Slavery and Human Trafficking Statement 2021

Modern slavery may occur in various forms—including servitude, forced or compulsory labour, and human trafficking—all of which include the deprivation of an individual's (an adult's or a child's) liberty by another (collectively, "modern slavery").

Panasonic is committed to a work environment free from modern slavery, in accordance with the laws and regulations of the respective countries in which we operate. We are committed to acting ethically and with integrity in all our business dealings and relationships. We do not knowingly use modern slavery in any of the products we use or services we supply.

We are striving to improve our internal regulations, guidelines, and partnership agreements to bolster management and ensure modern slavery is not taking place anywhere in our own business or in our supply chains.

Panasonic UK 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 2021 (1st April, 2020 to 31st March, 2021)

Panasonic UK published its first Slavery and Human Trafficking Statement in 2016. This sixth 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, which states:

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.

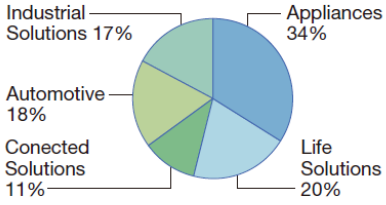
Our Business. Panasonic UK is part of the global Panasonic Group, which is head-quartered in Japan and one of the largest electronic manufacturers with 523 consolidated companies located globally.

Panasonic Corporation Data (Fiscal Year ended March 2021)

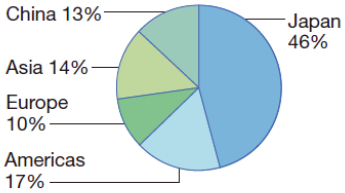
FY2021 Financial Result

Net sales 6,698.8 billion yen **Operating profit** 258.6 billion yen **Profit before income taxes** 260.8 billion yen
Net profit attributable to Panasonic Corporation stockholders 165.1 billion yen **Number of Employees** 243,540

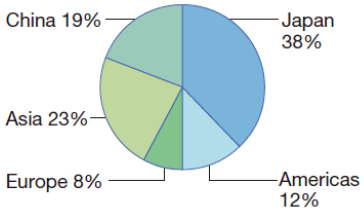
Sales by Segment (FY2021)



Sales by Region (FY2021)



Employees by Region (End of FY2021)



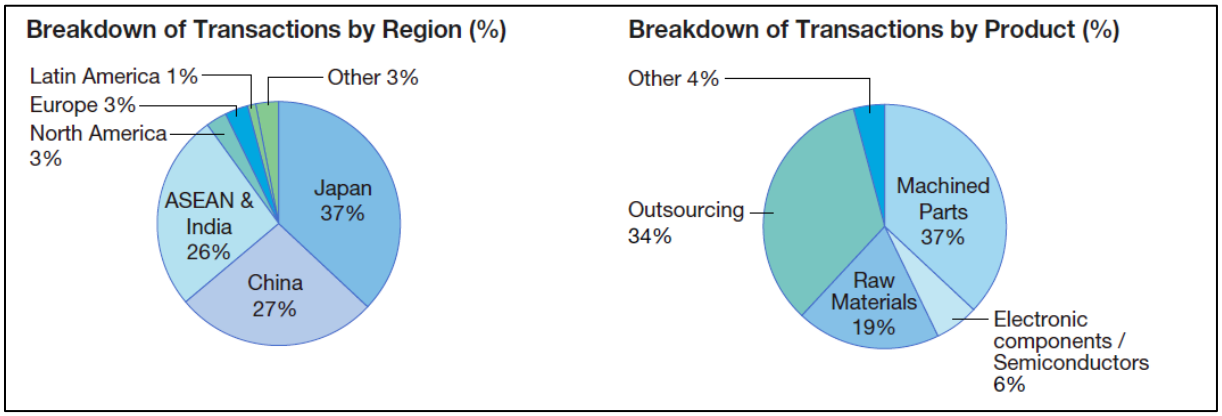
As the key element of our business philosophy, we have the basic concept of the "company as a public entity of society." This is also the very essence of the Panasonic Group's sustainability. As we stand at historical turning points in many areas today, Panasonic Group will continue to promote sustainability management globally and to contribute to the future of society.

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 four key business units:

Appliances	Home Appliances, Heating and Cooling Solutions, Smart Life Network, Commercial Refrigeration & Food Equipment, etc.
Life Solutions	Housing Systems, Energy Systems, Lighting, Panasonic Ecology Systems, etc.
Connected Solutions	Aircraft In-flight Entertainment Systems, Projectors, Professional AV Systems, PCs and Tablets, Solutions for Various Industries, Installation/ Operation /Maintenance Services.
Automotive	Vehicle Infotainment, In-vehicle Electronics, Advanced Driver Assistance Systems (ADAS), Automotive Mirrors and Motorized Systems Such as Automotive Batteries.
Industrial Solutions	Relays, Switches, Power Supply, Motors, Sensors, Small lithium-ion Batteries, Energy Storage Modules, Capacitors, Coils, Resistors, Dry Batteries, Micro Batteries, Electronic Circuit Board Materials, LCD Panels.

Panasonic UK was established in 1972 as the exclusive distributor for Panasonic products in the UK. Since then the company has grown substantially and is now a leading supplier of consumer and business electronics products.

Our Supply Chain. As a global company, we operate a highly complex supply chain, with suppliers located around the globe. Panasonic does business with approximately 10,000 suppliers worldwide.



Over 60% of these business partners are located in Japan and China. Industry-wise, 37% of them supply machined parts. Panasonic promotes activities with its global business partners across its entire supply chain in order to achieve its CSR-related goals.

