

Policy on the Responsible Recruitment and Employment of Foreign Migrant Workers for Panasonic Group Companies in Malaysia

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Introduction

Purpose of the Policy

The purpose of the Policy on the Responsible Recruitment and Employment of Foreign Migrant Workers for Panasonic Group Companies in Malaysia (hereinafter referred to as the Policy) is to provide Panasonic Group Companies in Malaysia with standards for managing the recruitment and employment of foreign migrant workers in a responsible and sustainable way.

The Policy explains the main components of the responsible recruitment and employment of foreign migrant workers that comply with national laws in Malaysia and in the relevant countries of origin, as well as with relevant international standards and applicable laws and regulations.

Compliance with the Policy is mandatory for Panasonic Group Companies in Malaysia. If a Panasonic Group Company has already adopted a human rights policy, the stricter policy shall apply.

In April 2022, Panasonic Group adopted the Panasonic Group Code of Ethics and Compliance, and the Panasonic Group Human Rights and Labor Policy. This revised policy reflects this code and the Policy.

The [Panasonic Group Code of Ethics and Compliance](#) expressly states " As a global organization conducting business throughout the world, Panasonic respects internationally recognized human rights. Panasonic complies with relevant human rights related rules and standards established by the United Nations and the International Labor Organization and applies them to its corporate activities and business transactions. We endeavor to prevent and lessen any adverse impact on the human rights of Panasonic members, as well as any expected adverse impact that may result from our business activities, products and services and related transactions.."

The Policy must be integrated into the internal regulations of Panasonic Group Companies in Malaysia (unless the Panasonic Group Company has already adopted similar internal regulations), and into contracts with recruitment agencies.

Scope of the Policy

The Policy applies to the direct recruitment and employment of foreign migrant workers by Panasonic Group Companies in Malaysia.

The principles of the Policy apply to all types of recruitment, regardless of the workers' origins, the Recruitment Agencies or intermediaries involved, or the type of employment.

The Policy does not offer a comprehensive human rights policy or code of conduct for Panasonic Group Companies in Malaysia. The scope of the Policy covers priority risk areas pertaining to the recruitment and employment of foreign migrant workers in Malaysia.

Collaborative Approach for Panasonic in Malaysia

By implementing the Policy, Panasonic Group Companies in Malaysia have agreed to closely align their approaches and to work together as one group.

Definitions

Panasonic Group Companies in Malaysia – Consolidated companies of Panasonic Holdings Corporation in Malaysia. [Appendix] List of companies

Recruitment Agency – entity that has a contractual relationship with the employer and facilitates the recruitment and deployment of a worker to a workplace that is not in the worker's country of origin.

Glossary

Panasonic Code of Conduct - the Code of Conduct embodies our basic business philosophy in the form of clear, practical guidelines. It applies to all directors, executive officers and employees of Panasonic Corporation (PC), and to all its operating divisions and controlled subsidiaries.

Direct recruitment – describes all the steps in the selection and deployment of foreign migrant workers in which employment contracts are signed between the foreign migrant workers and Panasonic Group Companies.

Due diligence – an investigation or exercise of care undertaken before entering into an agreement or a contract with another party to avoid harm to other persons or to one's own business.

Foreign migrant worker – a person who migrates to a country not of his or her birth for the purpose of employment.

Country of origin – the country in which the worker resides at the time of recruitment.

Country of destination – the country to which the worker travels for work.

Debt bondage – the status or condition arising from a debtor's pledge of his or her personal services, or of those of a person under his or her control, as security for a debt, if the value of those services, as reasonably assessed, is not applied to the liquidation of the debt, or if the length and nature of those services are not, respectively, limited and defined.

Forced labor – all work or service that is exacted from any person under the threat of penalty and for which said person has not voluntarily offered his or her services¹ as illustrated in the ILO Indicators of Forced Labour.

Human trafficking –The recruitment, transportation, transfer, harboring, or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation²

¹ ILO Forced Labour Convention, 1930 (No. 29)

² United Nations Convention against Transnational Organized Crime, The Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children

Recruitment fees or related costs – refer to any fees or costs incurred by the worker in the recruitment process to secure employment or placement, regardless of the manner, timing, or location of their imposition or collection³.

Responsible recruitment / ethical recruitment / fair recruitment – recruitment that is, at a minimum, transparent and conducted according to law, and that does not put candidates or workers at risk of forced or bonded labor, or that in any other way violates their rights and freedoms.

Confidentiality reasons (II-4. Freedom of Movement) – as defined in the internal regulations on information security of Panasonic Group Companies in Malaysia, access to A Zone (the zone in which highly confidential management resources or information are processed and stored. It also includes zones that store objects that require strict supervision) is only granted to Panasonic Group employees, members of boards of directors, officers, managing directors, and other personnel affiliated with the business conducted in the zone. All access, both in and out, is recorded, and entry is prohibited to unauthorized persons.

