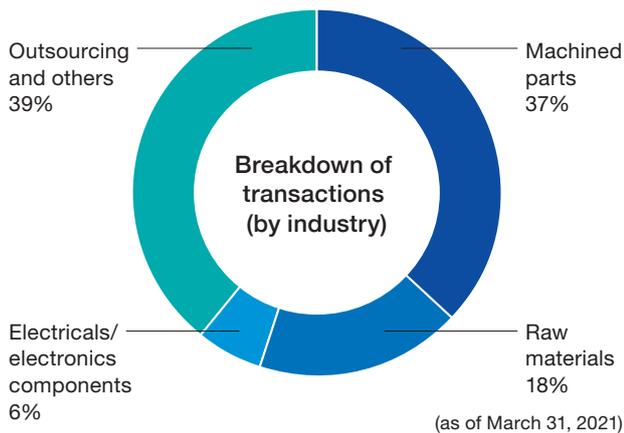
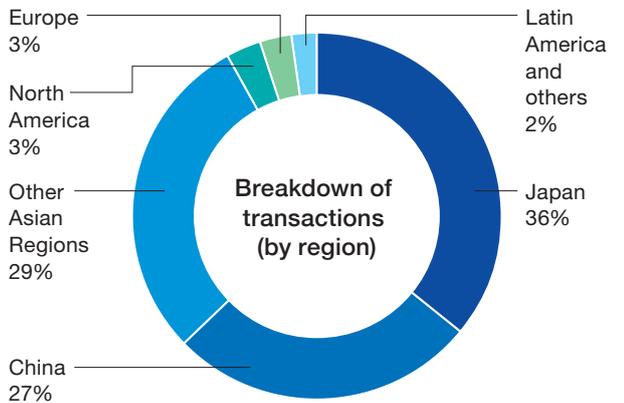


Responsible Procurement Activities

Panasonic currently does business with around 10,000 suppliers worldwide, roughly 60% of which are located in Japan and China. Industry-wise, 37% of them supply machined parts. We aim to establish fair, equitable, and sustainable supply chains by realizing co-existence and mutual prosperity with suppliers who can share our values on fulfilling social responsibilities regarding not just economic relationships, but also the environment, CSR, and society. Fulfilling our social responsibilities together with our suppliers is in itself the practical implementation of our management philosophy, and we consider the establishment of sustainable supply chains to be a key initiative if we are to steadily undertake procurement activities in the future and guarantee excellent product quality and competitive prices in order to deliver product value that is acceptable to our customers.



Procurement policy

Driven by the concept that, based on relationships of mutual trust and through diligent study and cooperation, our suppliers are invaluable partners in creating the values our customers demand, Panasonic's Procurement Policy revolves around the following three points.

1. 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.

2. 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.

3. 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.

Panasonic Supply Chain CSR Promotion Guidelines

In March 2016, the Panasonic Group released the first edition of its Supply Chain CSR Promotion Guidelines (hereafter, "CSR Guidelines"), a set of CSR requirements the Group requests its suppliers to comply with. The CSR Guidelines reference international benchmarks and standard views in the industry. The CSR Guidelines also communicate the Panasonic Group's approach to CSR procurement whilst taking into account the CSR requirements of NGOs and client companies. The second edition was released in July 2018. The Panasonic Group requests all of its suppliers to comply with the CSR Guidelines when commencing transactions.

The CSR Guidelines prescribe the following.

- 1) **Labor rights:** Prohibition of forced labor or child labor, appropriate working hours, decent wages, humane treatment, elimination of discrimination, and freedom of association
- 2) **Occupational health and safety:** Training to ensure workplace safety and emergency preparedness, safety measures for machinery and equipment, and occupational health and safety rules for facilities
- 3) **Environment:** Compliance with the latest edition of Panasonic's Green Procurement Standards
- 4) **Ethics:** Prohibition of corruption and bribery, and promotion of fair business and responsible mineral procurement
- 5) **Information security:** Prevention of information leaks and protection against computer and network threats
- 6) **Product quality and safety:** Creation of a product quality management system, provision of accurate product and service data, and maintenance of product safety
- 7) **Contributions to society:** Contributions to society and local communities
- 8) **Management systems**

