Respect for Human Rights

Management System
The Panasonic Code of Conduct expressly states that “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.” Panasonic created its Code of Conduct to embody the main elements found in the fundamental principles of the United Nations Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

Panasonic is also taking an active approach to reflect the globally advocated concept of human rights in its management, including by referencing the Guiding Principles on Business and Human Rights, which the UN Human Rights Council adopted in June 2011.

In fiscal 2016, Panasonic complemented its Code of Conduct by establishing its Global Human Rights and Labor Policies to provide more detailed provisions on respecting human rights.

In view of factors such as increasing demands and expectations from society to corporations regarding respect for human rights, revision to international standards, new laws and regulations related to human rights, opinions from stakeholders affected by the company, and trends in the international community, we are currently reviewing and restructuring our policies, rules, and initiatives regarding human rights and fair labor as well as our organizational structure for implementing such policies, rules, and initiatives.

Policy
As a company doing business globally, Panasonic believes in the fundamental principle of treating interactions with its employees and all stakeholders with the maximum degree of concern and respect for their human rights. Panasonic and all its employees worldwide are fully subject to the Code of Conduct, which prohibits discrimination, forced labor, and child labor and stipulates privacy protections.

Panasonic Code of Conduct, Chapter 3: Employee Relations

Training
Panasonic regularly provides opportunities to educate its employees on the Code of Conduct—which sets forth, among other things, its policies on the respect for human rights—including when new employees join the Company or employees receive promotions.

We also conduct Pre-Overseas Appointment Training for employees on assignment from Japan and posted at overseas subsidiaries. This training aims to educate employees on human rights issues that demand particular attention overseas, including fair treatment and employment discrimination prohibitions. (In fiscal 2021, 270 employees underwent Pre-Overseas Appointment Training.)

Furthermore, alongside the obligations to prevent harassment based on power differentials stipulated in the Japanese Labor Measures Comprehensive Promotion Act (revised June 2020), we have updated our leaflet covering Company policies on harassment, definitions of harassment, case studies showing what constitutes harassment, Panasonic internal regulations, and our in-house consultation framework. We are working to educate all employees on these topics. Through the Equal Partnership Consultation Office, we also carry out training on harassment prevention and organize activities to help solve workplace issues and create a friendly work environment.

To identify human rights risks prone to occur at electronics and appliance corporations in China, we conducted a research of more than 100 of these peer firms in 2019. Through these investigations, we identified risks that included insufficient management of young workers, gender bias during hiring and promotions, and overtime work beyond legal limits. To share these results and discuss possible preventive measures, we held training sessions in three cities in China, to which 53 employees from 34 group companies attended.

Moreover, CSR managers and staff members from all Divisional Companies attend the annual Global CSR Meeting, where
they discuss about prevention of forced labor and human rights infringements, among many other topics. They also share reports on these meetings with the directors of their respective business divisions.

**Responsible Executive and Framework**

Executive Officer Shigeki Mishima, is Panasonic’s Chief Human Resources Officer (CHRO), is concurrently and the person in charge of Corporate Social Responsibility. (As of August 2021). The Human Resources & Industrial Relations Department of established at the Panasonic Headquarters is responsible for corporate-wide governance of human rights and fair labor matters. The human resources departments—located in each of the seven Panasonic Divisional Companies* of Panasonic Corporation and all business divisions and affiliated companies under the Panasonic umbrella—handle day-to-day human rights and fair labor matters for employees.

*As of August 2021

**Human Rights Support Desk**

Panasonic has established a global hotline (with service in 31 languages) for our employees and external business partners to report any potential compliance issues (including human rights-related violations) they notice or suspect. The hotline uses an external, unaffiliated system that does not identify the person making the report. We have also established internal regulations to ensure that whistleblowers do not incur any disadvantages for their reports.