Safety reasons (II-4. Freedom of Movement) – restrictions to ensure the health and safety of workers from the hazardous and harmful aspects of machinery, chemical substances, light, heat, sound, high altitudes, electricity, other energy sources, and the like, and to prevent occupational accidents as defined in the internal regulations for the safety and health management of Panasonic Group Companies in Malaysia and in Malaysian national regulations.

³ ILO General principles and operational guidelines for fair recruitment and definition of recruitment fees and related costs.

I. Due Diligence

Panasonic Group Companies in Malaysia shall perform ongoing due diligence on their Recruitment Agencies in relation to the recruitment and employment of foreign migrant workers.

- a) Panasonic Group Companies in Malaysia shall identify all service providers that are involved in the recruitment process in the countries of origin and destination.
- b) Panasonic Group Companies in Malaysia shall conduct an initial assessment and ongoing monitoring of the Recruitment Agencies.
- c) A formal signed contract between Panasonic Group Companies in Malaysia and the Recruitment Agency shall define the rights and obligations of both parties. It shall include provisions for a transparent and responsible recruitment and selection process, and list itemized recruitment fees and related costs.

II. Freely Chosen Employment

Panasonic Group Companies in Malaysia shall not engage in forced labor or human trafficking, including debt bondage.

- a) All work must be voluntary, and disciplinary measures that result in forced labor are prohibited.

II-1. Recruitment Fees and Related Costs

Panasonic Group Companies in Malaysia shall not charge nor allow Recruitment Agencies to charge foreign migrant workers any recruitment fees or costs related to their employment.

- a) Panasonic Group Companies in Malaysia shall pay all recruitment fees and related costs related to recruitment and direct employment of foreign migrant workers in line with the ILO definition of recruitment fees and related costs⁴.
- b) If any such fees and costs are found to have been paid by foreign migrant workers, such fees and costs shall be repaid to the foreign migrant workers.

II-2. Employment Contracts

All foreign migrant workers shall have access to transparent job terms and conditions, and they shall be able to give their informed consent on employment.

- a) Upon selection, all foreign migrant workers shall be provided with the standard template employment contract for foreign migrant workers of Panasonic Group Companies in Malaysia in English and translated into the workers' native languages.

⁴ [ILO general principles and operational guidelines for fair recruitment and definition of recruitment fees and related costs](#)

II-3. Voluntary Termination of Employment Contracts by Foreign Migrant Workers

An employment contract signed by a foreign migrant worker includes the worker's right to terminate the contract.

- a) In conformance with the minimum legally mandated notice period, foreign migrant workers shall have the freedom to terminate their employment without penalty or salary deductions.
- b) Panasonic Group Companies in Malaysia shall arrange and pay for the repatriation of foreign migrant workers.

II-4. Freedom of Movement

Panasonic Group Companies in Malaysia shall not restrict foreign migrant workers' freedom of movement without reasonable grounds. Panasonic Group Companies in Malaysia are prohibited from holding or otherwise destroying, concealing, confiscating, or denying access by foreign migrant workers to their identity or immigration documents, such as government-issued identification, passports, work permits, or education and training documents like diplomas and training certificates.

- a) Panasonic Group Companies in Malaysia shall not restrict foreign migrant workers from entering and exiting facilities at foreign migrant workers' workplaces, unless otherwise prohibited for confidentiality or safety reasons.
- b) Panasonic Group Companies in Malaysia shall provide workers with safe and lockable storage to keep their personal documents and belongings protected against unauthorized access.
- c) Access to storage shall be free, and stored items shall be freely and immediately accessible to foreign migrant workers at any time, without restrictions or required permission.
- d) Panasonic Group Companies in Malaysia shall not require foreign migrant workers to pay any security deposits.

III. Young Workers

Panasonic Group Companies in Malaysia shall not have foreign migrant workers under the age of 18 perform any work which may jeopardize their health and growth or expose them to danger including working night shifts or overtime.

IV. Working Hours and Rest Days

Panasonic Group Companies in Malaysia shall comply with applicable labor laws and regulations regarding working hours, rest time, overtime hours, holidays and vacations. In addition, we endeavor to adopt reasonable total work hours to protect mental and physical health and allow foreign migrant workers to lead a healthy lifestyle. No foreign migrant workers shall be forced to work.

- a) Panasonic Group Companies in Malaysia shall grant all foreign migrant workers a minimum of one rest day (24 hours) every seven calendar days.
- b) Panasonic Group Companies in Malaysia shall provide all foreign migrant workers with annual paid leave in accordance with Malaysian laws and work regulations. Foreign migrant workers' applications for leave shall not be denied without a valid business reason.
- c) No foreign migrant worker shall be forced to work overtime.

V. Wages and Benefits

Wages paid to foreign migrant workers shall comply with all applicable local wage laws, including laws relating to minimum wages, overtime allowances, and any fringe benefits required by law and/or contract (whichever is greater).

