

## Slavery and Human Trafficking Statement 2019

### Preamble

Modern Slavery can occur in various forms including servitude, forced or compulsory labour and human trafficking, all of which include the deprivation of a person's (adult or child) liberty by another, collectively called "Modern Slavery". The following sets out the procedures Panasonic has put in place with the aim of preventing opportunities for Modern Slavery to occur within our business or supply chain.

In Panasonic we believe that Corporate Business should play a significant role in preventing Modern Slavery by ensuring implementation of human rights for all workers in its whole supply chain.

Panasonic Industry Europe Group is committed to make efforts to confront Modern Slavery at its sites and along its entire supply chain, in accordance with Section 54 of the Modern Slavery Act 2015.

*In the following statement, 'we', 'us' or 'our' refers to the Panasonic Group.  
Scope of Reporting - Fiscal 2019 (April 1, 2018 to March 31, 2019)*



<https://pixabay.com/de/illustrations/wasser-wellen-afrika-europa-asien-2091856/>

Panasonic Industry Europe GmbH published its first Slavery and Human Trafficking Statement in 2016. This fourth statement demonstrates its concern and continuous intentions to encourage the implementation of Sustainable Development Goals (SDGs). As an international company we understand our responsibility in supporting goal 8 'Decent work and economic growth' and especially target 8.7

*Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.*

## Our Business

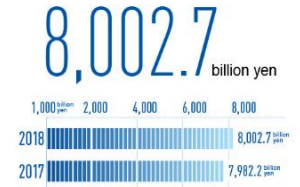
Panasonic Industry Europe Group – Panasonic Industry Europe GmbH together with its subsidiary Panasonic Electric Works Europe AG is part of the global Panasonic Group, which is head-quartered in Japan and one of the largest electronic manufacturers globally. Panasonic Industry Europe Group is driving industrial innovation, synergies and automation with its extensive range of business partners. The portfolio includes electronic and electro-mechanical devices, rechargeable batteries, displays, semiconductors and factory automation solutions for a broad range of industries such as automotive and mobility, building and infrastructure, home and personal, production and logistics, medical and healthcare.

We are committed to creating ‘A Better Life, A Better World’. As the key element of this philosophy, we see our company as a “public entity of society.” We will therefore continue to incorporate a strong sustainability approach in our management globally and contribute to the future of society and the world by enabling the lifestyles of tomorrow.

Number of Consolidated Companies



Net Sales



Global Panasonic

Number of Employees



Our business is very diverse and covers different areas among consumer electronics, housing, automotive systems and business solutions. Our operations in these areas are driven by our five key business units:

Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Development, Manufacture and sales of consumer electronics (such as TVs, refrigerators) cooling and heating appliances for commercial use, devices, energy businesses, etc.	Housing, office, energy systems, smart cities and mobility business areas, with products such as cycle technology and lighting.	Provides connected values to business customers within the six segments: Distribution, Logistics, Entertainment, Public, Avionics and Manufacturing.	Vehicle infotainment, in-vehicle electronics, automotive mirrors and motorized systems such as automotive batteries.	Extensive range of B2B solutions including electronic components, electronic materials, batteries, factory automation and industrial devices.

## Our Supply Chain

As a global company we operate a highly complex supply chain, with approximately 10,000 business partners worldwide. We promote activities with our business partners to meet our CSR responsibilities across our entire supply chain. For our main business – the manufacture and provision of electronic products – our supply chains include sourcing of raw materials and minerals.

Under our top level Procurement Policy we operate our [Supply Chain CSR Promotion Guidelines](#) which outlines our basic stance on CSR procurement issues. Suppliers are expected to follow these guidelines which we communicate directly to them and which are also available at our website. Furthermore, we commit ourselves to the [Panasonic Clean Procurement Policy](#), which highlights our principles for fair and ethics-based procurement.

Regarding the risk of sourcing conflict minerals, we strive to adhere to the Organisation for Economic Co-operation and Development’s (OECD) Due Diligence Guidance for responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas.

