

Panasonic

Modern Slavery Statement 2022

Panasonic Australia Pty Ltd

Reporting Period: 1 April 2021 – 31 March 2022

1. Identify the Reporting Entity

This Modern Slavery Statement (“Statement”) is prepared for Panasonic Australia Pty Ltd (ABN 83 001 592 187) (“PAU”) and is provided pursuant to section 13 of the Modern Slavery Act 2018 (Cth) (the ‘Act’). The Statement will address each of the mandatory criteria as set out in section 16 of the Act.

PAU is a subsidiary of the global electronics manufacturer, Panasonic Holdings Corporation which has its headquarters in Japan. Unless specified, references in the statement to “**Panasonic**”, “**our**”, “**us**”, “**we**” and “**Group**” refer to Panasonic Holdings Corporation (PAU’s ultimate parent company) and its subsidiaries.

This Statement sets out the steps we have taken to identify, address and mitigate the risks of modern slavery in our operations and supply chain for the financial year from 1 April 2021 until 31 March 2022 (the “Reporting Period”).

PAU’s assessment of modern slavery risks in its operations and supply chain risk falls within the Panasonic Corporate and Social Responsibility (“CSR”) risk management framework which is overseen by Panasonic.

Within Panasonic we strive to conduct our business to with suppliers that not only provides excellent technology but also fulfils our social responsibility in the areas of human rights and responsible employment. This is set out in our Human Rights and Labour Policy and is supported by rules, systems and initiatives that promote the policy to achieve working environments that respect human rights.

2. Our Structure, Operations and Supply Chain

2.1. *Our Structure*

PAU is an Australian proprietary company limited by shares. It has approximately 180 employees and its registered office is in Macquarie Park, New South Wales, Australia 2113. There are sales operations located in Western Australia, South Australia, Victoria and Queensland.

In terms of its corporate structure, its immediate ownership is controlled by Panasonic Asia Pacific Pte Ltd which is a registered company in Singapore. The ultimate parent company of PAU is the Panasonic Holdings Corporation with its head office in Japan.

PAU does not own or control other entities within the meaning of the Act. Being part of the Panasonic Group, PAU is subject to global Panasonic policies.

2.2 *Our Operations*

In order to understand the specific operations of PAU, it is important to firstly acknowledge that PAU is part of the broader and wider Panasonic Group.

The Panasonic Group business is very diverse and covers different areas amongst consumer electronics, housing, automotive and business solutions. The Panasonic Group key operational business based product companies consist of Living Appliances and Solutions Company (e.g, kitchen

appliances, beauty and personal care, laundry systems), Heating and Ventilation Airconditioning Company (e.g, heating and cooling systems etc), Panasonic Connect (e.g, in flight entertainment, media entertainment, mobile solutions etc.), Panasonic Automotive Systems Company (e.g. automotive entertainment, devices such as head up displays etc.), Panasonic Industry Company (e.g, industrial devices, electromechanical control devices, electronic materials etc.), Panasonic Energy Company (energy devices and solutions) and Panasonic Entertainment and Communications Company (eg, audio equipment, telephone, video intercom and digital still cameras)

At the local level in Australia, PAU acts as a distributor of Panasonic branded electronic products to the consumer and business markets in Australia. PAU does not manufacture any electronic products in Australia itself.

Our core business in Australia is split between consumer orientated products acquired mainly from Panasonic's Living Appliances and Solutions, Heating and Ventilation Airconditioning, Panasonic Entertainment and Communications and business products acquired from Panasonic Connect. Our consumer products are sold predominantly through a range of retail partners. Our business products are mainly sold through professional value added channels and distributors.

2.3 Our Supply Chains

2.3.1 Supply Chains for Products

PAU acquires all of its Panasonic branded products from Panasonic Group operating companies who form part of the supply chain. The supply chain is broadly defined from the sourcing of raw materials, to the design, engineering, manufacturing, and recycling of products, to logistics, sales and support functions including customer services and technical support services.

Panasonic's global supply chain is highly complex and comprised of approximately 13,000 suppliers world wide. Our Panasonic Group operating companies acquire raw materials, components and parts to produce the Panasonic branded products from suppliers located throughout the world. These suppliers are predominantly located (approximately 90%) in Japan, China, the Asean and India regions.

Panasonic promotes activities within its global supply partners across the entire supply chain to fulfil its CSR objectives.

PAU imports almost all of its products to sell in Australia, mainly in the finished goods form, from Panasonic Group companies. There are also some spare parts acquired by PAU, also from Panasonic Group companies, in order to meet its obligations to provide warranty support and services in Australia.

2.3.2 Supply Chains within Australia

PAU's up stream supply chain includes all of those activities that are involved in the manufacturing and supply of all products to the transportation of those products to Australia.

PAU's downstream supply chain includes the following key activities:

- Logistics services (warehousing and transportation of products);
- Sales and marketing (advertising, promotions, merchandising, public relations etc);
- Customer Service and Call Centre services;
- Legal, Audit and Insurance services; and

- Information Technology infrastructure and acquisition of IT hardware and software.

Most of the suppliers for the above operations are located in Australia except for the following.

