Panasonic Recognizes and Values Contribution of Migrant Workforce

The recent labor issues at Panasonic's supplier, Kawaguchi Manufacturing in Pelabuhan Klang, are regrettable and should not have occurred. The 251 affected Bangladeshi migrant workers experienced unpaid salaries and withheld passports, among other human rights violations, including the wrongful collection of recruitment fees. These have given the workers and their family much grief, not to mention causing them anxiety and fear.

The Panasonic Group, as stated in the Panasonic Group Human Rights and Labour Policy, faithfully strives to prevent human rights abuses in its business activities and to take appropriate measures to remedy any adverse human rights impacts occasioned in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and with reference to the OECD Guidelines for Multinational Enterprises.

Since violations of workers' rights at Kawaguchi Manufacturing were alleged in September 2024, the Panasonic Group conducted several on-site audits. Through our engagement with the company including these audits, we urged Kawaguchi Manufacturing to correct these issues. We also provided advice on corrective and remedial actions.

To further contribute to the remediation of workers' rights violations, the Panasonic Group has decided to proportionally reimburse the recruitment fees these workers indicated to have paid. The payment process commenced in January 2025.

The Panasonic Group acknowledges the significant contribution of foreign migrant workers. In Malaysia, Panasonic employs migrant workers from countries such as Bangladesh, Myanmar, Nepal, and Indonesia at its manufacturing facilities. The workers are essential in helping the Group achieve its various business objectives, and Panasonic has greatly benefited from the dedication and hard work of its migrant workforce. Migrants, like everyone else, deserve to be and should be treated with fairness, justice, dignity, and respect.

Going forward, to further help the Kawaguchi workers, Panasonic will continue to participate in constructive dialogue and cooperation with relevant stakeholders to ensure that remedial measures are implemented effectively. We will also further promote human rights due diligence in our supply chain in accordance with UNGPs.

We also seek our suppliers and business partners to understand and implement our human rights and labour compliance policies; in cooperation with our partners, we strive to monitor supply chain risks and take appropriate measures to prevent, mitigate, and correct the occurrence of such risks.

Updated on 21 September 2025

The Panasonic Group has been actively and closely monitoring the repayment of the recruitment fees to former workers of Kawaguchi Manufacturing. We had earlier decided to contribute proportionally to this effort.

The payment process was carried out in collaboration with the Responsible Business Alliance (RBA) and local stakeholders. Thanks to their much appreciated support in facilitating the remediation process, all identified impacted workers were reimbursed and received their payment by May 2025.

Although we were not directly involved in the remediation between Kawaguchi Manufacturing and the impacted workers regarding the repayment of outstanding salaries, which was facilitated by the Malaysian Labor Department for Peninsular Malaysia (JTKSM), we closely monitor the implementation of the resolution measures while respecting the local legal processes to facilitate the remediation.

International frameworks in responsible business conduct – such as the UN Guiding Principles on Business and Human Rights (UNGPs) and relevant OECD guidances – refer to the cause, contribute and directly linked framework emphasizing a shared responsibility concept to determine concrete remediation actions. Following this framework, enterprises causing adverse impacts to workers' rights must provide appropriate remedies and responsibility should not be shifted from an entity causing the adverse impacts to an enterprise with which it has a business relationship.

Through ongoing dialogue with stakeholders, we learnt that beyond the wrongful collection of recruitment fees (for which remediation was already provided by certain sourcing companies), the workers suffered additional harm. Despite being the primary duty bearer to provide remedies to the impacted workers, Kawaguchi failed to take prompt and appropriate action to resolve the matter which further prolonged their unnecessary suffering. Given the exceptional nature of this case, in which the serious and unacceptable situation of the workers continued because of the inaction of Kawaguchi, we decided to offer additional relief to the Kawaguchi workers as an exceptional response.

We hope our contribution serves to bring an end to the hardship of the workers and helps restore their dignity and well-being.

Panasonic Management Malaysia

For more information, please refer to the following Panasonic Group's statements published on the Business & Rights Research Center website:

Panasonic's Statement Issued on 20 February 2025
Panasonic's Statement Issued on 15 January 2025
Panasonic's Statement Issued on 5 December 2024
Panasonic's Statement Issued on 17 September 2024

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