Panasonic

Panasonic
Supply Chain CSR Promotion Guidelines

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Introduction

Since the foundation of Panasonic (hereinafter referred to as "We" or "the Company"), we have been conducting business activities under our business philosophy "We as 'a public entity of society' contribute to society through our business activities." We have also established the Basic Business Policy, which is fundamental to put our Management Philosophy into practice, and the Panasonic Group Code of Ethics and Compliance, which specifies the guidelines to be followed for conducting business activities by each group company and each employee. On the premise that suppliers agree to the Basic Management Philosophy, the Panasonic Group Compliance Code of Conduct, and the Procurement Policy, which sets forth our policy for procurement activities, we take initiatives with our suppliers to fulfill our Corporate Social Responsibility (CSR), including respect for human rights, safe working conditions, and environmental considerations.

We endeavor to ensure that we do business with suppliers that fulfill their social responsibilities, in addition to evaluating their quality, cost, delivery, and services (QCDS), and business performance. In order to build a sustainable supply chain, cooperation of our suppliers is essential. Therefore, with the understanding and cooperation of our suppliers, we work together with them to take initiatives in line with compliance and social requirements.

In recent years, the social demands on companies have become increasingly stronger, and the laws and regulations have been strengthened. These Guidelines specify items that we expect our suppliers to comply with, taking into account international norms, laws and regulations of each country, and items that are commonly required by society. In this regard, we ask our suppliers to understand and implement the contents of these Guidelines for further understanding and cooperation with our CSR activities.

Procurement Policy

- **Implementation of Global Procurement Activities**

  The Company globally establishes partnerships with suppliers to respond to production activities on a global scale and works to create the functions and values our customers demand based on relationships of mutual trust and through diligent studies and cooperation.

- **Implementation of CSR Procurement**

  Complying with laws and regulations, social norms, and corporate ethics, the Company promotes procurement activities together with suppliers that fulfill their social responsibilities, such as human rights, labor, safety and health, global environmental conservation, and information security.

- **Procurement Activities Working Closely with Suppliers**

  In order to achieve product values expected by customers, the Company serves as the contact point of suppliers with respect to information, such as the market trends of materials and goods, new technologies, new materials, and new processes, and works to ensure and maintain the quality of purchased goods, realize competitive prices, and respond to market changes.

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1. Labor

Suppliers shall support the human rights of workers, stipulated in "International Bill of Human Rights", "United Nations Guiding Principles on Business and Human Rights", and "ILO Declaration on Fundamental Principles and Rights at Work" and treat workers with dignity and respect. This applies to all workers including directly hired employees, contract employees, temporary employees, foreign workers, students, and any other types of workers.

Suppliers shall formulate policies concerning human rights and disclose them on their website or in any other means. In addition, suppliers shall conduct risk assessment and take corrective measures by establishing management systems.

Our requirements about the labor section are as below.

1-1 Prohibition of Forced Labor[1]

Suppliers shall employ all workers of their own free will, free from any force, fraud, or coercion, with no worker being subject to forced labor, trafficking, or trafficking-related activities.

<Specific action items>

- Suppliers shall not engage in forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons, and shall not procure commercial sex acts during the period of performance of the contract (*cf. ILO "Indicators of Forced Labor"*).
- Suppliers shall not impose unreasonable restrictions on workers' freedom on entering or exiting workplace or dormitories, or on any other form of movement.
- Suppliers shall provide written notice to a worker about his/her terms and conditions of employment in the worker's native language or in a language understood by the worker before signing the formal contract (in the case of a foreign worker, prior to departing from his/her original country) and exchange a written contract with the worker.
- Suppliers shall not make any changes to the contract in the working country, unless the change is more favorable to the worker.
- Suppliers shall permit workers to terminate their employment freely.
- Suppliers, recruitment entities or agencies, and staffing agents shall not retain any government-issued identification card, passport, work permit, immigration application, and other similar documents.
- Suppliers, recruitment entities or agencies, and staffing agents shall not charge any recruitment fees or other costs related to the recruitment process to workers, such as medical costs, insurance costs, costs for skills and qualification tests, costs for training and orientation, equipment costs, travel and lodging costs, costs and fees associated with immigration documents, advertising costs, employer fees, government-mandated fees, and administrative costs.(*cf. ILO "Definition of recruitment fees and related costs")*
- Suppliers shall investigate if any recruitment fees or related costs are borne by the workers and shall refund them to the workers if any.
- Suppliers, recruitment entities or agencies and staffing agents shall provide return transportation or pay for the cost of return transportation upon the end of employment.
- Suppliers shall inform workers of all items deducted from their salaries.
- Suppliers shall request and confirm that recruitment entities or agencies and staffing agents comply