- a. For Marketing and Information Technology, some back end support services are also provided by Panasonic Group companies or by global affiliated companies, and
- b. The Call Centre is operated in the Philippines by a local Australian supplier.

3. Describe the Risks of Modern Slavery Practices in the Supply Chains of the Reporting Entity and any Entity the Reporting Entity Owns or Controls

PAU has assessed the risks using the modern slavery risk indicators set out in the Commonwealth Modern Slavery Act 2018 – Guidance for Reporting Entities (“Commonwealth Guidance”).

Panasonic having global manufacturing, distribution and supply chain operations, acknowledges that it is exposed to various modern slavery risks, including human rights and labour related issues. Panasonic is therefore deeply invested in promoting CSR activities in the supply chain which have direct positive impacts upon society.

Panasonic has implemented a number of global policies and procedures within its CSR framework to ensure that Panasonic promotes activities with suppliers that address human rights, labour, safety and health in order to comply with laws and regulations, international standards and corporate ethics.

In Australia, PAU has conducted a review of its existing suppliers in order to ascertain the risks of modern slavery existing within its local supply chains and operations. Overall there is a low risk of modern slavery occurring within the supply chain and operations within Australia.

4. Actions taken to Assess and Address Modern Slavery and Human Trafficking Risks, Including Due Diligence and Remediation Processes

4.1 A Global Approach

Panasonic adopts a global approach to the assessment of and attending to modern slavery risks. As PAU is a company within the Panasonic Group, PAU complies with the applicable Panasonic global policies and processes. This Statement addresses the actions taken to assess and address modern slavery at a global level as well as locally.

- a. **Panasonic Group Code of Conduct.** Panasonic commitment to human rights is set out in the Panasonic Group Code of Ethics and Compliance (the “Code”). The Code includes ‘respect for human rights, as part of Panasonic’s social responsibilities and all employees must adhere and abide by the Code.
- b. **Respect for Human Rights.** The Panasonic Human Rights and Labour Policy (the “HRL Policy”) is predicated on compliance with international standards set by the United Nations and International Labour Organisation (ILO) and the applicable laws in

each country where we do business. The HRL Policy includes our commitment to respecting internationally recognized human rights, to identify, prevent and correct risks related to human rights, to promote remedies to people affected by those risks and to create working environments where people are fulfilled by their work and ways in which we use dialogue related to these topics with our stake holders.

Panasonic’s HRL Policy is predicated on the main international standards which include:

- (i) The United Nations Guiding Principles on Business and Human Rights.
- (ii) The United Nations International Bill of Human Rights (Universal Declaration of Rights, International Covenant on Civil and Political Rights and International Convention on Economic, Social and Cultural Rights), and
- (iii) ILO Declaration on Fundamental Principles and Rights of Work.

Panasonic’s HRL Policy includes as clear prohibition of ‘any and all forms of forced labour’ and the ‘effective eradication of child labour’. Within the Panasonic Group we promote the initiatives which address these two clear prohibitions which include complying with all laws and regulations and the international standards. When hiring employees, in addition to complying with all laws, we also require that personnel hiring firms, suppliers and other companies we work with do the same.

4.2 *Due Diligence Including Identifying and Assessing Potential Human Rights Impacts*

Panasonic has established a Human Rights Due Diligence system (based upon the United Nations Guiding Principles on Business and Human Rights) for identifying, preventing and reducing negative impacts related to human rights in relation to our business activities and our products, services or business dealings. Reflecting upon the issues that have been identified based on the requirements, we continuously implement and improve the system with the advice of outside experts.

As part of the Panasonic Group efforts, all group companies including PAU outside of Japan were required to participate in self assessments related to human rights and labour during the Reporting Period. Panasonic will continue to promote initiatives to make improvements in work environments.

Panasonic has established and shared the Supply Chain CSR Promotion Guidelines (the “CSR Guidelines”) with its suppliers to clearly convey the requirements that are expected to be implemented and enters into contracts that obligates suppliers to comply with the CSR Guidelines. The CSR Guidelines specify the prohibition on forced labour or child labour, appropriate working hours, decent wages, humane treatment, elimination of discrimination, freedom of information and occupational health and safety expectations and rules for facilities.

Panasonic also recognises that the procurement of certain minerals carries a risk of funding organisations in conflicted areas and the risks that are involved in human rights abuses such as child labour and harsh working conditions. This is a matter of high priority for Panasonic and it promotes the responsible procurement of minerals in its globally supply chain. In order to do this. Panasonic works with a wide range of stakeholders including national

governments, companies, and NPO's that are working toward creating a sound mineral supply chain in the targeted areas. Further Panasonic will keep conducting its activities in this area based upon the "Due Diligence Guidance" of the OECD (Organisation for Economic Cooperation and Development) and build management processes in line with global standards.

4.3 Supply Chain Assessments and Audits

Panasonic before starting a relationship with a new supplier, presents the CSR Guidelines which covers the Groups supply chain compliance policy. Each supplier must conduct a CSR self assessment based upon the CSR Guidelines as a condition before commencing the relationship which includes checks, amongst other requirements, to verify the supplier's performance regarding human rights, labour practices and health and safety. The supplier must evaluate its human rights activities and the implementation of and prevention/mitigation of human rights as well as any corrective measures.