For our main business – the manufacture and provision of electronic products – our supply chains include the sourcing of raw materials and minerals.

https://www.panasonic.com/global/corporate/sustainability/pdf/sdb2021e-supply_chain.pdf

Due Diligence Process for the Prevention of Modern Slavery and Human Trafficking.

As part of our initiative to identify and mitigate risks, we have taken a number of actions to verify the absence of Modern Slavery in our supply chain, including the following:

Panasonic Code of Conduct

Our Code of Conduct includes requirements on ensuring respect for human rights and that Panasonic will not employ people against their will.

Chapter 3: Employee Relations
(Omitted) (2) Respect for Human Rights 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

Complementing our Code of Conduct is the statement on our efforts concerning fundamental human rights, 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.

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 in which we operate.

Training

We conduct training for all new, permanent staff on our Basic Business Philosophy and Code of Conduct. This training covers compliance with local laws and respect for fundamental human rights, emphasising not employing persons against their will or in violation of local employment laws.

Furthermore, job-specific training for CSR, procurement, and other relevant occupations enlightens employees on human rights risks and responses.

Confidential Whistle-blowing

We protect whistle-blowers by providing an anonymous whistle-blowing hotline for our employees and business partners. Employees are regularly reminded of the whistle-blowing hotline. They are encouraged to use it if they suspect any potentially illegal behaviour or practice, including modern slavery.

Suppliers

We ask our suppliers to meet our CSR requirements, including the respect of human rights and the health and safety of workers, so that forced labour does not occur in their operations. We also state this requirement in our standard purchase agreements.

Standard Purchase Agreements (Excerpts)

(Demand on Suppliers to Respect Human Rights)

The Supplier must strive to provide equal employment opportunities and not engage in forced labour, child labour, excessive work hours, illegal employment of foreign workers, or other unlawful/inappropriate labour practices. With regard to employment conditions, including wages and work hours, the Supplier shall comply with the laws and regulations of countries and regions in which business activities are undertaken.

They should also understand our position on CSR-related topics, including safeguarding human rights and the health and safety of workers, and the Panasonic Group issued Supply Chain CSR Promotion Guidelines. We expect our suppliers to adhere to these guidelines and therefore we are working on distributing them to all our suppliers and ensuring that they have been notified of our expectations. Panasonic has summarised its core thinking on procurement in a 3-item set of Panasonic Procurement Policy. The fundamental basis of this policy is the concept that, based on relationships of mutual trust, and through diligent study and cooperation, our suppliers are invaluable partners in creating the value our customers demand.

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 of persons.
- Suppliers shall not impose unreasonable restrictions on workers' freedom on entering or exiting workplace or dormitories.
- Suppliers shall provide written notice to a worker about his/her working conditions in the national language before signing the formal contract (in the case of a foreign worker, prior to departing from his/her original country).
- Suppliers are prohibited to make any unfair changes of the contract in the working country, when the contract had been concluded in the original country.
- Suppliers shall permit workers to terminate their employment freely.
- Suppliers, manpower supply companies, and staffing agents shall not retain any government-issued identification card, passport, working permit (unless such holdings are required by law), immigration application, and any other similar documents.
- Suppliers, manpower supply companies, and staffing agents shall not collect any recruitment fees from workers.
- Suppliers shall inform workers of all items deducted from their salaries.
- Suppliers shall request and confirm that manpower supply companies and staffing agents comply with all of the above items.

CSR Self-Assessments for Suppliers

We request our suppliers to conduct CSR self-assessments. These CSR self-assessments include items that prohibit suppliers from using child labour, forced labour, and the like. Panasonic requires our suppliers to follow their country's laws regarding hiring workers and that no one is made to work against their will.

We place priority on self-assessments in regions with higher CRS risk. In fiscal 2017, some 5,000 suppliers mainly in China, India, and Southeast Asia conducted these assessments. In fiscal 2018, approx. 2,000 of our suppliers in Japan conducted these assessments. In fiscal 2019, roughly 3,000 assessments were conducted, including new suppliers. In fiscal 2020 more new suppliers conducted self-assessments, and over these five years, nearly all Panasonic

suppliers have now provided self-assessments. We had approx. 1,500 of our key suppliers conduct these assessments in fiscal 2021, including both existing and new suppliers.

When issues are found in the course of CSR self-assessments, we get to work towards making improvements using a variety of different methods. When necessary, we go to visit our suppliers' actual facilities for confirmation, hearings, and the like. By fiscal 2020, Panasonic had also visited 100 suppliers for site audits in China and Malaysia, areas where risks were considered high in terms of human rights, labour, and the environment. Panasonic considers terminating contract in cases where critical items in these guidelines such as issues with legal violations or prohibitions against child labour and forced labour cannot be remedied, or when issues with any of the other items in the Procurement Guidelines have not shown improvement even with ongoing efforts to correct them.

In fiscal 2021, we have also deployed a new platform for recording the results of CSR self-assessments for ongoing monitoring, enabling us to share the outcomes of these assessments across the entire group. We are now able to leverage assessment results rapidly and efficiently when selecting suppliers in all business areas. This new platform will allow us to build healthier, more transparent supply chains.

https://www.panasonic.com/global/corporate/sustainability/pdf/sdb2021e-supply_chain.pdf

Continuous Improvement Activities for the Future.

Some of Panasonic's supply chains fall in high-risk areas, and we are very much aware that there are serious risks in those areas with respect to human rights and labour. Given the complexity of these supply chains, completely eradicating Modern Slavery at all our suppliers will take time and effort. We are committed to making sustained initiatives against the problem of Modern Slavery.

This statement has been approved by:

Gareth Rayworth

Gareth Rayworth
Managing Director
Panasonic UK