[1] Additional and more specific requirements may apply for government transactions in certain countries. Suppliers are expected to meet those requirements in all cases in order to ensure regulatory compliance. (ex:),

- Suppliers shall provide written notice to a worker about his/her key terms and conditions of employment including wages and benefits, the nature and location of work, the living conditions, housing and associated costs, grievance processes, and the prohibition against trafficking and forced labor.
- If the worker must relocate to perform the work, suppliers shall provide the document including the terms and conditions of employment set forth above to the worker, at least five days prior to the worker relocating.

with all of the above items.

- Suppliers shall not use recruitment entities or agencies and staffing agents that do not comply with local labor laws of the country in which the recruiting takes place.

1-2 Prohibition of Child Labor and Consideration for Young Workers

Suppliers shall not employ children under the minimum labor age and assign jobs that may impair children's development.

<Specific action items>

- Suppliers shall have an appropriate scheme to confirm the worker's age and shall not employ any children (a child refers to a person under the age of 15, or under the completion age of compulsory education, or under the minimum employment age in the country, whichever the greatest.)
- Suppliers shall not have workers underage of 18 (Young Workers) perform the work which may jeopardize their health and growth and expose them to danger including any night shifts and overtime works.
- Suppliers shall ensure the appropriate management and education of student workers in accordance with applicable laws and regulations by protecting students' rights.
- In the absence of the applicable local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other workers performing equal or similar tasks.

1-3 Working Hours

Suppliers shall ensure the workers' working hours, day off, and annual leaves appropriately managed, so that it does not infringe statutory limits.

<Specific action items>

- A workweek shall not exceed 60 hours per week, including overtime work, except in emergency or unusual situations. Any local law or regulation shall apply if it is stricter than this provision.
- Scheduled and actual annual working hours shall not exceed the statutory limit.
- Workers shall be allowed to take at least one day off per seven working days.

1-4 Decent Wages

Suppliers shall pay workers at least the statutory minimum wage and shall not unreasonably reduce wages.

<Specific action items>

- Suppliers shall comply with all applicable wage related laws and regulations, including those relating to minimum wages, overtime work, and legally mandated benefits.
- Suppliers shall pay extra wages for overtime work in accordance with local laws.
- Suppliers shall not reduce wages as a disciplinary measure.
- Suppliers shall provide workers understandable and accurate wage statements that include sufficient information to verify compensation for work performed by the date of payment.
- Suppliers shall pay wages and allowances to all workers based on local laws without any delay.

1-5 Humane Treatment

Suppliers shall respect human rights of workers and treat workers in a humane manner.

<Specific action items>

- Suppliers shall not treat workers in harsh and inhumane manner, including any violence, violence upon gender, harassment, sexual abuse, corporal punishment, mental or physical coercion, hazing, insulting in public, and verbal abuse.
- Suppliers shall clearly define disciplinary policies and procedures and communicate to workers.

1-6 Elimination of Discrimination

Suppliers shall endeavor to eliminate discrimination in recruitment and employment, and ensure equal opportunities and fair treatment.

<Specific action items>

- Suppliers shall not engage in discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.
- Suppliers shall accommodate the needs of workers within a reasonable extent for religious practices.
- Suppliers shall not conduct any medical examination and physical examination that could be used in a discriminatory way.

1-7 Freedom of Participation

Suppliers shall allow workers the freedom of association as the method of labor-management consultation on working conditions, working environment, wage levels, and other relevant matters.

<Specific action items>

- Suppliers shall allow workers to hold a collective bargaining and participate in a peaceful assembly.
- Suppliers shall allow the rights of workers to organize and join a labor union in accordance with local laws.
- Suppliers shall not conduct any discrimination, reprisal, intimidation, and harassment against workers and/or their representatives.
- Workers and/or their representatives shall be able to communicate with management regarding working conditions and views on management practices.

2. Health and Safety

Suppliers shall work to improve occupational health and safety. Suppliers shall recognize that in addition to minimizing the work-related injury and illness, safe and healthy working environment enhances the quality of products and services, consistency of production, and worker retention and morale.

