

For a Sound Society

Cultivating trust through ensuring compliance



Compliance

Panasonic is a public entity that engages in business while adhering to a common group management philosophy of "contributing to society through our business activities". As an integral part of this philosophy, we approach our business activities with the goal of achieving "management trusted by society", and all of our 300,000 group employees work to comply with laws and regulations and maintain a high standard of corporate ethics.

Achievements and ongoing challenges in fiscal 2008



Yukio Nakamura
Director, Corporate Legal Affairs
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Panasonic has declared October of each year to be "Compliance Awareness Month", during which group-wide compliance activities are performed. These activities, which were first implemented in Japan during fiscal 2007 and subsequently expanded worldwide in fiscal 2008, are announced annually through a poster campaign and in a message from the president that is broadcasted globally, as well as through "Compliance Comprehensive Tests" and "Compliance Awareness Surveys" conducted in each country and region. During fiscal 2008, over 84,000 employees within Japan and 8,500 employees outside of Japan participated in these tests and surveys. A Compliance Guidebook was also created for China and the Asian region to reinforce important compliance-related points that employees need to apply in their daily operations. Two other important areas that we focused on during fiscal 2008 were fair trade, with particular focus on compliance with anti-trust laws, and compliance with trade laws, with particular focus on security export control law and customs law compliance issues.

In fiscal 2009, we will continue to promote these compliance activities through a unified global framework.

Initiatives

Fair Trade

In today's business world, free and fair competition on a global scale is the order of the day, and anti-trust laws have become the legal standard worldwide.

Unfortunately, Panasonic activities have drawn the attention of antitrust regulators in the past. Last November, the Japan Fair Trade Commission initiated an investigation into alleged antitrust violations in the CRT industry, and similar governmental investigations have been initiated in the United States, the European Union and other jurisdictions. We are cooperating with these investigations.

To assure that Panasonic remain in compliance with all applicable anti-trust laws, a new Guideline for external activities, like industry associations and others, will be formulated and used to help marketing and technical divisions ensure that their practices comply with fair trade principles and legal requirements. In addition, Panasonic will enhance systematic education and awareness raising activities using ITonline training, and will conduct more intensive monitoring.

Compliance with Trade Laws

As a global manufacturer with business activities the world over, Panasonic has an important responsibility to maintain a high level of compliance with security export control and customs laws as a key component of its trade compliance efforts. With respect to security export control, during fiscal 2008, we enhanced our export and re-export control efforts by conducting field examinations in China, Central America, and the

Middle East. With respect to customs laws, in fiscal 2008, we established a Trade Compliance Center at our global headquarters and appointed customs law compliance officers within each business domain in order to promote compliance activities in this area. In Japan, Panasonic has been recognized as a "specified exporter"-a business with a good compliance record-which gives us preferential treatment in customs.

In fiscal 2009, we will promote even stricter compliance in these areas through audits, practical education and instruction activities, and by reviewing those operational processes that are focused on security export control and customs law compliance from the viewpoint of front-line management.

In North America

In North America, a legal coordinator has been appointed at each group company to act as a hub for legal and compliance promotion. The Legal Department of Panasonic Corporation of North America (PNA) holds a quarterly legal review with the top management and legal coordinator of each company to exchange information on legal issues affecting the company, give advice and support, and thus discuss compliance-related issues and find solutions to them. Compliance with the anti-trust laws and U.S. export control regulations is particularly important. An online legal and ethical education program, known as Panasonic Legal Awareness on the Net, or the acronym "PLAN", is being used to educate employees in these areas as well as other topics of concern. On-site group training for employees also reinforces these points.



Legal Affairs Managers
Panasonic Corporation of
North America

In Europe

Panasonic has subsidiaries in most European countries, and the Corporate Legal Affairs Division of Panasonic Europe Ltd. has been working to strengthen compliance, first by ensuring that each company appoints a Legal Affairs Manager. Each company also performs regular legal risk assessments and takes remedial action as necessary. Where common compliance issues are revealed, regional initiatives are taken, as with EU competition law, which has been an important focus for compliance activities for many years. Employees of group companies in Europe receive regular training about EU competition law, both in seminars and by online training.



Legal Affairs Managers
Panasonic Europe Ltd.

Global Compliance Efforts

As Panasonic's business continues to expand globally and our compliance activities cross regional borders, it is vital that we also continue to promote compliance with a global policy and objective by employing a common process throughout our business, and working in concert to implement that process. For many years now this approach has been widely discussed and consistently implemented across our global headquarters, business domain companies and regional headquarters. Compliance Awareness Month is a key part of our efforts in this area. Additionally, a Global Legal Conference was held in March 2008 with the goal of creating specific measures adapted to the unique situations at each business domain company and regional headquarters from the viewpoint of front-line management. Each participant brought their own business plan-based Legal Action Plans to the conference, and members of the legal divisions of each business domain discussed the various compliance issues faced by their particular region or business domain, as well as measures being, or to be, taken to address those issues with members of the legal divisions of the regional headquarters. This discussion was followed by further discussion of how the legal divisions of the various business domain companies and regional headquarters can work together to quickly, efficiently and comprehensively address the compliance issues that they each face. We intend to continue to expand our compliance network globally and increase its functionality to adhere to even stricter compliance standards in every corner of every worksite.





Instructional poster: Five ways to look at compliance
Translated into 9 languages,
including Japanese



Chinese Compliance Guidebook