In Japan, Panasonic has established an Equal Partnership Consultation Office with dedicated contacts in both the Headquarters and employees’ labor union. We have also created contact offices in each Divisional Company and business division. This reporting framework allows us to address any human rights violation concerns from employees, including temporary staff, who report cases of harassment, including sexual harassment (includes LGBTQ-related harassment), harassment based on power differentials, or harassment related to pregnancy, childbirth, or childcare leaves. During consultations, we safeguard employee privacy and carefully handle their concerns while confirming their needs. We also ensure that the employee and any other parties involved in fact-checking the case are protected from retaliation.

**Participation in International and Industrial Partnerships**

As a member of the Japanese Business Federation’s task force on its Charter of Corporate Behavior, Panasonic partnered with other member companies to create the Implementation Guidance of a new human rights section on the Charter of Corporate Behavior, which was revised in 2017 for the first time in seven years.

Additionally, Panasonic took part in formulating the “Joint Declaration Toward Correcting Business Practices that Lead to Long Working Schedules,” which was jointly issued in September 2017 by economic organizations, including the Japanese Business Federation, and various industry organizations, including the Japan Electronics and Information Technology Industries Association (JEITA).

Panasonic is an active member of JEITA, through which we actively strive to address the issues that our industry faces together with other companies in the electronics and IT industries. As a member of the JEITA CSR Committee, which Panasonic chaired until July 2021, we worked with the EU, the OECD, and the ILO to promote their project, Responsible Supply Chains in Asia.

In March 2020, JEITA published the “Responsible Business Conduct Guidelines” and we are working to disseminate it and raise awareness as a Committee member.

- Joint Declaration on Rectifying Business Practices that Lead to Long Working Schedules
- The Responsible Supply Chains in Asia programme
- ILO and the JEITA CSR Committee Host a Seminar Promoting CSR in Global Supply Chains
Efforts Concerning Fundamental Human Rights

Panasonic's Structure for Respecting Fundamental Human Rights

The following diagram illustrates the primary structure of fundamental human rights that Panasonic commits to respect:

- Prohibition of Forced Labor
- Effectively Abolishing Child Labor
- Giving Attention to Young Workers
- Prohibition of Discrimination
- Prohibition of child labor
- Freedom of association and guarantee of right to organize
- Guarantee of right of collective bargaining
- Prohibition of forced labor
- Prohibition of discrimination
- Prohibition of Harassment
- Compliance with labor laws and regulations
- Compliance with minimum wage regulations
- Occupational health and safety management
- In compliance with laws and labor practices of each country, Panasonic implements employment and labor management globally based on labor-management relations

Prohibiting Forced Labor, Effectively Abolishing Child Labor, and Giving Attention to Young Workers

When recruiting employees, Panasonic strives to protect fundamental human rights and engages in hiring activities that comply with the international standards related to labor and human rights, as well as the laws and regulations of the countries in which it operates. Panasonic also prohibits forced, involuntary, and child labor.

* For information on suppliers, please see the Responsible Supply Chain section (P.106).

Providing Employment Opportunities to Young People

Panasonic provides junior-level job seekers with career education, industry-academia collaboration, human resource development, and employment opportunities through internships and other programs.

In Japan, we run several internship programs throughout the year through industry-university cooperation. These internships have the following three goals:

- To train human resources through industry-university cooperation
- To provide an opportunity for learning through work experience focused on career education
- To eliminate employment mismatches by verifying work appropriateness

All our Group companies in China also offer internship programs and accept university students at business sites during their long holidays. These programs provide opportunities for students to learn about real business challenges and to propose ideas for solutions.

Prohibiting Discrimination

Panasonic strives to create workplaces where diverse and talented individuals can respect one another as vital partners, regardless of factors such as race, sex, age, nationality, beliefs, religion, social status, disability, sexual orientation, and gender identity. We also strive to create a lively and supportive work environment where people can actively engage in their work, with consideration of the laws and regulations of each country.

