

**Panasonic Carbon India Co. Limited**

**Code of Conduct**

**For Wholetime Directors & Senior  
Management Personnel**

# Code of Conduct

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## **Scope of Application and Observance**

### **Scope of Application**

This Code of Conduct applies to Wholetime Directors and Executive Officers (Senior Management Personnel) of **Panasonic Carbon India Co. Limited**, hereinafter called “**the Company (PCIN)**”.

### **Issuance, Adoption, Modification and Revision**

The Board of Directors of the Company (PCIN) issues this Code of Conduct and it is adopted by its Board.

It shall come into force with effect from the first day of January, 2006.

### **Wholetime Directors/Officers Responsible for Observance of this Code and Employee Education/Training**

The Company (PCIN) shall appoint either a Director or an Executive Officer responsible for ensuring observance of this Code of Conduct as well as promote Employee awareness of, and compliance with, Company policies through appropriate explanation of these policies, including training programs.

### **Violation of the Code of Conduct**

Violations of this Code will be taken very seriously.

The Wholetime Directors or Executive Officers (Senior Management Personnel) violating the Code will be dealt with either by appropriate Laws and Regulations, such as the Commercial Law or by Company Regulations.

## **Chapter 1 : Our Core Values**

### **Our Basic Business Philosophy as the Foundation of our Business**

Our Basic Business Philosophy helps us determine our objectives, our approach to business activities, and the general direction of our Company. This philosophy comprises the Basic Management Objective, Company Creed and Seven Principles. Together these guidelines serve as a compass, helping us set and maintain the right direction for our business. Our Basic Business Philosophy is timeless and remains valid regardless of where our business takes us.

### **Creation of Value and Contribution to Society**

Our business primarily comprises the following integrated philosophies and processes. First, we are entrusted by society with valuable resources, including human resources, materials, funds and information. Next, we use these resources to create value-added products and services. Finally, we make these products and services available throughout the world. The most essential of these processes is the creation of added value aimed at contributing to economic, social and environmental progress with a view to achieving sustainable development. In other words, creating value and contributing to society is our primary mission.

### **Close Ties with Society**

Developing close and mutually advantageous relations with Society is another key process. As we contribute to the continual progress of society, our Company is also being positively influenced by society. Our business needs both tangible and intangible support and cooperation from numerous Stakeholders, including our Customers, Shareholders, Business Partners, Employees and Local Communities. At the same time, our business activities influence those Stakeholders in a variety of social, economic and environmental aspects.

### **An Enterprise as a Public Institution**

Since our business is dependent on our Customers and other Stakeholders, we must remember that "An Enterprise is a Public Institution," that must strive to fulfill its social responsibilities. In addition to listening to Stakeholders' opinions, we must conduct our business activities transparently in order to be accountable. In short, we must continue to be Fair, Truthful, Honest and Swift in taking action to comply with our social responsibilities.

## **Only one Earth**

The Earth is our home. It provides us with a variety of blessings including natural resources and energy. With this in mind, we will take the initiative in environmental activities to preserve our invaluable natural environment for future generations.

## **Global Perspectives – Global Conduct**

As a global company, we must respect Human Rights and do our best to understand, acknowledge and respect the diverse Cultures, Religions, Mindsets, Laws and Regulations of people in the different countries and regions where we conduct business.

## **Carrying out our Basic Business Philosophy**

Today more than ever great importance is being given to corporate social responsibility and business ethics. This Code of Conduct is designed to help us implement our Basic Business Philosophy, by providing the criteria that should be observed in individual business activities in any country. This Code of Conduct, however, cannot cover all possible situations. For situations not covered in the Code of Conduct, it is important that we always refer to the Basic Business Philosophy and determine what action to take in the spirit of that Philosophy.

## Basic Management Objective

Recognising our responsibilities as industrialists, we will devote ourselves to the progress and development of society and the well-being of people through our business activities, thereby enhancing the quality of life throughout the world.