Suppliers shall formulate health and safety policies and disclose them on their website or in any other means. In addition, suppliers shall conduct risk assessment and take corrective measures by establishing management systems.

Our requirements about the health and safety section are as below.

2-1 Occupational Safety and Training

Suppliers shall evaluate safety risks in the workplace and ensure safety through proper design, engineering and administrative controls.

<Specific action items>

- Suppliers shall identify potentially hazardous locations in the workplace (chemicals, electrical, other energy sources, fire, vehicles, and fall hazards), implement preventive maintenance and safe work procedures (including lockout/tag out), and conduct training.
  *Lockout: Monitor hazardous points with sensor and shut off power sources of machine or equipment by locking the power sources.
  *Tag out: Indicate with a tag or other similar things that the operation of a power blocking device is prohibited during the power shut-off.
- Suppliers shall provide workers with appropriate personal protective equipment, such as eye protectors, safety hat, and gloves.
- Suppliers shall remove pregnant women/nursing mothers from working condition with high hazards.
- Suppliers shall remove or reduce any workplace health and safety risks for pregnant women/nursing mothers.
- Suppliers shall take reasonable steps to provide appropriate facilities for nursing mothers (such as providing safe and clean place to pump breast milk and the storage for it).

2-2 Emergency Preparedness and Training

To protect lives and personal safety, suppliers shall prepare emergency measures for possible disaster or accident and keep everyone in the workplace informed.

<Specific action items>

- Suppliers shall install fire detectors and fire extinguishers appropriately.
- Suppliers shall display the evacuation route and evacuation shelters in the workplace.
- Suppliers shall remove any obstacle around or in front of the exits to secure the evacuation route for emergency.
- Suppliers shall provide evacuation drills periodically.
- Suppliers shall develop the recovery plans for the emergency.

2-3 work-related injuries and illness

Suppliers shall identify occupational injury and illness situations and take appropriate measures.

<Specific action items>

- Suppliers shall provide appropriate medical treatment in case of injury and illness and investigate the root case, implement measures, and keep records.
- Suppliers shall classify, record, and analyze injury and illness cases and, take preventive measures if necessary.
- Suppliers shall establish the handling procedures to facilitate the workers with occupational injuries and illness cases to return to work.

2-4 Industrial Hygiene

Suppliers shall identify the biological and chemical substances, noises, offensive odors, etc. in the workplace which is harmful to the human body. The appropriate measures and worker's health management shall be implemented.

<Specific action items>

- Suppliers shall measure the impact of dust, organic solvents, vapor, bacteria, etc. in working environment, and identify and control the elements harmful to the health of workers.
- Suppliers shall provide workers with appropriate, well-maintained, personal protective equipment and ventilation.
- Suppliers shall install First Aid-Kit and maintain periodically.
- Suppliers shall provide medical examinations to workers pursuant to laws and regulations for the prevention and early detection of illness.
- Suppliers shall also pay enough attention to prevent the health damage and mental illness caused by long working hours or overwork.

2-5 Attention to Physically Demanding Work

Suppliers shall identify physically demanding work and appropriately control such work to prevent injury and illness from such work.

<Specific action items>

- Suppliers shall identify, evaluate, and control hazards and physically demanding tasks including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks.

2-6 Machinery and Equipment Safeguarding

Suppliers shall take appropriate safety measures for machinery and equipment to be used at their own company.

<Specific action items>

- Suppliers shall evaluate machinery and equipment for safety hazards.
- Suppliers shall take safety measures, such as physical guards, interlocks and barriers, and perform appropriate maintenance for hazards.

  *Interlocks: A mechanism that prevents operation unless certain conditions are satisfied.

2-7 Health and Safety of Facilities

Suppliers shall appropriately ensure the health and safety of facilities (including dormitories, canteens, and toilet) provided to workers for their livelihood at the level not lower than that country's housing and safety standards where applicable.

<Specific action items>

- Suppliers shall provide workers with clean toilet facilities, potable water, and food cooked and stored in a clean environment, and canteens.
- Suppliers shall maintain dormitories clean and safe, and provide hot water for bathing and showering, adequate lighting and ventilation.
- Suppliers shall provide workers with individually secured accommodations for storing personal and valuable items, and reasonable personal space.
- Suppliers shall conduct evacuation drills for dormitories and clarify the evacuation route to secure worker's safety.

2-8 Health and Safety Communication

Suppliers shall provide workers the appropriate workplace health and safety information and communicate with them about future problems.