Panasonic has established recruitment standards that select employees based on the applicants’ aptitudes, capabilities,
and desires. To thoroughly implement these standards, Panasonic Corporation (Panasonic in Japan), for instance, educates interviewers based on the Recruitment and Human Rights handbook, which the Japanese government’s public employment stability office Hello Work drafted to promote fair recruitment screening.

Regarding employee discipline, Panasonic’s Code of Conduct has provisions mandating the respect for human rights and forbidding discriminatory action or harassment in the workplace. Our Employee Handbook also defines punitive measures in response to any illegal behavior.

Furthermore, the company is engaged in the following efforts to prevent sexual discrimination, including sexual harassment, as well as harassment based on power differentials, and to comply with the Act for Eliminating Discrimination against Persons with Disabilities in order to create a more fair, equal, and pleasant workplace:

• Establishing, publishing, and thoroughly implementing sexual harassment policies
• Distributing leaflets and manuals on sexual harassment
• Holding seminars and training on sexual harassment, harassment based on power differentials, and workplace culture revitalization
• Conducting management-level harassment training
• Running LGBTQ-related training
• Distributing educational materials to help employees understand people with disabilities

Managing Working Hours
Based on labor laws and labor-management agreements (including collective bargaining agreements when they exist) in each country, our Employee Handbook includes provisions related to proper management of working hours, break times, overtime work, holidays, leave, and other matters.

For example, in Japan, we have set the prescribed working hours at 7.75 hours/day. Any extra hours worked are subject to additional pay, providing a benefit beyond that required by law. We have also established in-house working hour management standards, which are even stricter than the legal standards, as part of our efforts to eradicate long working hours for all employees, including managers and supervisors. Moreover, we provide our employees with more annual paid leave than legally required and allow them to accumulate up to 50 days of leave. We have a system that responds more flexibly to individual needs for people taking annual leave. There are three things in particular: not limiting the purpose of the leave; making hourly or half-day leave available to all employees regardless of work style, and allowing employees to take hourly annual leave during regular work hours.

On top of these system enhancements, we comprehensively address employee physical and mental health management by optimally allocating human resources to prevent uneven overtime work distributions among specific employees, and by conducting additional medical examinations for employees who happen to work long hours.

Wage Management
Panasonic has established group-wide guidelines for compensation system design and aims to realize competitive and attractive compensation levels based on labor standards of the legislation and on labor agreements in the respective countries where it operates. In our employee wage regulations, we have also adopted provisions for adequate wages, commuting allowances and other expenses, bonuses, other occasionally paid compensation, and retirement allowances.

Panasonic has implemented a “Role / Grade System” that determines compensation based on the work or role in which employees are currently engaged; there are no gender-based inequalities in this compensation system.

In Japan, to ascertain whether employees’ wages are being paid correctly, labor unions conduct annual surveys of wage conditions among their members and check whether those members are properly paid the salaries resulting from wage negotiations decided between labor and management.

Overseas, Panasonic establishes for each country company regulations to comply with wage-related laws and regulations concerning minimum wages, statutory benefits, and overtime. We conduct our operations based on these regulations and—for the specified period and time of payment—notify employees about their direct payments using pay statements and electronic data.

In countries and regions where the law permits monetary penalties, Panasonic recognizes and allows these penalties as an option for disciplinary action. However, this permission is all predicated on the penalty procedures and monetary
amounts being established within legal limits and within reasonable limits in terms of livelihood impact. Such measures must also be codified in internal regulations and made well known to employees. Japanese law does not prohibit monetary discipline, but Panasonic’s disciplinary rules within Japan do not include monetary penalties.

**Respect for the Freedom of Association and the Right to Collective Bargaining**

Panasonic believes that the freedom of association, combined with the right to collective bargaining, is one of the fundamental human rights that companies should respect.

In countries and regions that allow for the formation of labor unions—as, for instance, in Japan—Panasonic and the Panasonic Group Workers Union Association have stipulated in their labor agreement that unions retain the right to organize, collectively bargain, and strike.