## Company Creed

Progress and development can be realized only through the combined efforts and cooperation of each employee of our Company. United in spirit, we pledge to perform our corporate duties with dedication, diligence and integrity.

## **Seven Principles**

### **Contribution to Society**

We will conduct ourselves at all times in accordance with the basic Management objective, faithfully fulfilling our responsibilities as industrialists to the communities in which we operate.

### **Fairness and Honesty**

We will be fair and honest in all our business dealings and personal conduct. No matter how talented and knowledgeable we may be, without personal integrity, we can neither earn the respect of others, nor enhance our own self-respect.

### **Cooperation and Team Spirit**

We will pool our abilities to accomplish our shared goals. No matter how talented we are as individuals, without cooperation and team spirit we will be a company in name only.

### **Untiring effort for Improvement**

We will strive constantly to improve our ability to contribute to society through our business activities. Only through this untiring effort can we fulfill our Basic Management Objective and help to realize lasting peace and prosperity.

### **Courtesy and Humility**

We will always be cordial and modest, respecting the rights and needs of others in order to strengthen healthy social relationships and improve the quality of life in our communities.

### **Adaptability**

We will continually adapt our thinking and behavior to meet the ever-changing conditions around us, taking care to act in harmony with nature to ensure progress and success in our endeavors.

### **Gratitude**

We will act out of a sense of gratitude for all the benefit we have received, confident that this attitude will be a source of unbounded joy and vitality, enabling us to overcome any obstacles we encounter.

## **Chapter 2: Implementing the Code in Business Operations**

### **I-1 Research and Development**

#### **(1) Research and Development for a Better Future**

Through Research and Development we aim to achieve a better future. At the same time, we will try to prevent our technologies from being used in any way that might jeopardize the global environment, world peace, social justice or humanitarian activities.

#### **(2) Developing Products People Want**

We are committed to developing products that will enrich the lives of our customers by continually taking into account customers' opinions and changing societal needs and by observing how people live and interact with our products.

We will strive to develop products that provide ever increasing satisfaction to our customers based on their quality, performance, design, affordability, environmental consciousness and ease of use and that are accessible to a wide range of people, regardless of age or ability.

#### **(3) Respect for Intellectual Property Rights**

We will secure and protect intellectual property rights for our R&D achievements, while at the same time promoting the responsible use of our technologies around the world.

We will respect the intellectual property rights of others. At the same time, we will strive to prevent or eliminate any infringements of our own rights.

#### **(4) Open Standards**

In unifying existing standards and establishing universal standards, we will seek to ensure maximum benefit for our Customers worldwide, while fairly disclosing all relevant information and constructively promoting our business activities.

## **2. Procurement**

### **(1) Fair Transactions on an Equal Basis**

In the procurement of both goods and services, we will seek Fair relationships with our suppliers based on mutual trust and respect.

### **(2) Selection of Suppliers**

We will offer equal opportunities to potential suppliers around the world. Selection will be based on fair and objective evaluations as to each potential supplier's ability to meet our criteria concerning the safety of goods and services, environmental impact, quality, competitive pricing, and meeting agreed delivery dates and times, as well as compliance with applicable Laws and Social Norms. Also, suppliers' support of our Basic Business Philosophy and this Code of Conduct will be evaluated positively.

### **(3) Fair Procurement Activities**

In implementing procurement, we will act ethically and abide by all applicable Laws and Regulations. We will not receive any personal benefit from suppliers.

### **3. Manufacturing**

#### **1. Contributing to Society**

We will constantly remember that our mission is to contribute to society through manufacturing and to create added value for society. At the same time, we will continually improve the environmental performance of our manufacturing operations.

#### **2. Safety and Quality of Products**

In addition to complying with applicable Laws and Regulations, we will give utmost priority to product safety and continue working to maintain and further improve product quality.

#### **3. Customer Satisfaction**

Through our continual efforts to globally improve productivity and reduce cost, we will pursue the manufacture of products with the highest level of quality at reasonable price. We will develop flexible manufacturing and delivery systems in response to our Customers' need for reliable and timely supply.