<Specific action items>

- Suppliers shall display hazardous areas of the workplace and health and safety information in the facility by using the language which workers can understand.
- Health and safety training shall be provided to all workers prior to the beginning of the work and regularly thereafter.
- Suppliers shall immediately improve the safety concerns when it's raised by workers.

3. Environment

Toward achieving sustainable society, suppliers shall promote environmentally conscious business activities, such as procurement of materials and devices, product development, and production, and promote the improvement of environmental challenges through chemical management, reduction of greenhouse emission burden, circulation of resources and water, and biodiversity conservation.

We request suppliers with the environmental standards below.

1) **"Panasonic Group Green Procurement Standards (latest version)"**
2) **"Panasonic Group Chemical Substance Management Rank Guidelines (For Products) (latest version)"**

4. Ethics

To fulfill social responsibilities and to continue business, suppliers shall uphold the highest level of ethics by conducting sound and fair business management and disclosing information (including business conditions) in an appropriate manner.

Suppliers shall formulate policies concerning corporate ethics and disclose them on the website or in any other means. In addition, suppliers shall conduct risk assessment and take corrective measures by establishing management systems.

Our requirements about the Ethics section are as below.

4-1 Business Integrity

Suppliers shall have high integrity in all transactions, and practice corporate ethics and compliance with laws, regulations and social responsibilities

<Specific action items>

- Suppliers shall formulate the policies that prohibit any bribery, corruption, extortion, and embezzlement.
- Suppliers shall establish, disseminate and thoroughly implement internal rules for preventing, identifying, managing and correcting conflicts of interest (any situation where an employee makes a business decision against the company's interests in pursuit of his or her own interests, or where an employee misuses the company's assets, information, etc.)

4-2 Prohibition of the Offer or Acceptance of Improper Advantages

Suppliers shall not offer or accept improper advantages in relationship with stakeholders.

<Specific action items>

- Suppliers shall prohibit any promise, offer, permission, provision and acceptance, directly or indirectly, to acquire bribes, obtain or retain business, or gain unjust or improper benefits (bribes to public officers and business partners, offering improper benefits to anti-social forces, and insider trading, etc.).
- Suppliers shall monitor and maintain accurate accounting records and implement procedures to comply with laws and regulations on bribery.
- Suppliers shall conduct education on bribery laws and regulations for their employees.

(Referenced documents)

- Panasonic's Clean Procurement Declaration
- Panasonic Guideline of Anti-bribery and Anti-Corruption （For Business Partners）

4-3 Disclosure of Information

Regardless of whether disclosure is required by laws or regulations, suppliers shall provide or disclose information to stakeholders.

<Specific action items>

- Suppliers shall disclose information regarding the labor, health and safety, environmental activities, business activities, structure, financial conditions, and business performance of the company in accordance with applicable regulations and prevailing industry practices.
- Suppliers shall not tolerate any falsification of information, misrepresentation in the supply chain.

4-4 Respecting Intellectual Property Rights of Others

Suppliers shall respect the intellectual property rights of customers and suppliers.

<Specific action item>

- Suppliers shall not use product specifications or know-how of their suppliers and customers without permission.
- Suppliers shall investigate the intellectual property of other companies before product development and production and do not infringe intellectual property rights of others.
- Suppliers shall not allow the information on the intellectual property of their suppliers and customers be carried out when workers resign the work.

4-5 Fair Business

Suppliers shall not conduct an act that impedes any fair, transparent, and free competition.

<Specific action items>

- Suppliers shall conduct fair business, advertising, and competition in compliance with international standards and business rules.
- Suppliers shall not engage in cartel or collusive bidding and shall not make any false product marking or any marking that may cause misunderstanding to customers.
- Suppliers shall implement in-house education to prevent any violation of laws and regulations of antitrust and fair trade, or other similar acts.

4-6 Prevention and Early Detection of Misconduct

Suppliers shall implement activities to prevent misconduct and establish a system for early detection and handling of misconduct.

<Specific action items>

- Suppliers shall establish and maintain the programs to ensure the confidentiality, anonymity, and protection of supplier and employee whistleblowers.
- Suppliers shall provide workers with reporting methods through which workers may raise concerns without the fear of retaliation.

4-7 Response to Responsible Sourcing of Minerals

Suppliers shall not purchase minerals that could cause the social problems, such as human rights issues.