Furthermore, even at subsidiaries or offices in countries and regions where the laws, regulations, or conventional labor practices do not permit the formation of labor unions, the Panasonic Code of Conduct stipulates the de facto promotion of issue resolution through labor-management dialogues, which is the goal of the principles of the freedom of association and the right to collective bargaining.

**Panasonic Code of Conduct (Excerpts)**

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<thead>
<tr>
<th>Chapter 3: Employee Relations</th>
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<tbody>
<tr>
<td>(Omitted)</td>
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<tr>
<td>(2) Respect for Human Rights</td>
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<tr>
<td>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.</td>
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</table>

Panasonic Code of Conduct, Chapter 3: Employee Relations


**Japan**

Panasonic has adopted a “union shop” system, whereby all full-time company employees automatically become labor union members upon being hired with that status. It has concluded labor agreements and a basic agreement with the Panasonic Group Workers Unions Association (PGU). Except for employees engaged in management work, almost all full-time Panasonic employees in non-managerial roles (96.7%) are labor union members. We also respect the right of non-regular employees to join a labor union if they choose to do so.

At Panasonic, essential management issues are discussed in advance with labor unions. Management-Labor Committees are established as a forum for people to express their opinions on these issues. Particularly important decisions are explained to the labor unions, and Labor-Management Councils are held to provide an opportunity for people to express their approval or to propose changes. Both Management-Labor Committees and Labor-Management Councils are held periodically and separately at the Panasonic Corporation (in Japan), Divisional Company, and business division levels. The Group-level Management-Labor Committee—which notably includes the Panasonic Group President, the Executive Officer in charge of human resources, and the PGU Central Executive Committee chair—is held once per month. The Group-level Labor-Management Council includes the Panasonic Group President, Group Executives, the PGU Central Executive Committee chair, and other members as required. The Council meets semi-annually.

If Panasonic has issued a proposal on structural reforms or other crucial considerations that arise, all relevant parties will engage in discussions, if necessary, every single day at every level—Panasonic Corporation (in Japan), Divisional Company, and business division—until both labor and management have reached complete agreement.

**Europe**

Following an EU directive* adopted in 1994, Panasonic set up a voluntary labor-management agreement to provide a venue for meaningful discussions between labor and management and established the Panasonic European Employee Congress (PEEC).

In fiscal 2021, 31 employee representatives and 12 company representatives assembled online, exchanged information, and
held fruitful discussions on matters including management strategy and business issues.

* EU directive: A directive that obliges all companies employing 1,000 or more employees in two or more European Union countries to establish a pan-European labor-management consultation committee

**China**

The unionization rate among private companies in China varies among different groups of firms. Still, nearly all Panasonic affiliated companies have organized labor unions (gōnhuí) and actively engage in labor-union-related activities.

Specifically, Panasonic conducts initiatives including periodic labor-management dialogues, proactive joint labor-management recreational events, and prior explanations to unions concerning critical management decisions. Thus Panasonic focuses its efforts on building good relations between labor and management, which we consider the foundation for business development. In 2020, we deliberated on issues including remuneration, employee benefits, and training facilities. We successfully reached a labor-management agreement that adequately accounts for the many varied factors of our business, including improving corporate efficiency and profit, as well as providing our employees’ families with a better quality of life.

**Demand on Suppliers**

<table>
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<tr>
<th>Standard Purchase Agreement (Excerpts)</th>
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<tbody>
<tr>
<td>The Supplier shall try to foster a good relationship with its employees and to resolve issues by constantly having a sincere and constructive dialogue.</td>
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</table>

**Efforts to Protect the Rights of Children**

Through the programs below, Panasonic shows respect for the human rights of children and supports their healthy growth.

- Programs supporting employees raising children
- Providing products that support people raising children
- Safe and secure, child-friendly product design that is conscious of healthy development (Japanese only)
- Corporate citizenship activities that safeguard and support the rights of children
  We are committed to fostering the next generation through corporate citizenship activities, such as funding scholarships and offering career education programs.

