

Panasonic

Modern Slavery Statement 2021

Panasonic Australia Pty Ltd

Reporting Period: 1 April 2020 – 31 March 2021

1. Mandatory Criteria 1 - Identify the Reporting Entity

This Modern Slavery Statement (the “Statement”) covers the reporting period between 1 April 2020 and 31 March 2021 and addresses each of the mandatory criteria for content as set out in section 16 of the Australian Modern Slavery Act.

Panasonic Australia has considered the supporting guidance provided by the Australian Government as set out in the Commonwealth Modern Slavery Act 2018 – Guidance for Reporting Entities (the “Commonwealth Guidance”) together with any subsequent supplementary released materials released by the Australian Government in order to prepare this Statement.

The reporting entity covered by this statement is Panasonic Australia Pty Ltd ABN 83 001 592 187 (“PAU”). PAU does not control or own any other entities.

The ultimate parent entity of PAU is Panasonic Corporation (“Panasonic”) with its head office in Japan. PAU is part of the Panasonic Group of companies (the “Group”).

All Group companies worldwide must follow and comply with the applicable Panasonic global policies and procedures. We make references to these global policies and procedures in this Statement together with additional steps and actions that PAU has taken in the relevant reporting period.

Panasonic Human Rights Commitment

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 internationally recognized human rights. Panasonic and all of its employees worldwide are fully subject to the Code of Conduct which prohibits discrimination, forced labour and child labour, amongst other things.

Panasonic is committed to a work environment that is free from modern slavery in accordance with the laws and regulations of the respective countries in which it globally operates.

Panasonic has a strict approach to modern slavery and is committed to acting ethically and with integrity in all business dealings and relationships as well implementing and enforcing effective systems and controls to ensure human rights are respected and Modern Slavery is not taking place in its business operations or in any of its supply chains.

2. Mandatory Criteria 1 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 at Level 1, 1 Innovation Road, Macquarie Park, New South Wales, Australia 2113. 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 Corporation with its head office in Japan.

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. Panasonic operates at a global level and is comprised of various operating companies. Each operating company has its distinct research and development, production and sales functions that satisfy specific customer needs for products.

The Group business is very diverse and covers different areas amongst consumer electronics, housing, automotive and business solutions. The Group key operational business based product companies consist of Appliances (e.g., home appliances, airconditioning, consumer audio visual equipment and personal care etc.), Life Solutions (e.g., lighting, ventilation, air purification etc.), Connected Solutions (e.g. professional audio visual equipment, in flight entertainment, projectors, personal computers and devices etc.), Automotive (e.g. automotive entertainment, devices such as head up displays, switches etc.) and Industrial Solutions (e.g. batteries, relays, switches, motors, sensors etc.).

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 from the Appliance and Life Solutions companies and Industrial Solutions companies and business products acquired from Connected Solutions and Industrial Solutions companies. Consumer products are sold predominantly through a range of retail partners. Business products are 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 Group operating companies who form part of our supply chain. Our 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 in Japan, China, the Asean and India regions. A breakdown of the global supply chain sourcing by region and by products purchased can be found in the Sustainability Report for 2021 (“Sustainability Report”) at https://www.panasonic.com/global/corporate/sustainability/pdf/sdb2021e-supply_chain.pdf.

Panasonic promotes activities with its suppliers across its entire global supply chain to achieve corporate social responsible (“CSR”) related goals as specified on page 7 of the Sustainability Report.

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

2.3.2 Supply Chains within Australia

For the local Australian operations the 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. Mandatory Criteria 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 Guidance. Based upon the risk assessment there is a potential for modern slavery risks in the consumer electronics industry from a global supply chain perspective. This is consistent with the outcome of the Global Slavery Index 2018 which also identified electronic products as an industry and geographical regions where these products are manufactured has having a potentially higher risk of modern slavery.

PAU obtains all of its products mostly from Group companies. There are policies and procedures in place that apply globally to ensure that Panasonic maintains a governance model that addresses the risks inherent in dealing with many different suppliers across different geographical regions in the electronics industry. We will cover these in the following section of this Statement.