<Specific action items>

- Suppliers shall formulate policies regarding responsible minerals procurement, and reasonably and continuously assure that the minerals including tantalum, tin, tungsten, gold, cobalt, and mica, etc. in products they manufacture does not directly or indirectly finance or benefit any organization involving human rights abuses including child labor in the Conflict-Affected and High-Risk Area (CAHRA), poor working conditions, destruction of environment, corruption, and fraud.
- Suppliers shall establish policies to ensure the minerals procurement in accordance with the framework of due diligence approved by Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or equivalent and shall conduct due diligence on the origins and distribution area of minerals.

4-8 Prohibition of Abusing Advantageous Position

Suppliers shall not conduct any act that may give disadvantages to their suppliers by abusing their advantageous position.

<Specific action items>

- Suppliers shall conduct good-faith, fair, and impartial trading pursuant to contracts and arrangements. It is not allowed that suppliers make a unilateral decision or change trade terms with their suppliers, etc. or impose unreasonable requests or obligations making use of the position of a purchaser or consignor.
- Suppliers shall comply with laws and regulations concerning the abuse of advantageous position in any country where such laws and regulations are established.

4-9 Appropriate Trade Control

Suppliers shall develop a well-defined management system for the export of legally regulated technology and goods and follow proper export procedures.

<Specific action items>

- Suppliers shall investigate and comply with international agreements and applicable laws and regulations related to export control.
- Suppliers shall follow proper export procedures for devices, products, technology, equipment, and software, whose export is regulated by international agreements, laws and regulations.
- Suppliers shall develop a management system for export control (in some cases, an export license or other form of approval from regulatory authorities must be acquired prior to export.)
- Supplier shall provide to customs or to the Company necessary information for customs declaration including export control classification, country of origin, quantity and prices of items supplied to the Company. Supplier shall, upon request from the Company, provide the necessary evidence and documentation in accordance with the administrative measures taken by the authorities.

5. Information Security

Suppliers shall implement effective information security programs in order to handle and manage customer information, personal information, and information assets such as technologies, quality, products, and services properly.

Suppliers shall formulate policies concerning information security and disclose them on their website or in any other means. In addition, suppliers shall conduct risk assessment and take corrective measures by establishing management systems.

Our information security standards are as below.

"Information Security Management Criteria for Our Business Partners (latest version)"
"Check Sheet on Information Security Management Criteria for Our Business Partners (latest version)".

5-1 Prevention of Information Leakage and Training

Suppliers shall properly manage and protect personal information of suppliers, customers, and workers as well as confidential information received from customers.

<Specific action items>

- Suppliers shall work to protect personal information of all people who are involved in transactions, such as their suppliers, customers, consumers, and employees.
- Suppliers shall comply with laws and regulations related to personal information protection.
- Suppliers shall properly manage and protect confidential information received from their suppliers, customers, consumers and employees.
- Suppliers shall provide education (including targeted attack education and trainings) on information security to their employees on a regular basis.
- Suppliers shall establish organizational structure and procedures for the occurrence of information security incidents.

5-2 Protection against Threats on Computer Network

Suppliers shall take protective actions against threats on computer networks.

<Specific action item>

- Suppliers shall implement protective actions against threats on computer networks and control not to damage their suppliers, customers, consumers and employees.

6. Quality and Safety

Suppliers shall give priority to quality of product in research and development, planning, design, manufacturing, sales, repair, and disposal of their products, while establishing a quality management system to continuously improve the quality of their products.

Suppliers shall comply with all applicable requirements, including, but not limited to, laws and regulations, standards, contractual commitments relating to quality and performance evaluation data, and shall not indicate falsification of data or performance or false indication.

Our requirements about the Quality and Safety section are as below.

6-1 Quality Management System

Suppliers shall establish and operate the quality management system.

<Specific action item>

- Suppliers shall work to establish a quality management system and endeavor to acquire the ISO 9001 certification or other third-party certifications concerning the quality management system.

6-2 Provision of Precise Information on Products and Services

Suppliers shall provide consumers and customers with precise information on products and services.

<Specific action items>

- Suppliers shall provide consumers and customers with precise information on the specification, quality, and handling procedures of products and services.
- Suppliers shall, in accordance with laws and regulations, properly report information on substances contained in products.
- Suppliers shall properly update and share the documents required, including Material Safety Data Sheet（MSDS） and certification of container for dangerous goods.
- In representations included in catalogues, advertisement, and other promotional materials related to products and services, suppliers shall not use expressions that are different from facts or that may cause misunderstandings of consumers and customers, and shall not include any content that defames other companies or individuals or infringes on their rights.
- Suppliers shall promptly report any Man, Machine, Method, and Material (commonly called “changes in 4Ms”) changes in materials.

