi Factory) Hiroshima Prefectural Labor Bureau
2009	Obtained ISO9001:2008 certification (Miyoshi factory and related departments) SGS Japan
2014	Received the Hiroshima Prefecture Labor Bureau Director's Award for Excellence in Safety and Health (Headquarters Factory). Hiroshima Prefectural Labor Bureau
2016	<ul style="list-style-type: none"> ▪ Participation in SEDEX ▪ Participation in CDP (Climate Change) ▪ Certified as a Hiroshima Prefecture Company Practicing Workplace Reform Hiroshima Federation of Chambers of Commerce and Industry 
2017	<ul style="list-style-type: none"> ▪ Obtained ISO9001:2015 certification (Miyoshi factory and related departments) Perry Johnson Registrar ▪ Recognized as a regional future driving company METI 

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Year	Certifications and Awards
2018	Participation in CDP (Water Security)
2019~	<ul style="list-style-type: none">▪ Participation in Ecovadis (Silver Medal 2019-2022)▪ In the "Business Classification Evaluation System" based on the Energy Conservation Law, achieved an S Class (Excellent Energy Saving Business) rating (2019-2022) 
2021	<ul style="list-style-type: none">▪ Publication of SDG Declaration▪ Hiroshima Corporate Health Declaration Certification as an Excellent Health Promotion Office (5-star)
2022	<ul style="list-style-type: none">▪ Publicly disclosed "Sustainable Procurement Policy" and "Supplier Code of Conduct".▪ Endorsement of "Onomichi COOL CHOICE"

Reduction of Environmental Impact

Maruzen Pharmaceuticals promotes initiatives that take into consideration the environmental impact of our business activities in accordance with our "Environmental Policy".

■ Factory initiatives

Maruzen Pharmaceutical established the Energy Management Committee in 2010 to reduce environmental impact.

Annual environmental reports are prepared at all factories. Although the amount of activity at each factory has increased over the years, energy consumption per unit of activity has decreased over the years due to the installation of new equipment such as high-efficiency boilers and LED lights.

Solar panels have been installed on the Welfare building and the temperature-controlled warehouse at the Shin-Onomichi Factory to provide electricity used at the factory. In addition, the Miyoshi Factory has switched its fuel from heavy oil to LNG (liquefied natural gas) to reduce CO₂.

Simplified product packaging has been introduced to reduce waste.

Wastewater treatment facilities are fully equipped for discharge into the sea and rivers. When wastewater is discharged into the sea or rivers, it is purified by microorganisms. We also manage water quality thoroughly in consideration of biodiversity.

■ Office initiatives

In our offices, we not only use LED lights but also turn off lights in unused areas to reduce electricity consumption. We also promote "Cool Biz" and "Warm Biz" and set appropriate air conditioning temperatures.

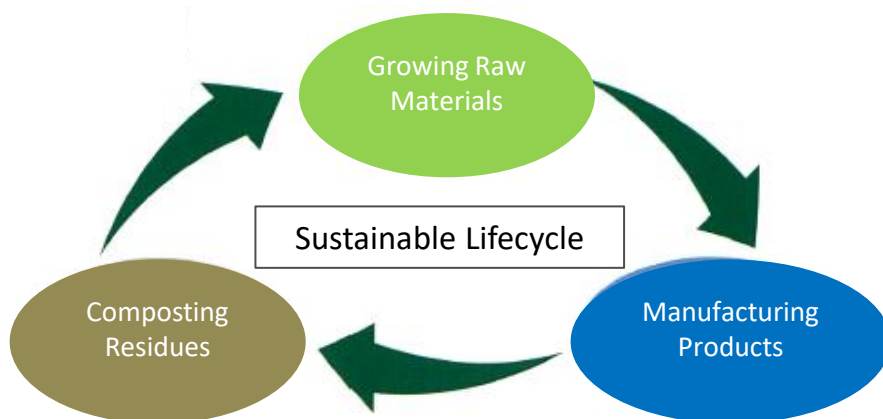
To reduce paper waste, internal communications are conducted electronically whenever possible, and when printouts are made, recycled paper is used and double-sided printing is implemented as needed.