#### **4. Marketing & Sales**

##### **(1) Creating New Markets**

We will make every effort to understand what Customers want and need so that we can actively propose the development of and promote leading-edge products and services that will usher Customers into a new age.

##### **(2) Exceeding Customers' Expectations**

Whenever we meet customers, we will remember that each of us represents the Company. We will respond to customers modestly, sincerely and graciously, expressing our gratitude to them, while endeavoring to be accurate and speedy in our responses.

In particular, we will do our best to meet and exceed our customer's expectation by supplying the products and services they want and need in a timely manner and by appropriately addressing their complaints. To this end, we will properly protect all customer information.

##### **(3) Marketing Compliance**

No matter how severe the competition may be, we will pursue fair and ethical marketing activities in compliance with all applicable laws and regulations. In other words, we will never violate any laws, regulations or social norms in pursuit of greater sales or profit.

We will not engage in bribery, collusion on bids, price fixing or other cartel activities.

We will take appropriate measures for export control to ensure that our products and technologies will not be misappropriated as tools that could threaten peace and security.

## **5. Public Relations and Advertising**

### **(1) Communications**

Through our corporate communications, comprising our public relations and advertising activities, we will provide fair and accurate information on our basic business policies, as well as on our products, services and technologies, with the aim of better informing our Customers and other Stakeholders, thereby enhancing the value of our products. At the same time, we will continually listen to and observe the public, to learn from them and reflect their opinions in our business, marketing and merchandising activities.

### **(2) Fair Content and Expression**

We will not make representations that are deceptive, misleading, fraudulent or unfair. Our advertisements shall not be defamatory or of a political or religious nature.

### **(3) Creativity and Innovation**

We will aim to develop and demonstrate both our creativity and innovation in our corporate communication activities and impress on consumers that they can trust our products.

## **II-1. Coexistence with the Global Environment**

### **(1) Realising a Sustainable Society**

We are committed to protecting the environment and conducting business in ways that contribute to sustainable economic development compatible with environmental preservation and continue to enhance our customers' quality of life.

We will take initiatives to reduce potentially adverse environmental impacts of our business, such as initiatives to reduce global warming, proper management of chemical substances, reduction of waste, and the effective use of limited resources in all our business activities.

We will disclose information concerning our environmental initiatives.

### **(2) Development of environmentally responsible products and services**

We will devote research and development, merchandise planning and product design efforts to develop environmentally responsible products and services with recyclable design and careful choices of materials.

### **(3) Reduce CO<sub>2</sub> emissions across all manufacturing processes**

Focusing on reduction of CO<sub>2</sub> emissions, we will reduce potentially adverse environmental impacts by improving processes across our manufacturing base, such as R&D, procurement, manufacturing, sales, logistics, recycling, administration and others.

### **(4) Increasing Environmental Awareness**

Regardless of our function, section or position, we will try to increase our environmental awareness through educational activities, and consider the impact of our work on the environment. The Company will also support employees' efforts to preserve the environment in their private lives.

## **2. Product Safety**

### **(1) Priority on Safety**

We will give the utmost priority to product safety in all design, development, manufacturing and marketing and sales activities. We will also strive to ensure safety in all our related activities, ranging from product installation to after sales maintenance and repair.

### **(2) Provision of Information**

To ensure that our products are used properly, thus preventing possible accidents, we will appropriately provide our customers with easy to understand instructions and explanations about proper operation and safe use.

### **(3) Post accident measures**

If we receive information regarding the safety of our products, we will investigate promptly to identify the cause(s). If we conclude that there may be a safety problem, we will cooperate fully and transparently with public authorities, taking prompt action where necessary to remove serious threats to public health and safety and to prevent any recurrence.

### **3. Compliance with Laws, Regulations and Business Ethics**

#### **(1) Compliance with Laws, Regulations and Business Ethics**

We will conduct business with integrity, a law-abiding spirit, and the highest ethical standards.