6-3 Ensuring Product Safety

If suppliers design products with their responsibility, the design shall satisfy the safety standards prescribed by the laws and regulations of each country.

<Specific action items>

- In addition to complying with laws and regulations, suppliers shall also consider normally required safety features (design, process, parts, etc.).
  (Laws and regulations concerning product safety)
  - Japan: Electrical Appliances and Materials Safety Act, Consumer Product Safety Act, Household Goods Quality Labeling Act, and other similar acts. (Safety standards are prescribed by the detailed regulations of laws and regulations and JIS.)
  - Overseas: UL*, BSI*, CSA*, etc.
    *UL : Underwriters Laboratories (An American product safety certification organization)
    *BSI : British Standards Institution (BSI is the national standards body of the United Kingdom)
    *CSA : Canadian Standards Association (Safety standard of Canadian Standards Association)
- Suppliers shall establish management systems.
  - Ensuring traceability (materials, parts & processes)
  - Establishing a prompt response process for problem solving

7. Contribution to Society

Suppliers shall positively engage in activities that contribute to the development of the international and local communities toward sustainable society.

7-1 Contributing to Society and Local Community

Suppliers shall positively engage in activities that contribute to the development of international and local communities.

<Specific action items>

- Suppliers shall perform activities to support communities using the management resources.
  (Examples of contributions)
  - Contribution to society utilizing products, services, technologies, etc.
  - Contribution to society utilizing facilities, human resources, etc.
  - Monetary donations to social contribution organizations and their activities
  - Collaboration with local communities at the time of a disaster

8. Management System

Suppliers shall establish management system whose scope is related to the contents of these Guidelines.

Management system needs to contain below.

8-1 Company Commitment

Suppliers shall formulate corporate social responsibility policies endorsed by executive management and display it in the facility in the local language and the worker's native language to the extent possible.

<Specific action item>

- Executive management shall formulate policies to meet requirements of these Guidelines and keep workers well-informed.

8-2 Management Accountability and Responsibility

Suppliers shall clarify the operation status of management system and the responsible person of executive class and conduct periodical review.

8-3 Legal and Customer Requirements

Suppliers shall develop a process which satisfies the applicable laws, regulations and customer requirements.

<Specific action item>

- Suppliers shall identify the applicable laws, regulations and customer requirements related to these Guidelines and establish the company rules. The rules need to be reviewed and updated based on the status of compliance.

8-4 Risk Assessment and Management

Suppliers shall establish a process to identify the legal compliance, environmental, health and safety, labor practice and ethics risks associated with supplier's operations.

<Specific action items>

- Suppliers shall identify each risk and ensure its regulatory compliance.
- Suppliers shall implement appropriate procedure and physical controls.
- Areas for the risk assessment shall include production areas, warehouse and storage facilities, plant/facilities support equipment, laboratories and test areas, toilet, kitchen/cafeteria and worker's dormitories

8-5 Improvement Objectives

Suppliers shall prepare written performance objectives, targets and implementation plans to improve social and environmental performance.

<Specific action items>

- Suppliers shall explicit objectives, targets, and implementation plans to practice the requirements of these Guidelines.
- Suppliers shall assess achievement status on a regular basis.

8-6 Training

Suppliers shall conduct trainings for managers and workers to achieve improvement objectives and targets.

<Specific action item>

- Suppliers shall provide CSR training programs for managers and workers to comply with applicable laws and regulations.

8-7 Communication

Suppliers shall transfer clear and accurate information about their policies, practices, and performance to their workers, suppliers, and customers.

<Specific action item>

- Suppliers shall explain financial and non-financial information to workers.
- Suppliers shall hold a policy explanation meeting for their suppliers and customers to explain about their policy and expectations.

8-8 Whistle-Blowing System

Suppliers shall establish a process which workers can blow whistle about violations against laws and regulations or social practices anonymously. Supplier shall also obtain the process to assess it and continue the improvement.