## Our Policies



Our stance against Modern Slavery works alongside our policies to ensure a responsible supply chain. Panasonic has various procedures in place that help us to identify and mitigate risks and to verify the absence of Modern Slavery in our supply chain.

One of our most important policy is the [Panasonic Code of Conduct](#). It includes requirements to create a working environment defined by human rights and respect for all Panasonic employees. Moreover, it states that Panasonic will not employ people against their will.

### Chapter 3: Employee Relations

#### 2 Respect for Human Rights

2.2 The Company will not employ people against their will, and will not use child labour.

The Company will comply with the employment laws and regulations of the countries and regions in which it conducts business.

➤ Panasonic Code of Conduct, Chapter 3: Employee Relations

<https://www.panasonic.com/global/corporate/management/code-of-conduct/chapter-3.html>

As a complement to our Code of Conduct is the Panasonic [statement concerning fundamental human rights and labour practices](#), which covers issues such as working hours, wages, humane treatment, prohibition of discrimination, protection of privacy, concern for the human rights of foreign workers, trainees, and younger labourers, the freedom of association and more. This way we ensure that our business activities contribute to a respectful environment where all employees are treated rightfully.

## Risk Assessment



The risk that Modern Slavery will occur is thought to be especially high in specific regions of the world.

We are also aware there are greater human rights and labour related risks in areas where migrant foreign workers are widely employed. Panasonic is actively implementing a program of enhanced checks in these regions to ensure compliance with local legislation.

In the context of modern slavery, we recognise that the following human rights and labour violations are likely to occur:



## Due Diligence



In our business and supply chain we strive for a continuous process of tracking and assessing the ongoing performance of our suppliers regarding human rights and labour issues. In a dynamic and volatile environment, it is important to reassess potential risks and respond to changes.

## Training



We conduct training for all new, permanent staff on our [Basic Business Philosophy](#) and [Code of Conduct](#). This includes training on compliance with laws and a respect for basic human rights with emphasis on not employing persons against their will and on compliance with local employment laws.

## Whistle-blowing



We want to ensure our workers can raise any issues safely and feel confident that those issues will be resolved. Thus, we have a protected global whistle-blowing hotline for employees. Employees are regularly reminded of the whistle-blowing hotline and are encouraged to use it if they suspect any potentially illegal behaviour or practice.

## Suppliers



Panasonic promotes fair and equal procurement activities based on its [Clean Procurement Declaration](#).

When selecting new suppliers, Panasonic makes it a condition of doing business that the suppliers practice CSR, and conduct a CSR self-assessment before we enter into a standard purchase agreement. We conduct checks that encompass aspects such as human rights, labour, health and safety, protecting the global environment and information security.

We ask each of our suppliers to agree to our [Supply Chain CSR Promotion Guidelines](#), which include a summary of our management philosophy and CSR procurement policies.

### Panasonic Supply Chain CSR Promotion Guidelines (Excerpts)

#### 1-1 Prohibition of Forced Labour

Suppliers shall employ all workers of their own free will with no worker being subject to forced labour.

#### Specific action items

- Suppliers shall not engage in forced, bonded (including debt bondage) or indentured labour, involuntary or exploitative prison labour, slavery or trafficking in persons.
- Suppliers shall not impose unreasonable restrictions on entering or exiting dormitories and workplaces.
- Suppliers shall give written notice to a worker concerning working conditions in the national language of the worker before entering into a definitive agreement (in the case of a foreign worker, before leaving his/her home country).
- Suppliers shall permit workers to freely terminate their employment.
- Suppliers, manpower supply companies, and staffing agencies shall not retain any government-issued identification card, passport, working permit (except the case where the retention of a working permit is required by law), immigration application, and any other similar document.
- Suppliers, manpower supply companies, and staffing agencies shall not collect any recruitment fee from workers.
- Suppliers shall inform workers of all items deducted from their salaries.
- Suppliers shall request and confirm that manpower supply companies and staffing agencies comply with above items.