We will fulfill our tasks by always observing not only applicable laws and regulations, but also the highest standards of business ethics. Compliance with laws, regulations and business ethics in all our business activities is essential to the survival of our business.

#### **(2) Fair and Sincere Action**

We will respect free and fair competition, and abide by all applicable antitrust (competition law) and other laws and regulations. All of our transactions shall be properly and fairly recorded.

We will not engage in bribery of any kind. We will be sensitive to, and shall abide by laws and regulations and social ethics that govern the offer of benefits of any kind, including gifts, meals and entertainment. In the same manner, we will not receive personal benefits from any of our stakeholders.

Moreover, we remain steadfast in our attitude to oppose any illegal group or organization.

#### **(3) Thorough Observation of Relevant Laws and Regulations**

To ensure that all employees observe applicable laws and regulations and respect their spirit, we will establish appropriate in-house codes and promote employee understanding through seminars and training.

#### **(4) Prompt Redress and Strict Treatment for Violations of Laws and Regulations**

If we suspect that our activities violate applicable laws, regulations or business ethics, we will report such information to a superior, or to the legal affairs section or other relevant section, or via an in-house notification hotline. Whistleblowers shall be protected from dismissal, demotion, or any other retaliatory treatment because of their well-intentioned reporting of possible violations of any law or regulation. We will ensure thorough and confidential treatment of information reported.

Once we have established that a law or regulation has been violated, we will immediately seek to remedy the violation, take appropriate action and prevent it from recurring.

#### **4. Use and Control of Information**

##### **(1) Effective Use of Information**

We will use our IT resources effectively and efficiently to collect, store, control, use, protect and dispose of management, technological, personal and other useful information so that it can be properly and effectively used without jeopardizing confidentiality.

##### **(2) Information Security**

We will endeavor to prevent any piracy or falsification, and prevent leakage of our information.

##### **(3) Information Received from a Third Party**

When we receive confidential information from a third party we will respect its confidentiality and afford it appropriate protection.

##### **(4) Handling of Personal Information**

Recognizing the importance of protecting personal information, we will gather, store, control, use, process and dispose of personal information appropriately in compliance with relevant laws and regulations. We will also seek to prevent the loss, falsification, or leakage of such information.

## **5. Information Disclosure**

### **(1) Basic Approach to Information Disclosure**

We will provide our various stakeholders, including customers and shareholders, with fair and accurate information on corporate financial affairs, our Basic Business Philosophy, business policies and activities, as well as corporate social responsibility activities, in a timely, understandable and appropriate manner. At the same time, we will listen to our customers' requests and comments and reflect them in our business policies and activities. We will seek to be an enterprise with high transparency.

### **(2) Compliance with Applicable Laws and Regulations**

Our securities have been listed on securities markets in India. Accordingly, we will abide by all applicable securities and information disclosure-related Laws and Regulations. We will never engage in insider trading or other transactions using inside information.

### **(3) Disclosure Methods**

In addition to information whose disclosure is required by securities-related laws regulations of India, we will disclose other information following proper internal control procedures, so as to ensure that the information we disclose is fair, accurate, sufficient and timely.

## **1. Social Contribution Activities**

### **(1) Corporate Citizenship Activities**

Recognizing that our Company is a member of society, in order to create a better society we will carry out corporate citizenship activities, such as personal development and education, art and cultural promotion, social welfare, coexistence with the environment and support for and partnerships with non-profit organizations and non-governmental organizations. Through these activities, we aim to help create a healthier more prosperous society.

### **(2) Coexistence with Local Communities**

Recognising that our Company is a member of the local community, we will endeavor to work and prosper in tandem with the local community.

We will actively cooperate with the local community and participate in its activities. In particular, we will carry out corporate citizenship activities benefiting the community to promote such areas as art, culture and sports, as well as the environment. Also, we will work to meet the needs of the local community by making company facilities available and holding events open to the public when possible.

When a large-scale disaster such as a natural calamity takes place, we will cooperate with the parties concerned and swiftly take necessary supportive action.

