

EPEAT 7.1.3

Social responsibility performance audits of high-risk suppliers

Supply Chain Due Diligence

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

In order to fulfill the social responsibility throughout the supply chain, Panasonic has established "Supply Chain CSR Promotion Guidelines".

 [Panasonic Supply Chain CSR Promotion Guideline](https://holdings.panasonic/global/corporate/about/procurement/for-suppliers/pdf/guideline_E.pdf)

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At the start of transactions for materials and components for the manufacturing of Panasonic products, we make it mandatory to conclude a Master Global Purchasing Agreement that stipulates compliance with the CSR Guidelines.

To promote human rights due diligence and other aspects of CSR throughout the supply chain, the Group requires its suppliers to conduct CSR Self-Assessments, using a web-based questionnaire. While incorporating guidance from outside experts, the Group has compiled a table to assess human rights risks at our suppliers by using risk indicators and indices provided by international organizations in order to identify suppliers for which action should be taken on a priority basis.

Each operating company narrowed down the audit targets from among these identified suppliers based on the aforementioned risk approach and conducted supplier audits. When the audits find a case that deviates from the guidelines, we ask suppliers to improve these items and monitor their progress.

Overview of Audit Program in FY2024 (1st year)

Panasonic Connect have evaluated 69 supplier facilities from Apr-2024 to Mar-2025 using the audit program structured according to aforementioned approach. The table below shows the results of initial investigation, which did not identify any high-priority facilities.

Supplier Risk	A-1 Country	A-2 Transaction Item	A-3 Self-Assessment
High	7%	14%	12%
Medium	55%	16%	0%
Low	38%	70%	88%

Business Impact	B-1 Procurement	B-2 Delivery	B-3 Substitutability	B-4 Regulation
High	68%	12%	52%	62%
Medium	17%	--	1%	--
Low	14%	88%	46%	38%

Result	Priority1	Priority2	Priority3	Priority4	Priority5
FY2024	0%	0%	1%	29%	70%

Detailed Investigation

The table below shows the findings that were identified as potential non-compliances during detailed investigations into labor rights and OHS. These findings were fed back to each supplier, and we requested improvements and are monitoring the progress of those improvements.

		# of Findings	% of total surveyed
Labor	Working hours	4	5.8%
	Freedom of association and Collective Bargaining	2	2.9%
	Occupational safety	3	4.3%
	Young Worker	0	0.0%
Occupational health & safety		2	2.9%

Supplier Capacity Building Programs

Panasonic Group conducts training programs to develop supplier auditors and looks to raise awareness in the supply chain by holding workshops and meetings. Panasonic Group holds human rights due diligence training with the United Nations Development Program (UNDP) and explains the importance of ESG initiatives. Panasonic Group continues these efforts and plans to expand our supplier training to other countries.

Management of Public Allegations

Panasonic Group sets up a hotline "Global Hotline EARS" that anyone including suppliers can use to anonymously report any violation or suspected violation of laws and regulations, agreements with our suppliers, the Panasonic Group Code of Ethics & Compliance, or other material codes in the Group's supply chain.

Also, Panasonic Group offers access the JaCER that is a contact point for suppliers and their employees to report any adverse human rights impacts in the Group's supply chain.

When Panasonic Group receives human rights-related allegations through the hotline, the Group conducts third-party audits at the relevant suppliers and monitors the implementation of corrective actions until they are completed.

[🔗 Global Hotline \(EARS\)](https://secure.ethicspoint.eu/domain/media/en/gui/104773/index.html)

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[🔗 Japan Center for Engagement and Remedy on Business and Human Rights \(JaCER\)](https://jacer-bhr.org/en/index.html)

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Stakeholder Engagement

Panasonic Group has engaged with the following organizations for feedback on its supply chain program.

- United Nations Global Compact
- Responsible Business Alliance (RBA)

- Business at OECD (BIAC)
- Japan Business Council in Europe (JBCE)
- CSR Committee, Japan Electronics and Information Technology Industries Association (JEITA)
- The Human Rights Commission of Malaysia (SUHAKAM)
- GBI (Global Business Initiative on Human Rights)

Freedom of Association and Collective Bargaining

According to Panasonic Group's Supply Chain CSR Promotion Guidelines, 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. In line with the ILO Conventions on freedom of association and collective bargaining, Panasonic Group requires all suppliers to respect these fundamental rights by complying with the Guidelines, thereby ensuring that workers are able to freely associate and bargain collectively without interference, discrimination, retaliation or harassment.

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