CSR self-assessments

In fiscal year ended March 2016 (fiscal 2016) we started requesting that our suppliers complete a CSR self-assessment based on our CSR Guidelines regarding how they address issues concerning human rights, health and safety, the environment, and ethics. The CSR self-assessment includes items for confirming that the supplier does not engage in child labor or forced labor practices. Panasonic asks its suppliers to hire workers in accordance with the laws and regulations of each country and that workers are not forced to work against their own volition. We prioritize self-assessments in regions where CSR risks are greater; in fiscal 2021 we requested the completion of the self-assessment from new suppliers and approximately 1,500 major existing suppliers with whom we continue to do business. If any issues are identified in the CSR self-assessment, we use various methods to urge the supplier in question to make improvements. Also, if necessary, we conduct on-site audits and encourage the supplier to redress the issue. By doing so, we are promoting fair, impartial, and sustainable business transactions. Similarly, up until fiscal 2020 we had visited around 100 companies to conduct on-site audits centering on suppliers in Malaysia and China where risks were considered high in terms of human rights, labor, and the environment. If a supplier is unable to rectify legal violations or other important issues like the prohibition of child labor or forced labor, or in cases where no improvements to other issues can be seen despite ongoing efforts, we will consider the suspension of business transactions. However, given that we consider co-existence and mutual prosperity with our suppliers to be part of our social responsibility, our basic approach is to seek to resolve issues through a process of continual guidance if less urgent issues have been identified.

The results of CSR self-assessments are also recorded on a common platform and shared throughout the Group. This not only strengthens Group-wide governance, but also lets each business division utilize the results when selecting suppliers.

Clean procurement

We are also endeavoring to forge relationships with suppliers based on higher standards of moderation and ethics by, for example, issuing a Clean Procurement Declaration—which prohibits any employee from accepting money, gifts, entertainment, or meals from suppliers—and establishing a global hotline.

Responsible minerals procurement

Panasonic recognizes that the issue of conflict minerals—such as tin, tantalum, tungsten, gold, and cobalt—is a matter of grave concern for society, given the risk that they become the source of funds for armed insurgents in conflict-torn regions and the various risks of child labor and other human rights abuses, harsh working

conditions, environmental destruction, and corruption in high-risk regions. In order to promote the responsible sourcing of minerals, we participate in the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA) to raise awareness and improve the efficiency of surveys. Furthermore, since July 2017 we have been a member of the Responsible Minerals Initiative (RMI), through which we deploy industry-wide initiatives.

Moreover, Panasonic continues to implement initiatives in line with the Due Diligence Guidance of the Organization for Economic Co-operation and Development (OECD). The Company requires all related suppliers to provide information on smelters/refineries through the supply chain, and aims to procure minerals from smelters/refineries that present no issues. In fiscal 2021 the Company surveyed around 3,270 suppliers concerning conflict minerals and collected responses from 95% of them. The Company has confirmed that none of the minerals it sourced from them is financing armed forces either directly or indirectly. There are also concerns about cobalt, which is used in lithium-ion batteries and other products, owing to human rights issues such as child labor at mining sites. Panasonic continually conducts initiatives such as cobalt supply chain surveys and identification and investigation of smelters/refineries. In fiscal 2021, we conducted cobalt surveys for 474 suppliers and collected responses from 90% of those surveyed.

Environmental initiatives

Panasonic asks its suppliers to actively engage in global environmental conservation and environmental management and also deliver their goods in accordance with its green procurement policy. We ask our suppliers to reduce their environmental impact by establishing environmental management systems, ensuring comprehensive chemical substance management, lowering GHG emissions, promoting the recycling of resources and water, engaging in biodiversity conservation, sharing results of collaborations (ECO-VC Activity), and urging upstream suppliers in the supply chain to do the same.

The ECO-VC Activity recognizes outstanding initiatives and ideas aimed at generating added value. Panasonic, in its procurement activities, works closely with suppliers from the development stage to not only streamline costs, but also reduce CO₂ emissions, minimize the total resources used, and utilize recycled resources. The Activity receives around 700 applications on average every year. Through partnerships with suppliers, the Company is helping to mitigate climate change by contributing to the reduction in CO₂ emissions.

Panasonic continues to promote responsible procurement and fulfill its social responsibilities together with suppliers. At the same time, by establishing stable and sustainable supply chains, the Company will continue to underpin enhancements in corporate value in the future.