### **(3) Donations, Sponsorships and Support for Public Service Organisations**

To help alleviate social problems and contribute to society, the Company will make appropriate donations and sponsor activities. The Company will also provide support for public service organizations, including the foundations and funds that it has established.

### **III. Brand**

#### **(1) Our Approach to our Brand**

We will integrate all of our business achievements into our brand and create valuable ideas constantly as characterized in the brand slogan, "Panasonic ideas for life", which is derived from our Basic management Philosophy.

#### **(2) Panasonic Brand Identity**

The brand concept "Panasonic ideas for life" means that we generate ideas for life today and tomorrow, and are committed to enriching people's lives around the world through innovative thinking. In doing so, we will strive to be "Visionary", "Refined" and "Trusted" with "eco ideas for the earth".

**Visionary** We embrace emerging trends and stay ahead of the times, continuously exceeding our customers' expectations.

**Refined** We continuously gain insight from a broad perspective and translate this vision into products and solutions that enhance the lifestyles our customers aspire to.

**Trusted** We consistently deliver the highest level of brand experience, making Panasonic the name customers rely upon and believe in.

**Eco ideas for the earth** We make protection of the global environment the premise for all our business activities, thereby helping to bring about a truly prosperous future.

#### **(3) Optimal Products and Services that Enhance Our Brand Value**

We will use our brand only for products and services that truly benefit our customers. At the same time, we will continue to manufacture products and provide services of high quality and performance, to strengthen our brand value. Furthermore, through untiring efforts to improve our management quality we will strive to enhance the value of our brand.

## **Chapter 3: Employee Relations**

The Company will respect human dignity and strive to provide an environment that encourages Employees to realize their full potential. The Company will respect each employee's personality and motivation and, in appropriate circumstances, try to offer matching opportunities in other regions. By building such mutually benefiting relations between the Company and its Employees, we will carry out the Basic Business Philosophy.

### **(1) Human Resource Development**

- (1) Remaining faithful to the principle, "The basis of management is people," we are committed to developing human resources with outstanding specialties, creativity and a challenging spirit, as well as to developing our own abilities through personnel systems, employee education and training.
- (2) We will respect each individual's personality and individuality, while at the same time working to maintain and improve a system that develops the diverse qualities of Employees.
- (3) We will strive to act as a respectable member of society, as well as a good member of the Company, utilizing common sense and respect for others.
- (4) Managers will fulfill their tasks based on the recognition that personnel development is their most important responsibility.

### **(2) Respect for Human Rights**

- (1) The Company will respect basic human rights and will work to ensure equal employment opportunities. No discrimination toward employees or others will be tolerated in speech or conduct, based on sex, age, nationality, race, ethnicity, creed, religion, social status, physical or mental disability or any other legally protected status.
- (2) The Company will not employ people against their will, and will not use child labour. The Company will comply with the employments Laws and Regulations of the countries and regions in which it conducts business.
- (3) Based on the full recognition that individuals are different and have different values, we will respect the privacy of each employee. We will strive to create a safe and pleasant workplace by avoiding speech or conduct that violates human rights, such as defamation, insults, sexual harassment or violent acts.
- (4) The Company will give due consideration to the health of its employees and will maintain a comfortable workplace that meets all applicable safety standards.
- (5) Taking into account the laws and labor practices of each country, the Company will try to foster a good relationship with its employees and to resolve issues of, among others, workplace and working conditions by constantly having a sincere and constructive dialogue.

### **(3) Corporate Asset Protection**

Tangible and intangible corporate assets, including our online network and other information systems, are provided for business purposes. We will not abuse them. When employees leave the Company, they will return to the Company all Corporate property in their possession, including all business-related confidential information, and related materials. Employees will not disclose to third parties any confidential information learned while performing their services including trade secrets, without permission of the Company.

### **(4) Conflicts of Interest**

We will not engage in any action in which our personal interest conflicts or may conflict with that of the Company. Should such a conflict arise, we will report the matter to a superior or other appropriate person.

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