

Slavery and Human Trafficking Statement 2018

Modern Slavery is a criminal offence under the UK Modern Slavery Act 2015. It can occur in various forms including servitude, forced or compulsory labour and human trafficking, all of which include the deprivation of an adult or child's liberty by another, collectively called Modern Slavery. Over 40 million people live in some form of Modern Slavery worldwide according to the International Labour Organization (ILO), 25 million of them are victims of forced labour. These inhumane practices should not be tolerated or assisted. Companies can play a major role in preventing Modern Slavery by firmly implementing human rights for all workers along their whole supply chain.

◆ *The following statement discloses the efforts Panasonic Industry Europe Group has put into effect to tackle Modern Slavery at our company sites and along our entire supply chain. Panasonic Industry Europe Group – in the following statement also referred to as 'we', 'us' or 'our' – is committed to a work environment that is free from Modern Slavery in accordance with the UK Modern Slavery Act 2015, especially Art. 54 'Transparency in supply chains'.* ◆

Panasonic Industry Europe GmbH published its first Slavery and Human Trafficking Statement in 2016. This third statement demonstrates our continuous effort to prevent Modern Slavery from occurring in our company and supply chain.

[Our Business](#)

[Risk Assessment](#)

[Due Diligence](#)

[Our Supply Chain](#)

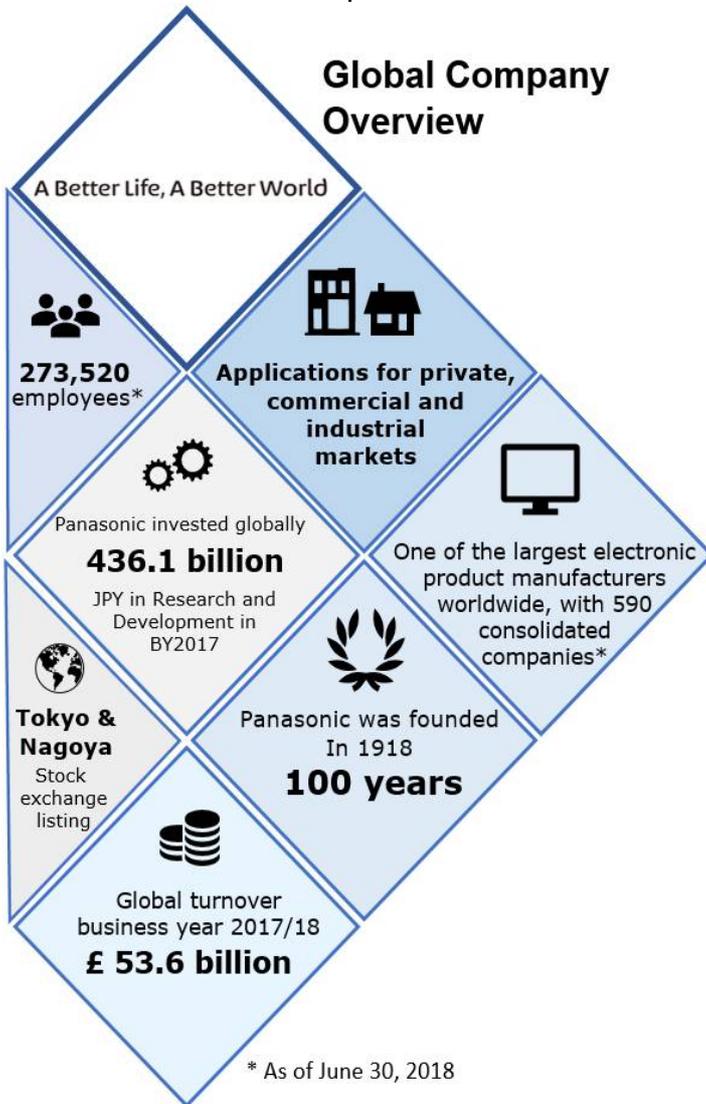
[Our Policies](#)

[Follow-up](#)

Our Business.

Panasonic Industry Europe Group – Panasonic Industry Europe GmbH together with its subsidiary Panasonic Electric Works Europe AG - is part of the global Panasonic Group and provide industrial products and services in Europe.