Details on corporate citizenship activities

Furthermore, with the spread of COVID-19, we are rolling out new initiatives, including support for at-home learning, mental health care, and donations to related NPOs to assist children impacted by the state of emergency.

Support for at-home learning: Panasonic Kids’ School (Japanese only)
Panasonic created its Code of Conduct to embody the main elements maintained in the fundamental principles of the United Nations Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. Panasonic collects information on critical changes in legal requirements related to human rights and labor. Every one of our business sites works to ensure and strengthen our compliance with these requirements.

**Efforts Concerning the ILO Core Labour Standards**

<table>
<thead>
<tr>
<th>The freedom of association and the right to collective bargaining</th>
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<tbody>
<tr>
<td>No. 87 (Freedom of Association and Protection of the Right to Organise Convention)</td>
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<tr>
<td>No. 98 (Right to Organise and Collective Bargaining Convention)</td>
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<tr>
<td>▶ Respect for the Freedom of Association and the Right to Collective Bargaining</td>
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<tr>
<th>Prohibiting forced labor</th>
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<tr>
<td>No. 29 (Forced Labour Convention)</td>
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<tr>
<td>No. 105 (Abolition of Forced Labour Convention)</td>
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<tr>
<td>▶ Prohibiting Forced Labor, Effectively Abolishing Child Labor, and Giving Attention to Young Workers</td>
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<table>
<thead>
<tr>
<th>Effectively abolishing child labor</th>
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<tr>
<td>No. 138 (Minimum Age Convention)</td>
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<tr>
<td>No. 182 (Worst Forms of Child Labour Convention)</td>
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<tr>
<th>Rejecting discrimination in employment and occupation</th>
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<tr>
<td>No. 100 (Equal Remuneration Convention)</td>
</tr>
<tr>
<td>No. 111 (Discrimination (Employment and Occupation) Convention)</td>
</tr>
<tr>
<td>▶ Prohibiting Discrimination</td>
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</tbody>
</table>

**Efforts to Prevent Modern Slavery and Human Trafficking**

Modern slavery may occur in various forms—including servitude, forced or compulsory labor, 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 constantly 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.

The following describes our efforts to prevent the occurrence of modern slavery in our business or supply chains.

**Fully educating employees on policies**

**Panasonic Code of Conduct (Excerpts)**

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<tr>
<td>(Omitted)</td>
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<tr>
<td>(2) Respect for Human Rights</td>
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<tr>
<td>2. The Company will not employ people against their will, and will not use child labor. The Company will comply with the employment laws and regulations of the countries and regions in which it conducts business.</td>
</tr>
<tr>
<td>▶ Panasonic Code of Conduct, Chapter 3: Employee Relations</td>
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</tbody>
</table>
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, emphasizing 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 whistleblowers 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 behavior or practice, including modern slavery.

For 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 labor does not occur in their operations. We also state this requirement in our standard purchase agreements.

- Panasonic Supply Chain CSR Promotion Guidelines

- Standard Purchase Agreement (Excerpts)
  
  (Demand on Suppliers to Respect Human Rights)
  The Supplier must strive to provide equal employment opportunities and not engage in forced labor, child labor, excessive work hours, illegal employment of foreign workers, or other unlawful/inappropriate labor 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 their business activities are undertaken.

- CSR Self-Assessments for Suppliers
  We ask our suppliers to conduct CSR self-assessments. For further information, please see the Responsible Supply Chain section (P.106).
Efforts to Comply with SA8000

SA8000 is an international standard concerning labor and human rights that the US NGO Social Accountability International has issued. The standard provides voluntary requirements for employers to fulfill, including those concerning workers’ rights in the workplace, the working environment, and management systems. The eight requirements laid out by SA8000 and the state of Panasonic’s initiatives concerning each management system:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Initiative</th>
<th>Link</th>
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