

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 supports the fundamental principles of the United Nations Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. The major parts of these principles are embodied in the Panasonic Code of Conduct.

Panasonic is also taking an active approach to reflecting ideas concerning global human rights in its management, including by making reference to the Guiding Principles on Business and Human Rights, which were adopted by the UN Human Rights Council in June 2011.

In fiscal 2015, Panasonic complemented the Code of Conduct by setting a “Global Human Rights and Labor Policies” and by implementing a management system for abiding by that policy. The management system consists of self-assessment checklists for properly evaluating risks involving, and the impact on, human rights and for identifying risks, a manual outlining the procedures for correcting the risks that have been identified and for carrying out continuous improvement, and other components.

Going forward, in addition to efforts conducted with its employees, Panasonic will continue to cooperate with its suppliers throughout the world to fully understand laws and labor practices in different countries and to respect human rights.

Policy

As a company doing business globally, Panasonic treats, as a fundamental principle behind its business activities, interactions with not just its employees but all stakeholders with the maximum degree of concern and respect for their human rights. Panasonic’s policies concerning human rights are expressly outlined in Panasonic Code of Conduct and Global Human Rights and Labor Policies. These policies include items concerning such issues as working hours; wages; humane treatment; prohibition of discrimination; protection of privacy; concern for the human rights of foreign workers, trainees, and younger laborers; and the freedom of association plus labor-management dialogues, among others.

▶ Panasonic Code of Conduct, Chapter 3: Employee Relations

<http://www.panasonic.com/global/corporate/management/code-of-conduct/chapter-3.html>

Education

Panasonic conducts periodic training concerning its Code of Conduct—which sets forth its policies on respect for human rights—including when employees join the company or are promoted.

The company conducts “Overseas Employee / Pre-Overseas Appointment Training” for employees on assignment from Japan and posted at overseas subsidiaries. It provides education on issues of human rights that demand particular attention overseas, including fair treatment, the prohibition of employment discrimination, and respect for union activities.

Responsible Executive and Framework

The executive in charge is Senior Managing Director Mototsugu Sato (as of August 2016).

The departments responsible consist of the Human Resources & Industrial Relations Department established at the Panasonic headquarters, the human resources departments established at each of the four Panasonic Companies (Appliances, Eco Solutions, AVC Networks, and Automotive & Industrial Systems), and all business divisions and affiliated companies under the Panasonic umbrella.

Human Rights Support Desk

Panasonic has established an Equal Employment Opportunity Office at its headquarters and appointed full-time consultants to staff it. In addition, a consultation desk was established at each Company and business division in an effort to provide a place for employees to go to discuss their concerns about sexual harassment, harassment based on power differentials, topics related to the rights of members of sexual minorities (LGBT*), and a wide range of other topics relating to human rights.

The Equal Employment Opportunity Office also conducts activities aimed at resolving workplace problems and creating workplaces without barriers to employees performing their jobs. For example, in fiscal 2016, the office conducted training for managers concerning, among other things, creating a stimulating workplace culture; 97% of managers who attended the training responded that they “were able to change ways of thinking.” On more concrete terms, respondents provided positive opinions on the training, such that they reaffirmed the importance of initial responses and were able to clearly understand what efforts they needed to undertake; that the training had served as a good opportunity to once again re-evaluate their own actions and words; and that they wanted to work toward sharing with all workplace members respect for individuals, communication, and mutual support, and toward creating a workplace in which such shared ideals could be put into practice. In addition, some attendees provided suggestions for further improvements to the activities of the Office, including that the range of attendees for the training should be expanded while the training itself should be conducted periodically.

In its overseas subsidiaries as well, Panasonic is acting with all due attention to the privacy of those who seek consultation or report misdeeds, including by establishing consultation offices and suggestion boxes similar to those in Japan.

*LGBT: An acronym for lesbian, gay, bisexual, and transgender

Respect for Human Rights: Performance Evaluation

As a company doing business in countries around the world, Panasonic strives to respect human rights and considers it a precondition for all its behavior to abide by international standards, the laws and regulations of each country or region, and the Panasonic Code of Conduct.