Panasonic Corporation, which is head-quartered in Japan, is one of the largest electronic manufacturers with 590 consolidated companies located globally.



Panasonic Industry Europe Group is driving industrial innovation, synergies and automation with its extensive range of business partners. The portfolio includes electronic and electro-mechanical devices, rechargeable batteries, displays, semiconductors and factory automation solutions for a broad range of industries such as automotive and mobility, building and infrastructure, home and personal, production and logistics, medical and healthcare.

We are committed to creating 'A Better Life, A Better World', continuously contributing to the evolution of society and to the happiness of people around the world. 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
Manufacture of consumer electronics like TVs, cameras, air conditioners and more.

Eco Solutions
Housing solutions like lighting fixtures, modular kitchen systems, photo-voltaic modules and more.

Connected Solutions
Business to business operation and sale of projectors, cameras, in-flight entertainment systems and more.

Automotive & Industrial Systems
Cockpit/ Infotainment systems, lithium-ion batteries and more.

Our Supply Chain.

As a global company we operate a highly complex supply chain, with suppliers located around the globe. For our main business – the manufacture and provision of electronic products – our supply chains include the sourcing of raw materials and minerals.

Under our top level Procurement Policy we operate our [Supply Chain CSR Promotion Guidelines](#) which outlines our basic stance on CSR procurement issues. Suppliers are expected to follow these guidelines which we communicate directly to them and which are also available



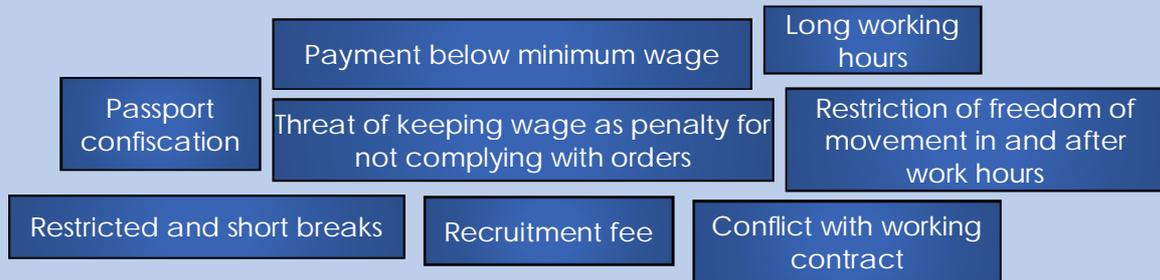
at our website. Furthermore, we commit ourselves to the [Panasonic Clean Procurement Policy](#), which highlights our principles for fair and ethics-based procurement.

With regard to the risk of sourcing conflict minerals, so funding organisations that behave without proper regard for human rights or act otherwise unethically in conflict zones, we strive to adhere to the Organisation for Economic Co-operation and Development's (OECD) Due Diligence Guidance for responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas.

Risk Assessment. Panasonic is aware that the risk of Modern Slavery occurring is higher in some regions than in others. This does not mean we neglect our work in the less affected areas, but we prioritise our action towards regions associated with a high risk. The majority of our suppliers as well as our business operations are located in Asia. According to the ILO, in Asia and the Pacific region four out of every 1,000 people were victims of forced labour in 2016, therefore we recognise this region is of special attention to us.

Some circumstances present greater opportunities for Modern Slavery to take place, one of them being the exploitation of foreign migrant workers.

In the context of modern slavery, the following human rights and labour violations are likely to occur:



According to the ILO, half of all victims of forced labour are in some kind of debt bondage to their employers or recruitment agencies which makes it impossible for them to leave their job.

We at Panasonic do our best to prevent any of these incidents from happening in our business or supply chain. To know the risks to which foreign migrant workers especially are exposed, and which are possible to occur in our supply chain, helps us to keep an eye on our suppliers in regard to any of the violations as listed above.

Our Policies. Our stance against Modern Slavery works alongside our policies to ensure a responsible supply chain. Panasonic has various procedures in place helping us to identify and mitigate risks as well as verifying the absence of Modern Slavery in our supply chain.