PAU has conducted a review of its existing suppliers in order to ascertain the risks of modern slavery existing within its local supply chains. PAU will continue to monitor the situation for those areas for which there is a propensity for risks of modern slavery to occur such as for example in overseas call centres. Having assessed the risks, PAU will continue to include and request contractual terms which mitigate modern slavery risks as well as seeking reviews with suppliers each year.

4. Mandatory Criteria 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 human rights and has implemented thorough policies and procedures in order to mitigate the risk of modern slavery and human trafficking across its business operations. These policies and procedures include the following:

- a. **Panasonic Group Code of Conduct.** Panasonic commitment to human rights is set out in the Panasonic Group Code of Conduct. The Code of Conduct applies to all Panasonic directors, officers and employees. The Code of Conduct is available at www.panasonic.com/global/corporate/management/code-of-conduct/list.html. The Code of Conduct has been translated into 22 languages and is communicated to all

Panasonic personnel and sets out the ethical principles and philosophy regarding corporate social responsibilities.

b. **Respect for Human Rights.** The commitment to human rights is further embodied in Panasonic's Respect for Human Rights principles. The summary at www.panasonic.com/global/corporate/sustainability/pdf/sdb2021e.pdf provides the approach and summary of the key human rights principles. The information sets out the framework, responsibilities and process for ensuring that human rights are properly respected and addressed in all of its business activities. This includes the establishment of a global hotline (with service in 34 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 particular Panasonic supports and adheres to the following guidelines:

- United Nations Declaration of Human Rights, United Nations Global Compact and United Nations Guiding Principles on Business and Human Rights
- International Labour Organisation (ILO) Declaration of Fundamental Principles and Rights to work
- OECD Guidelines for Multinational Enterprises and OECD Due Diligence Guidance for Responsible Business Conduct
- Industry specific codes such as the Responsible Business Alliance (“RBA”) Code of Conduct
- Responsible Minerals Assurance Process set by the Responsible Mineral Initiatives (“RMI”)

The Code of Conduct and Human Rights Policy prohibits any form of forced labour, child labour and exploitation of labour in Panasonic's operations. The Code of Conduct and Human Rights Policy collectively requires all Panasonic Group companies to adopt sound labour and employment practices. All Panasonic Group companies must treat employees and implement sound employment practices in accordance with applicable laws. Together the principles contained in the Code of Conduct and Human Rights Policy require each Panasonic Group company to implement appropriate steps and compliance activities that reflect the respect for human rights, to understand and acknowledge the laws and regulations of people in different countries.

In addition to the compliance activities conducted within Panasonic for its employees, Panasonic will continue to cooperate with its suppliers throughout the world to fully understand laws and labour practices in different countries to respect human rights.

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

The following describes the process that Panasonic undertakes to identify and assess potential human rights impacts and to prevent the occurrence of modern slavery in our business or supply chains.

- a. **Recruitment.** When recruiting employees, Panasonic adopts a perspective of protecting fundamental human rights and engages in recruitment activities that comply with laws and regulations of the respective countries as well as human rights principles set by the United Nations ILO.
- b. **Training.** Training is conducted for all new and existing permanent staff on the Basic Business Philosophy and Code of Conduct. This training covers compliance with local laws and respect for fundamental human rights, emphasizing that employment of personnel in accordance with local employment laws.
- c. **Confidential Whistleblowing.** Panasonic protects whistleblowers by providing an anonymous whistleblowing hotline for employees and business partners. Employees are encouraged to report any potentially illegal behaviour or practices, including those related to modern slavery.
- d. **For Suppliers.** Panasonic asks suppliers to meet its CSR requirements, including the respect for human rights and the health and safety of workers so that forced labour does not occur in their operations. The supply chain CSR requirements are set out in the Panasonic Supply Chain CSR Promotion Guidelines for Suppliers which can be found at https://www.panasonic.com/global/corporate/management/procurement/for-suppliers/pdf/guideline_e.pdf.
- e. **Contractual Arrangements.** Panasonic includes in its standard purchase agreements the following contractual term to respect human rights as set out below:

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 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 the business activities are undertaken.