Reduction of Environmental Impact

■ Environmentally friendly Kui Farm

In 2007, Maruzen Pharmaceutical established Kui Farm in Mihara City, Hiroshima Prefecture, with approximately 75,000 m² of farmland, in order to reduce its environmental impact and to test cultivate useful plant materials on its own. At Kui Farm, a recycling cycle has been established by composting extraction residues and cultivating useful plant materials.





Sustainable Procurement

With the support and cooperation of all suppliers, Maruzen Pharmaceutical aims to contribute to the realization of a sustainable society and conducts the procurement activities that take social and environmental aspects into consideration.

■ Quality-oriented

We will comply with our company's quality policy and procure raw materials that prioritize quality, safety, and security.

■ Fairness and Impartiality

In the selection of suppliers, we conduct a comprehensive evaluation from the perspectives of quality, price, delivery date, transaction conditions, technology reserved, service capability, degree of cooperation, secure procurement, CSR initiatives, etc. In addition, competitive quotations from two or more suppliers are used in principle, and we will provide fair entry opportunities.

■ Legal Compliance and Ethics

We will comply with the common sense of society, related laws and regulations, and various company regulations including ethics, and conduct fair and sensible procurement activities. We also have no personal interest in any supplier.

■ Collaboration

Based on good communication with suppliers, we aim for the sound development of society by building mutual understanding and trusting relationships.

■ Human rights

We never support forced labor, child labor, discrimination or inhumane treatment. We will respect basic human rights and promote procurement activities that respect labor conditions, health and safety.

■ Environment

In order to maintain business that is useful for a human-friendly world and to preserve the global environment, we will comply with relevant laws and regulations and practice procurement activities that coexist with the assets of “people, society, business and nature”.

■ Maintenance of information security

We will strictly manage confidential information and personal information related to procurement activities in compliance with relevant laws and regulations.

Community Contribution Activities

Maruzen Pharmaceuticals promotes communication activities with local communities in order to build a relationship of trust with various people in society.

■ Community contribution activities

Maruzen Pharmaceutical participates in local festivals and events to carry on local cultural traditions and contribute to the revitalization of local communities. In addition, we regularly participate in cleanup activities to improve the local environment.

Maruzen Pharmaceuticals will continue to provide the blessings of nature while enhancing the value of our existence in harmony with "people, society, business and nature". To share this idea, we continuously contribute to community activities and spread our message to society.





Respect for Human Rights

Based on our Human Rights Policy, Maruzen Pharmaceutical is committed to conducting business with the most important issue of "contributing to society through the happiness of our employees". The cornerstone of this policy is respect for human rights. Maruzen Pharmaceutical respects the human rights of all employees and will promote activities to realize them permanently.

■ Activities to respect human rights

(1) Human rights awareness

Maruzen Pharmaceuticals' Administration Division will take the lead in promoting correct understanding and respect for human rights through activities such as raising awareness of human rights among employees.

(2) Human resource development

Maruzen Pharmaceuticals will create an environment in which a diverse range of employees can fully demonstrate their abilities and will provide all employees with fair opportunities to develop and utilize their abilities according to their aptitudes.

(3) Work environment

Maruzen Pharmaceutical is committed to creating a healthy and comfortable workplace and ensuring safety.

(4) Response to problems when they occur

Maruzen Pharmaceuticals will promptly take appropriate measures when concerns about human rights violations arise in the course of its business activities.

The project will be implemented and resolved in a proper manner.

■ Respect for Human Rights

Maruzen Pharmaceuticals supports the Universal Declaration of Human Rights and respects fundamental human rights in accordance with the Labor Standards Law. We do not discriminate on the basis of race, age, gender, sexual orientation, ethnic or national origin, disability, or religion. We also respect freedom of association and the right to collective bargaining.



Human Resource Development & Labor Practices

■ Education, training and self-development

Maruzen Pharmaceutical supports the skill development of its employees through overseas study programs, acquisition of qualifications, and participation in internal and external seminars.