<Specific action item>

- Suppliers shall establish a Whistle-blowing system (Opinion box or hot-line) to elicit the problems and opinions from workers.
- Suppliers shall take appropriate actions to improve the problems provided by the whistle-blowers.
- Suppliers shall notify and fully make the workers aware of the Panasonic Global Compliance Hotline (EARS) etc. for possible or actual violations of these Guidelines by directors or employees of the Company or the suppliers.

8-9 Assessments

Suppliers shall conduct periodic self-evaluations to ensure conformity to legal and regulatory requirements.

<Specific action item>

- Suppliers shall provide the results of CSR self-assessment required by the Company.
- Suppliers shall cooperate to be confirmed its compliance with these Guidelines by the Company, the Company's customers and/or third parties through audits, hearings, etc.
- Suppliers shall prepare the assessment sheet with legal and regulatory requirements and customer requests. They shall also conduct periodical conformity check and report the status to the executive managements.
- Suppliers shall conduct internal audits to confirm the conformity to the legal and regulatory requirements and customer requests.

8-10 Corrective Action Process

Suppliers shall establish a process for timely correction of deficiencies identified by assessments.

<Specific action item>

- Suppliers shall prevent, mitigate or correct deficiencies identified by internal and/or external assessments, checking, investigations, or audits.
- If such deficiencies are identified in their suppliers and not cured within a reasonable period, the continuation of transactions shall be reconsidered.

8-11 Documentation and Records

Suppliers shall create documents and records on the operation of the management system and maintain records.

<Specific action item>

- Supplier shall organize CSR items to request to their suppliers and publicize them (ex: in contracts, guidelines, etc.)
- Suppliers shall keep records of CSR-related hearings, audit plans and results of their suppliers.

8-12 Transmission to Your Suppliers (our tier 2 suppliers)

Suppliers shall communicate these Guidelines requirements to their suppliers (the Company's tier2 suppliers) and monitor their compliance.

<Specific action items>

- Suppliers shall communicate these Guidelines' requirements to their suppliers (the Company's tier 2 suppliers) and monitor their compliance with these Guidelines.
- Suppliers shall confirm the compliance status of their suppliers (the Company's tier 2 suppliers) with these Guidelines through audits, hearings, etc. and have them take corrective actions if necessary.
- Suppliers shall communicate the contents of Section 1-1 of these Guidelines to recruitment entities or agencies and monitor their compliance with these requirements.

8-13 BCP Initiatives

Suppliers shall formulate a Business Continuity Plan (BCP) and implement it.

<Specific action items>

- In order to ensure appropriate delivery time and stable supply, suppliers shall conduct investigations on supply sources going back along the supply chain.
- In order to prepare for the natural disasters, accidents, or contingency situations, suppliers shall make efforts to implement measures for stable supply (ex: purchase from multiple suppliers, secure the stock, etc.).
- Suppliers shall notify the termination of part production within the time frame agreed in the contract.

<Reference data>

The following data are used as reference in formulating these Guidelines.

- Universal Declaration of Human Rights
  https://www.un.org/en/about-us/universal-declaration-of-human-rights
- ILO International Labor Standards
  https://www.ilo.org/international-labour-standards
- ILO Code of Practice in Safety and Health
  https://www.ilo.org/ilo-helpdesk-business-international-labour-standards/ilo-codes-practice-and-guidance-documents
- OECD Guidelines for Multinational Enterprises
  http://mneguidelines.oecd.org/
- United Nations Global Compact
  https://www.unglobalcompact.org/
- Ethical Trading Initiative
  http://www.ethicaltrade.org/
- JEITA "Responsible Business Conduct Guidelines"
  https://www.jeita.or.jp/cgi-bin/public/detail.cgi?id=788&cateid=1
- Panasonic Group "Code of Ethics & Compliance"
  https://holdings.panasonic/global/corporate/about/code-of-conduct.html
- Panasonic Guideline of Anti-bribery and Anti-Corruption （For Business Partners）
  https://holdings.panasonic/jp/corporate/sustainability/pdf/Guideline%20of%20Anti-bribery%20and%20Anti-Corruption_en.pdf
- For Recruitment Fees (Section 1-1)
  -ILO Definition of recruitment fees and related costs
  https://www.ilo.org/publications/general-principles-and-operational-guidelines-fair-recruitment-and
  -CGF Guidance on the Repayment of Worker-paid Recruitment Fees and Other Related Costs
  https://www.theconsumergoodsforum.com/wp-content/uploads/2022/10/2022-HRC-Guidelines-on-Repayment-of-Recruitment-Fees.pdf

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