

Panasonic

Modern Slavery Statement 2023

Panasonic Australia Pty Ltd

Reporting Period: 1 April 2022 – 31 March 2023

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 2022 until 31 March 2023 (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 with suppliers that not only provide superior technology and quality but also fulfil their social responsibilities including human rights and worker friendly labour conditions and fair trade practices. These goals and our approach are reflected in our Responsible Supply Chain Policy and Respect for Human Rights Policy.

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 Panasonic Holdings Corporation which has 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 Lifestyle - Living Appliances and Solutions Company (e.g, kitchen appliances, beauty and personal care, laundry systems), Heating and Ventilation Air

Conditioning Company (e.g. heating and cooling systems etc), Connect (e.g. in flight entertainment, media entertainment, mobile computer/tablets and supply chain management software), Automotive Systems Company (e.g. automotive entertainment, devices such as head up displays etc.), Industry (e.g. industrial devices, electromechanical control devices, electronic materials etc.) and Energy (in vehicle batteries, industrial and consumer batteries).

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

Our core business in Australia is split between consumer orientated products acquired mainly from Lifestyle and business products from 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 93%) 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 likely 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, translated into 22 languages, defines the commitments that all Group employees must fulfil and positions respect for human rights as the Groups social responsibility. During the year, approximately 150,000 employees within Panasonic undertook training following the revision of the Code to raise awareness of their responsibilities.
- 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 Internal 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 and expectation to work towards the effective eradication of child labour. When we hire employees, in addition to complying with all applicable laws, we also require that personnel hiring firms, suppliers and other companies we work with to do the same.

4.2 Due Diligence Including Identifying and Assessing Potential Human Rights Impacts

The Group is committed to respecting the human rights of the stakeholders in its business activities based upon the United Nations' Guiding Principles for Human Rights, referring to the OECD Due Diligence Guidance for Responsible Business Conduct. We conduct human rights due diligence to identify, prevent and mitigate any adverse impact our operations could have on human rights, correct issues that may arise and explain the results of our actions to relevant stakeholders.

The Group recognizes the need to identify human rights issues throughout its value chain and business activities and as such has begun analysing priority issues. As we operate globally in a wide range of business areas, some of our businesses have extensive supply chains and we recognize the risk that workers in these supply chains may be in vulnerable positions or unsafe working environments in different countries or regions. Therefore, we begin by addressing human rights issues at our manufacturing sites and in our supply chain.

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.

During the past year, the Group has focused on strengthening and building structures for human rights due diligence. While incorporating guidance from outside experts, the Group has compiled a table to assess human rights risks at our suppliers by using risk indicators and indices provided by international organisations in order to identify suppliers for which actions should be taken on a priority basis. Using this risk based approach, audits of suppliers will be conducted for those prioritized suppliers which may also involve third party institutions.

4.3 Supply Chain Assessments and Audits

To promote human rights and due diligence and other aspects of CSR throughout the supply chain, the Group requires its suppliers to conduct CSR Self Assessment. All new suppliers must undertake the self assessment before we start transactions with them. Existing suppliers are also required to conduct a self assessment review regularly. All assessments are collected using a web based

questionnaire which improves efficiency and accuracy. We restarted the assessment and their collection at the end of the 2021 year. By March 2023, there were more than 12,000 supplier assessments (94% of total suppliers) completed.

After discovering issues, particularly those identified as priority management items in the CSR Self Assessments, such as labour conditions for migrant workers, further visits of suppliers to check on site conditions, hold interviews and investigations will be undertaken to correct those issues.

During the prior year, we conducted a detailed self assessment of human rights and labour issues at almost all of our manufacturing companies to gain a solid understanding of the Groups risks. The questions we asked referenced the self assessment metrics from the Responsible Business Alliance (RBA) that applied to the Group. Through this process, we gained a general understanding of human rights and labour issues.

For the current year Panasonic conducted further self assessments of selected Japan and other overseas manufacturing companies and sites (for a total of 127 companies and sites) within the Group. As a result of the assessment, there were 96 issues identified across 38 companies which included issues such as inadequacies in contracts between companies and recruitment agencies for employing foreign workers, hiring and promotion processes which may be discriminatory and overtime conditions for young workers.

As a result of identifying these issues, relevant companies and sites within the Group have formulated improvement plans to be in place by August 2023. With Panasonic Holdings Corporation headquarters support, all companies and sites must complete the corrective actions by March 31, 2024.

The Group also conducted surveys with respect to conflict minerals during the year. Roughly 90% of the surveys that were sent out to 2,400 suppliers were received as of 31 March 2023. Based upon the dated collected form the survey, a risk analysis and assessment was completed and further investigations were undertaken with respect to suppliers where necessary.

At the local level, PAU has revised its modern slavery questionnaire and is refining its efforts in order to send more modern slavery questionnaires to its key suppliers and carefully collate the outcomes of the responses.

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 to solve minor issues in order to comply with the CSR Guidelines.

Where we find human rights violations in downstream mineral suppliers in our supply chain, we also ask our suppliers to take steps towards no longer using them and changing their source.

Panasonic places significant emphasis on addressing high priority matters and putting in place improvement programs with effective timelines.

4.5 *Integration of Findings Across the Panasonic Group and Action Taking*

Panasonic has also established a group wide Supply Chain compliance project to promote responsible procurement across the whole Group. The Heads of Procurement in each of the Panasonic Operating Companies are responsible for implementing appropriate solutions to address issues through group wide regular meetings and reporting.

4.6 *Grievance Mechanism and Remediation*

In order for us to respond quickly to remedy any complaints we receive related to human rights violations, Panasonic has established a global hotline (supporting 32 languages) as a point of contact where our employees or external business partners and their employees can report any compliance violations which they have become aware of, including those issues involving human rights or labour. This hotline uses an external independent system that provides protections and confidentiality to those that report such matters.

In order to encourage wider acceptance of any complaints from outside of our Group, Panasonic also applied to participate in the new industry joint grievance system to be established by the Japan Electronics Information and Technology Industries Association (JEITA) CSR Committee.

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

Globally Panasonic conducts the assessment of its suppliers in accordance with the Supply Chain CSR Promotion Guidelines and promotes labour rights and the principles contained in the United Nations Guiding Principles on Business and Human Rights.

Panasonic tracks and reports on the overall strategies, policies and outcomes and publishes this in the annual Sustainability Report 2023 (the “2023 Report”). For the detailed 2023 Report see <https://holdings.panasonic/global/corporate/sustainability/pdf/sdb2023e.pdf>.

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

The Panasonic Group has been a participant in the United Nations Global Compact since January 2022. In addition to declaring 10 fundamental principles in four different fields, including respect for human rights, we are working towards making efforts related to human rights and labour reference international standards. We are fully committed to fulfil our duty to disclosing the progress and results of those efforts.


Panasonic also joined the Responsible Business Alliance (RBA) – an international CSR organisation involved in the ICT, automotive and electronics sectors. We are also working to develop and incorporate a highly effective management system using their excellent self assessment tools, the

guidance document for solving of issues and participation in their affiliated Responsible Mineral Initiative for the promotion of responsible mineral procurement.

Through these efforts, the Panasonic Group is working towards the building a robust management system to address human rights issues and modern slavery.

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 17 November 2023 in accordance with the requirements of the Australian Modern Slavery Act 2018 (Cth).



Michael O'Donnell

Director