■ Personnel systems and equal opportunity

Maruzen Pharmaceutical supports skill development and self-realization that takes into consideration each employee's aptitude and sense of values. We have introduced a personnel system that is fair, just, transparent, and motivating based on results and abilities.

■ Utilization of diverse human resources

Maruzen Pharmaceutical is striving to utilize diverse human resources not only by recruiting new graduates, but also by utilizing mid career recruitment and recruiting international students.

■ Systems for work-life balance

Following initiatives are in place.

- Half-day paid vacation
- Paid leave based on hours
- Maternity leave before and after childbirth
- Leave for congratulation or condolence
- Childcare and nursing care leave
- Child nursing care leave
- Nursing care leave
- Exemption from overtime work for childcare/nursing care
- Limitations on overtime and late-night overtime for childcare and family care
- Shortened working hours for childcare and nursing care
- Menstrual leave, etc.



Ensure Employee Safety & Promote Health

Maruzen Pharmaceuticals believes that a better working environment will bring a sense of security and comfort to our employees. We believe that by doing so, employees will be able to reach their full potential.

■ Working conditions

Maruzen Pharmaceuticals ensures that all employees work under safe and comfortable conditions.

We strive to maintain the most ideal work environment for our employees in compliance with the Labor Standards Law and other applicable laws and regulations.

■ Working environment

At Maruzen Pharmaceuticals, the health and safety of our employees is our top priority. We strive to create the safest possible work environment so that our employees are not exposed to hazards and feel safe.

At all of our sites, we have established health and safety committees and other committees that conduct monthly workplace patrols to conduct risk assessment activities. It is to ensure that we continue to maintain a high level of health and safety at our sites. We also provide all employees with the opportunity to undergo periodic health checkups at company expense.



Ensure Employee Safety & Promote Health

■ Employee training

Maruzen Pharmaceuticals provides training for employees to acquire knowledge and skills related to health and safety when they are hired, when there is a change in work content, and when they are engaged in hazardous or harmful work, in accordance with laws, regulations, and company rules. In addition, the company is also focusing on passing on the operational techniques of its facilities and is striving to foster a culture that emphasizes safety by creating a workplace that adheres to work procedures and regulations.

■ Business continuity plan (BCP)

Maruzen Pharmaceuticals is a leading manufacturer of botanical extracts for pharmaceuticals, quasi-drugs, cosmetics. Our main business is also the manufacturing and sale of botanical extracts for food additives, foods, and or health foods. Therefore, we declare that we will formulate a Business Continuity Plan (BCP) based on this policy as a response to various threats that could disrupt our business, and that we will make continuous improvements in response to changes in our internal and external environments.

Ensure Employee Safety & Promote Health

■ Forced labor and child labor

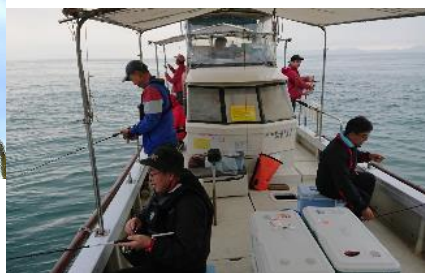
Maruzen Pharmaceuticals imports products and raw materials from many countries around the world. However, we do not support forced labor or child labor. In addition, Maruzen Pharmaceuticals complies with labor laws, which stipulate that no one under the age of 18 may engage in overtime work or work on holidays or late at night (10:00 p.m. to 5:00 a.m.).

■ Harassment and abuse

Maruzen Pharmaceuticals treats all employees with respect and dignity and prohibits harassment of any kind in the workplace, in the conduct of business, and on other related occasions. Maruzen Pharmaceuticals does not engage in, and will not tolerate, any other form of abusive behavior of any kind.

■ Fulfillment of leisure time

We support club activities to promote interaction beyond the workplace and to enhance leisure time.



MARUZEN PHARMACEUTICALS CO., LTD.

To offer you the vitality of nature to enhance health, beauty, and humanity