Our most important policy is the [Panasonic Code of Conduct](#). It includes requirements to create a working environment defined by respect and human rights for all Panasonic employees. Furthermore, it states that Panasonic will not employ people against their will. To us, our goal is that not only everyone working for Panasonic but also those whose work relates to our company has read the Code of Conduct and acts according to its requirements.

Complementing our Code of Conduct is the [Global Human Rights and Labour Policy](#). Both cover 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.

Due Diligence. In our business and supply chain we strive for a continuous process of tracking and assessing the ongoing performance of our suppliers regarding human rights and labour issues. In a very dynamic and volatile environment it is important to reassess possible risks and respond to changes.

SUPPLIERS

We expect all members of our supply chain, as well as contractors, to comply with our Anti-Slavery and Human Trafficking policy, our business principles and Basic Business Philosophy. 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. These Procurement Guidelines have been created in Japanese, English and Chinese. We expect our suppliers to adhere to these guidelines and therefore we are working on distributing them to all our suppliers via email and ensuring that they have been notified of our expectations. To ensure our values are implemented across the whole supply chain, our operations follow the official 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.

When starting business with new suppliers and setting up the supply contract, it is of great importance to include clauses on Anti-Slavery and Human Trafficking in our standard purchase agreements. Panasonic is therefore committed, over time, to include these clauses in all our purchasing contracts. Within these clauses, suppliers are also expected to comply with our Anti-Slavery policy and to provide evidence of their compliance when requested.

CONTRACTS

TRAINING

Employees, as well as suppliers, should understand and follow our values and principles. For that reason we conduct training for all new, permanent staff on our [Basic Business Philosophy](#) and [Code of Conduct](#). This includes face to face as well as online training on the following topics: compliance with local laws, respect for basic human rights with emphasis on not employing persons against their will, and on compliance with local employment laws.

We protect whistle blowers by providing an anonymous whistle-blowing hotline for employees which is run by an independent third party. Employees are regularly reminded of the whistle-blowing hotline and are encouraged to use it if they suspect any potentially illegal behaviour or practice.

WHISTLE-BLOWING

SUPPLIER CSR MEETINGS &
QUESTIONNAIRE

Following our statement last year, Panasonic Corporation's Global Procurement Team has been conducting CSR self-assessments with its suppliers. The CSR self-assessments fully cover issues related to Modern Slavery. In FY2017, the Panasonic Global Procurement Team conducted CSR self-assessments with around 2,000 suppliers mainly in Japan. Where concern is raised in the responses obtained, further contact is made, with some investigations conducted through site visits. Identified risks are discussed with the supplier and Panasonic assists in formulating a corrective action plan where required. In FY2017, we examined conditions on the ground at 7 of our suppliers in Thailand and China. We identified issues in areas such as health & safety and environment, and we have requested the suppliers in question to rectify these issues.

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. Panasonic prohibits forced labour including child labour. In order to prevent child labour, we have included age verification in the CSR self-assessment which is used when individuals join the company. The company does not allow employees under the age of 18 to engage in overtime work and heavy labour, and offers them consideration and support including, as appropriate, the opportunity to receive education.

RECRUITMENT

Follow-up. In the Slavery and Human Trafficking statement from last year we announced plans for future work for the coming years under 4 headings:

- Supplier CSR meeting and self-check questionnaire
- Follow-up of the self-check questionnaire
- Hotlines for workers employed by suppliers
- Employ an external information service

While good progress has been made on the first two subjects as already detailed above, slower progress has been made on the last two.

However the challenge to tackle Modern Slavery is a dynamic process that does not always follow a straight line. Having been made aware through the media of certain working conditions for employees in our supply chain in recent years, we appreciate the need to maintain a process of continual improvement in these risk areas. Panasonic is committed to bring increasing transparency to our supply chain to help ensure workers' protection. We will continue to put our effort into the elimination of situations that allow any form of Modern Slavery to arise in our supply chain.

This statement has been approved by:

A handwritten signature in black ink, appearing to be 'J. Spatz', written in a cursive style.

Johannes Spatz
Managing Director / Panasonic Industry Europe GmbH
President / Panasonic Electric Works Europe AG