Further to these efforts, since 2007, the company has been conducting Overseas Human Resources and Labor Assessments intended to identify, comprehend, and resolve issues in personnel management and labor management overseas. The checklist used in the survey contains around 300 items, including those concerning proper implementation of labor management; compliance with local labor laws, employment systems, and business practices; and discovery of bad influences on business and of latent labor-related risks that could cause problems.

After the local affiliate has conducted a self-assessment based on the checklist, an assessor who belongs to a Company or business division in Japan performs an audit with the support of the regional headquarters. Efforts to resolve problems discovered via assessments are undertaken primarily by Assessor-Leaders (mainly managers in charge of human resources), who strive to raise the level of labor management. Panasonic periodically runs “Assessor Seminars” to systematically promote the education of assessors and to raise the levels of their checking skills.

In fiscal 2016, assessments were conducted at a total of 9 sites, consisting of 3 sites in China, and 6 sites elsewhere in Asia. Panasonic will continue to strive to improve labor management capabilities through close partnerships between its Japanese and overseas locations, thereby to improve the company’s ability to respect human rights in all its businesses.

Furthermore, since fiscal 2015, Panasonic has implemented risk assessment and improvement efforts based on a “Self-Assessment Checklist” relating to human rights and labor that was established that year. We have expanded the implementation of these in fiscal 2016, engaging in efforts toward self-assessments as well as corrections and improvements at 52 sites overseas.

Because issues with working hours management have been observed at some companies through self-assessments, we have proposed improvement plans that include revisions to the organization of personnel, work management methods, and equipment automation, and are moving forward in our efforts to correct these issues.

Respect for Human Rights: Efforts Concerning Fundamental Human Rights

Prohibition of Forced Labor, Effective Abolition of Child Labor, and Attention to Young Workers

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. It also prohibits forced labor, labor against the will of any employee, or child labor. In order to prevent child labor, we have built items such as age verification into the “Self-Assessment Checklist” used when individuals join the company. The risk that child labor will be performed is thought to be especially high in China and elsewhere in Asia, and Panasonic is thoroughly implementing age checks in these regions. The company does not make employees under the age of 18 engage in heavy labor and offers them consideration and support so that they may have opportunities to receive education.

Providing Employment Opportunities for Young People

Panasonic holds our Professional Internship Program (PIP) twice annually through industry-university cooperation.

PIP has the following three goals:

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

Employing Foreign Workers

Because there tend to be greater human rights and labor-related risks for migrant and foreign laborers, Panasonic has established items to be checked that include ensuring that Panasonic-affiliated entities are not allowing temp agencies to collect any fees and are not retaining workers’ passports or identification documents, as well as ensuring that they are providing workers with employment contracts, including terms of employment, in those workers’ native languages. Panasonic recruits employees and accepts temporary workers based on the laws and regulations of the respective country, so that no employees are made to work against their will or are unduly subjected to disadvantageous working conditions.

Prohibition of Discrimination

Panasonic strives to create workplaces where diverse and talented individuals can respect one another as vital partners irrespective of differences such as race, sex, age, nationality, beliefs, religion, social status, disability, sexual orientation and gender identity, and can work in a lively and active manner in a supportive environment, with consideration of the laws and regulations of each country.

The company has established recruitment standards that select employees based on the applicants’ aptitudes, capabilities, and desires. To thoroughly implement these standards, the company in Japan, for instance, educates interviewers based on the handbook “Recruitment and Human Rights,” which the “Hellowork” public employment stability office established by the national government has drafted for the purpose of promoting fair recruitment selection.

For employee discipline, Panasonic has, among other provisions in its work regulations, those mandating respect for human rights, those forbidding illegal behavior, and those forbidding sexual harassment in the workplace; in the event of a violation of any one of these provisions, expressly stated disciplinary measures are to be taken.

Furthermore, the company is engaged in the following efforts to prevent sexual discrimination, including sexual harassment, as well as harassment based on power differentials, in order to create a more fair, equal, and pleasant workplace:

- Establishment, publication, and thorough implementation of policies concerning sexual harassment
- Distribution of leaflets and manuals concerning sexual harassment
- Seminars and training on sexual harassment, harassment based on power differentials, and revitalizing workplace culture
- LGBT training

Managing Working Hours

Based on labor standards legislation in the respective countries and on labor agreements, Panasonic has established in its work regulations provisions relating to appropriate working hours, break times, overtime work, holidays, leave, and so forth.