4.3 *Supply Chain Assessments and Audits*

Panasonic conducts supplier CSR self assessment activities (based upon the CSR Promotion Guidelines for Suppliers) to identify the state of their initiatives related to human rights, fair labour and health and safety.

The CSR assessments include items that prohibit suppliers from using child labour, forced labour, and similar practices. Priority is placed on self assessments in regions with the higher CSR risk. During the 2021 reporting period Panasonic conducted approximately 1,500 assessments of new and existing key suppliers.

In addition to the global efforts PAU locally in Australia has reviewed, based upon risk assessment criteria, its local suppliers and in particular those higher risk supplies based upon the Australian Government Guidance. PAU will continue to assess its local suppliers and conduct reviews in order to educate those suppliers on Panasonic's globally requirements and expectations as well as compliance with the Modern Slavery legislation.

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. During 2020, Panasonic visited 100 suppliers for site audits in China and Malaysia, areas where risks were considered high in terms of human rights and labour related matters. Panasonic continues to conduct site visits where required.

Panasonic considers terminating contracts in cases where critical items in the Supply Chain CSR Promotion 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 those 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

Panasonic has established formal grievance mechanisms in which employees are encouraged to raise any concerns. This is encouraged through several channels including management and also by or through the whistleblowing hotline. Suppliers also have access to the whistleblower hotline to report in the event that any of the procurement personnel or departments within Panasonic have violated any laws or regulations, agreements with suppliers, the Panasonic Code of Conduct or other procurement guidelines.

All employees are required to undertake proper training in the Code of Conduct to ensure that they understand the internal policies and act in a proper manner and apply the compliance activities in their daily activities. Procurement team members within the

Panasonic Group receive additional training on the procurement guidelines, how to identify risks in modern slavery and how to assess suppliers.

5. Mandatory Criteria 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 Promotion Guidelines for Suppliers. Panasonic tracks and reports on the overall outcomes and publishes this in the annual Sustainability Report. For the detailed 2021 report see www.panasonic.com/global/corporate/sustainability/pdf/sdb2021e.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 can be found on page 6 of the Sustainability Report for 2021.

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 Panasonic's 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. Mandatory Criteria 6 – Our Consultation Process

Within Panasonic, a thorough consultation process is fostered in order to manage and implement compliance processes as evidenced by the management philosophy and the System for Promotion of CSR Activities as contained in the Sustainability Report for 2021.

Consultation amongst various operating companies within the Panasonic Group continues in order for all stakeholders to grasp and implement the Panasonic Group wide efforts to improve supply chains and prevent the occurrence of modern slavery,

7. Mandatory Criteria 7 – Other Relevant Information

PAU recognises that the impacts of the Covid-19 pandemic can have a significant influence on its own employees and the employees of its local suppliers. The impact of the pandemic can affect the employees in different ways as there is likely to be a higher effect on those employees that are more vulnerable. Similarly, the workforce in the global supply chain may be disproportionately affected and be the subject of increased exposure to modern slavery risks.

PAU together with Panasonic will continue to monitor the impacts of Covid-19 and the potential modern slavery risks in the supply chain through the measures described in this Statement.

Panasonic established an organization at its Strategy Human Resources Department in October 2021 which is exclusively dedicated for human rights and labour compliance in order to assure that global compliance of human rights norms and relevant regulations are undertaken and to realise working environments where diverse human resources working for the Panasonic Group companies around the world can fully demonstrate their abilities.

Panasonic is focused on continuously improving its policies and practices, including through reviewing the operations of its suppliers across the globe, and continues to invest in human rights initiatives to avoid human rights infringements.

Panasonic regularly receives guidance from human rights compliance experts and business associations on the implementation of international human rights principles. In doing so, Panasonic is also reviewing its global human rights and supply chain policies, sustainable organization structure and the effectiveness of its training programs.

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



Michael O'Donnell

Director

Panasonic Australia Pty Ltd

Date: 3 March 2022