#### For Suppliers

<https://www.panasonic.com/global/corporate/management/procurement/for-suppliers.html>

## CSR Self-Assessments for Suppliers

The supplier CSR self-assessment requires responses to questions that address all issues related to modern slavery. This includes confirmation of workers age to prevent child labour, prohibitions against collection of fees or retention of workers identification documents by recruitment agencies, and the requirement to provide employment contracts (including terms of employment) in workers' native languages. In the financial year ending of March 2019, we called for CSR self-assessment with approximately 3,000 suppliers. When any of a supplier's answers cause concern, we engage with that supplier and potentially conduct site visits for investigation. We discuss the risks that have been identified with the supplier, and when necessary, we also provide support for corrective action plans.

## Recruitment

When recruiting employees, Panasonic adopts a perspective of protecting fundamental human rights and engages in recruitment activities that comply with the laws and regulations of the respective countries. Panasonic prohibit forced labour, including child labour. In order to prevent child labour, we have implemented preventive measures such as age verification into the "Self-Assessment Checklist", which our operations are asked to use when individuals join the company. The risk that child labour will occur is thought to be especially high in China and elsewhere in Asia, and Panasonic is thoroughly implementing age checks in these regions. The company does not allow employees under the age of 18 to engage in heavy labour and offers them consideration and support so that they may have opportunities to receive education.

## Employing Foreign Workers

As there tend to be greater human rights and labour-related risks for migrant and foreign workers, Panasonic has implemented mitigation actions, which ensure that Panasonic-affiliated entities are not allowing recruitment agencies to collect any fees, nor retaining workers' passports or identification documents. It is further ensured that all workers are provided with employment contracts, including terms of employment, in those workers' native languages. As we recognise the complexity of foreign workers recruitment, Panasonic has been enhancing its procedures to recruit employees and only accept temporary workers based on the laws and regulations of the respective country, so that no employees are made to work against their will or are unduly subjected to disadvantageous working conditions.

## Responsible minerals procurement

About conflict minerals that fund organizations that behave without proper regard for human rights, engage in environmental destruction, practice corruption, and otherwise act unethically in conflict zones; we strive to adhere to the Organization for Economic Cooperation and Development's (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The investigation of conflict minerals, in which Panasonic has long been involved, requires the cooperation of all suppliers, and all the smelters they work with. To reduce the burden on suppliers, and to enhance the efficiency of such investigations, we have found it effective to use common investigating tools and explanatory materials. Based on this position, Panasonic uses, as an investigative tool, the Conflict Minerals Reporting Template (CMRT) issued by the Responsible Minerals Initiative (RMI).

## Collaboration and stakeholder engagement

Panasonic engages with its wide range of stakeholders around the world – including customers, investors, suppliers, governments, industry bodies, NPOs, NGOs, local communities and employees – on various aspects of its business. Panasonic incorporates the opinions it receives into its business activities and product creation.

## **Continuous Improvement Activities for the Future**

Complex global supply chains make it difficult to be able to reach out to all workers linked to the supply chain. As it is hard in some countries to find jobs, workers look for work in neighbouring countries. Foreign migrant workers are easily exploited by sub-contractors who hire them. Panasonic was involved in human rights and labour violation cases which were uncovered by some media in the recent years. In 2017 the New York Times investigated a recruitment agency, who employed labour for Panasonic, in violation of migrant workers' rights during the hiring process in the Czech Republic. We immediately investigated the issues and found some of the contents of the articles were untrue, however, we recognised that there may be potential risks in locations where many foreign migrant workers are being employed.

As countermeasures, Panasonic European Headquarters are developing a 3-year European Procurement Project that will be started by the end of calendar year 2019. With this project we are aiming to further identify and analyse risks, to update policies, procedures and guidelines and to implement these changes accordingly as well as to monitor the process of corrective measures and mitigate risks.

This statement has been approved by:



Johannes Spatz  
Managing Director / Panasonic Industry Europe GmbH  
President / Panasonic Electric Works Europe AG