In addition, after establishing the relationship with suppliers, we regularly ask suppliers to submit ongoing CSR self assessments and we conduct audits to confirm the compliance status. In the Reporting Period we obtained pledges of compliance from the existing suppliers to the updated CSR Guidelines.

We also conduct responsible surveys with respect to conflict minerals which require the cooperation of all suppliers and the refineries/smelters with which they work with. In order to enhance the efficiency of such surveys, Panasonic uses the Conflict Reporting Template (CMRT) and the Cobalt Reporting Template (CRT) issued by the Responsible Minerals Initiative (RMI).

A total of 3,270 suppliers were surveyed on conflict minerals and responses were collected from 95% of them as of the end of February 2021.

At the local level PAU is refining its efforts in order to send more modern slavery questionnaires to its key suppliers and carefully collate the outcomes of the responses. Based upon an existing assessment there has been no non compliances identified with the Act within Australia.

4.4 Addressing Issues and Findings

When issues are found in the course of CSR self assessments, Panasonic works with suppliers to make improvements using a variety of different methods. This includes attending the suppliers actual facilities for confirmation, hearings and observations.

Panasonic considers terminating contracts in cases where critical items in the CSR Guidelines such as issues with legal violations or prohibitions against child labour and forced labour cannot be remedied. Panasonic also continues to educate and provide its suppliers with guidance in order to solve minor issues in order to comply with the Guidelines.

4.4 Integration of Findings Across the Panasonic Group and Action Taking

In 2021, Panasonic deployed a new platform for recording the results of the CSR self assessments for ongoing monitoring, enabling it to share the outcomes of these assessments across the entire Group in a more efficient and effective manner. Thanks to this system, in addition to stronger governance across the Panasonic Group, Panasonic is now able to leverage assessments rapidly and efficiently when selecting and reviewing suppliers in all business areas to promote and build healthier, more transparent and compliant supply chains in accordance with CSR Promotion Guidelines for Suppliers.

4.5 Remediation

To make it possible for us to respond quickly and remedy any complaints received which relate to human rights violations, Panasonic has established a global hotline (supporting 31 languages) as a point of contact where our employees or external partners can report any compliance violations which they have become aware of, including those issues involving human rights and labour. This hotline uses an external independent system that provides protections and confidentiality to those that report such matters.

From April 2022 we introduced a new Panasonic Code of Ethics and Compliance which replaced the previous Panasonic Code of Conduct. All employees are required to undertake proper training on the new Panasonic Code of Ethics and Compliance which adds a separate new chapter “Respecting Human Rights”.

5. How Panasonic Assesses the Effectiveness of its Actions to Assess and Address Modern Slavery

Globally Panasonic conducts the assessment of its suppliers in accordance with the CSR Guidelines for Suppliers. Panasonic tracks and reports on the overall outcomes and publishes this in the annual Sustainability Report 2022 (the “2022 Report”). For the detailed 2022 Report see <https://holdings.panasonic/global/corporate/sustainability/pdf/sdb2022e.pdf>

Panasonic has an established system for the ongoing review and management of CSR activities which begins with the Executive Officers of Panasonic and Functional Divisions. The details of this management system and the responsible executive framework with respect to Human Rights can be found in the 2022 Report.

In addition to the global initiatives, PAU will apply the Australian Government Guidelines to review and assess the local suppliers and take actions to support Panasonics global efforts. These include:

- a. Making further progress in relation to planned supplier risk survey assessments, and
- b. Ensuring local staff are aware of through training and continue to apply methods that generate compliance with modern slavery avoidance.

6. Our Consultation Process

As PAU does not own or control any other entities, consultation with other reporting entities within the meaning of the Act is not relevant as this is not a joint Statement.

7. Other Relevant Information

Panasonic conducts its business based upon global standards, specifications, norms guidelines and various initiatives. Panasonic signed the ten principles of the United Nations Global Compact. These concepts are reflected in the Basic Business Philosophy and Panasonic Group Code of Ethics and Compliance that form the guidelines for the company's business activities.

Panasonic will continue to work with its employees and suppliers across the broader company ecosystem to raise the awareness and understanding of modern slavery. Panasonic is fully committed through its coordinated initiatives to promote and implement management actions that prevent modern slavery in Australia and on a global scale.

In addition to the above, we recognize that during the Reporting Period that Covid19 has had an impact and will potentially continue to have an impact on the management initiatives and activities that address modern slavery. This impact has certainly affected the ability to conduct follow up site visits and on-site reviews during the Reporting Period.

We continue to monitor and review the situation with our suppliers to ensure that the standards and expectations that are set by and through our initiatives are maintained.

8. Approval of Statement

This Statement summarises the actions taken by Panasonic Australia Pty Ltd, the reporting entity, and has been reviewed and approved by the Board of the reporting entity on 10 October 2022 in accordance with the requirements of the Australian Modern Slavery Act 2018 (Cth).



Michael O'Donnell

Director