- a) Deductions from wages as a disciplinary measure shall not be permitted.
- b) All foreign migrant workers shall be provided with wage statements in a timely manner. The wage statement shall include sufficient information to verify that the work performed is accurately compensated, and it shall itemize any lawful deduction.

VI. Humane Treatment

Panasonic Group Companies in Malaysia shall provide a workplace that is free of any form of harsh, abusive, or inhumane treatment.

- a) All foreign migrant workers shall be treated with respect and dignity. No foreign migrant worker shall be subject to any physical, sexual, psychological, or verbal harassment or abuse, or to monetary fines or humiliation as a disciplinary measure.
- b) A standard policy and process describing preventive and corrective actions against harassment and abuse, and the rules for disciplinary actions, shall be duly implemented.

VII. Non-Discrimination

No foreign migrant worker shall be subject to any discrimination in any aspect of the employment relationship, including in recruitment, hiring, deployment, and repatriation.

- a) There shall be no discrimination against any foreign migrant worker based on any of the following or any similar personal characteristics, experiences or beliefs: age, gender, race, skin color, belief, religion, social status, nationality, ethnic group, marital status, sexual preference, gender identity and gender expression, pregnancy, medical history, existence or non-existence of viral infection or similar, genetic information, existence or non-existence of disability, political party membership or political preference, labor union membership or history of military service during recruitment and employment, unless and except to the extent legal restrictions apply.
- b) All foreign migrant workers shall have equal rights as local workers and shall be entitled to social security benefits in line with the relevant laws of Malaysia.

VIII. Freedom of Association, Labor-Management Dialogue

Panasonic Group Companies in Malaysia shall not hinder the activities of labor unions, as long as work regulations are not violated.

- a) All foreign migrant workers can join unions, in line with Malaysia's legal requirements.

IX. Living Conditions and Dormitories

Panasonic Group Companies in Malaysia shall provide safe, sanitary, adequate, and decent accommodations to foreign migrant workers.

- a) Panasonic Group Companies in Malaysia shall not impose curfews or in any other way limit foreign migrant workers' movements beyond the provided accommodations.
- b) A standard policy and process describing how to manage and provide standard, safe, sanitary, adequate and decent accommodation for foreign migrant workers in order to ensure their welfare, safety and well-being shall be duly implemented.

X. Access to Remedy

To ensure that complaints about human rights abuses are addressed promptly and to enable remedy, Panasonic Group Companies in Malaysia will encourage use of its whistle-blowing system, also, participate grievance mechanisms provided by government agencies, business associations, and other organizations. We shall strictly maintain confidentiality of such reporting, prohibit adverse treatment of whistleblowers or other impacted individuals, and communicate promptly with them in order to provide possible remedy.

XI. Education, Review and Improvement

Panasonic Group Companies in Malaysia will provide all foreign migrant workers and their managers, person in charge of recruitment and employment of foreign migrant workers with appropriate education and training on this policy. Panasonic Group Companies in Malaysia will ensure that this policy is integrated into all of their business activities and is effectively implemented and embedded. This policy and its implementation will be continuously reviewed and revised in line with the improvement of Panasonic Group Human Rights and Labor Policy.

APPENDIX

Panasonic Group of Companies in Malaysia

No	Abbreviation	Company Name
1	PM	Panasonic Malaysia Sdn Bhd
2	PAVCKM	Panasonic AVC Networks Kuala Lumpur Malaysia Sdn Bhd
3	PPMY	Panasonic Procurement Malaysia Sdn Bhd
4	PMAM	Panasonic Management Malaysia Sdn Bhd
5	PIDMY	Panasonic Industrial Devices Malaysia Sdn Bhd
6	PMMA	Panasonic Manufacturing Malaysia Bhd
7	PISM	Panasonic Insurance Service Malaysia Sdn Bhd
8	PIDSMY	Panasonic Industrial Devices Sales (M) Sdn. Bhd.
9	PAPAMY	Panasonic Appliances Air-Conditioning Malaysia Sdn Bhd
10	PAPARADMY	Panasonic Appliances Air-Conditioning R&D Malaysia Sdn Bhd
11	PSNM	Panasonic System Networks Malaysia Sdn Bhd
12	PAPFMY	Panasonic Appliances Foundry Malaysia Sdn. Bhd.
13	PAPRDMY	Panasonic Appliances Refrigeration Devices Malaysia Sdn Bhd
14	PAVCJM	Panasonic AVC Networks Johor Malaysia Sdn Bhd
15	PFI	Panasonic Financial Centre (Malaysia) Sdn Bhd
16	PASMY	Panasonic Automotive System Malaysia Sdn Bhd
17	PAPRADAP	Panasonic Appliances R&D Center Asia Pacific Sdn Bhd
18	PFSISMY	Panasonic Factory Solutions Integration Systems Malaysia Sdn Bhd
19	KDKM	KDK Fans (M) Sdn Bhd