To abide by these provisions, the company operates a working-hours management system and is also engaged in comprehensive employee health management.

With a work management system, Panasonic has implemented a variety of measures with an eye to employees' health, including a mechanism by which warnings are issued and other steps are taken at the point when a certain length of overtime has been reached; optimal placement of personnel so that overtime is not overly imposed on only certain employees; and additional health checks performed in the rare event that an employee has worked excessively long hours.

Managing Wages

Based on labor standards legislation in the respective countries and on labor agreements, Panasonic has established in its employee wage regulations provisions for adequate wages, allowances for commuting and other expenses, bonuses, other compensation paid on occasional bases, retirement allowance, and so forth.

The company 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 being properly paid the salaries resulting from wage negotiations decided between labor and management.

Overseas, Panasonic establishes, by country, company regulations that comply with all wage-related laws and regulations pertaining to matters such as the minimum wage, statutory benefits, and overtime. The company conducts its operations based on these regulations and—for the specified period of payment and at the specified time of payment—notifies its employees through pay statements and electronic data, and pays them directly.

In cases where the laws of the country or region in question do not prohibit monetary disciplinary action, Panasonic recognized such disciplinary action as a possibility, and does not prohibit it. However, this is all predicated on the procedures for such actions as well as the monetary amounts involved being established within legal limits with consideration given to the impact on the recipient's life, as well as such measures being 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 disciplinary measures.

The Freedom of Association and Respect for 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 permit the formation of labor unions—for instance, in Japan—Panasonic and the Panasonic Group Workers Union Association have stipulated in their labor agreement that unions retain the rights to organize, to collectively bargain, and to strike.

In addition, even in countries and regions where the formation of labor unions is not permitted because of legislation, regulations, or conventional labor practices, the Panasonic Code of Conduct stipulates the de facto promotion of issue resolution through labor-management dialogues, which are the goals of the principles of the freedom of association and the right to collective bargaining. In addition, the company expressly lists these dialogues as one of the conditions for doing business with suppliers in its Standard Purchase Agreement and demands suppliers comply with this condition.

Panasonic Code of Conduct (Excerpts)

Chapter 3: Employee Relations

(Omitted)

(2) Respect for Human Rights

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.

▶ Panasonic Code of Conduct, Chapter 3: Employee Relations

<http://www.panasonic.com/global/corporate/management/code-of-conduct/chapter-3.html>

Standard Purchase Agreement (Excerpts)

(Demand on Suppliers to Respect Human Rights)

The Supplier shall try to foster a good relationship with its employees and to resolve issues by constantly having a sincere and constructive dialogue.

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, and it has concluded labor agreements and a basic agreement with the Panasonic Group Workers Union Association. Except for some employees engaged in work relating to management, all full-time Panasonic employees in non-managerial jobs belong to a labor union. In addition, the company respects the right of non-regular employees to join a labor union if they choose to do so. At Panasonic, important management issues are discussed in advance with the labor union, and 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 proposals for change.

Both Management-Labor Committees and Labor-Management Councils are held periodically and separately at the groupwide, Company, and business division levels. The groupwide-level Management-Labor Committee includes the Panasonic Group President, executives in charge of human resources, the head of the labor union’s Central Executive Committee, and others, and is held once per month. The groupwide-level Labor-Management Council includes all executives who are managing directors or above, all members of the labor union’s Central Executive Committee, and others, and is held twice per year.

There is no established minimum notification period when a vital matter for consideration, such as a structural change, has arisen. However, after the company has issued a proposal, there will be discussions, if necessary, every single day at every level—groupwide, 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 2016, 29 employee representatives and 13 company representatives assembled in Warsaw, Poland; exchanged information concerning management strategy, business issues, and other matters; and had active discussions.

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

China

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

Specifically, Panasonic conducts—among other initiatives—periodic labor-management dialogues, proactive joint labor-management recreational events, and prior explanations to unions concerning important management decisions. The company is thus focusing its efforts on building good relations between labor and management—the basis for business development.

Structure of the Fundamental Human Rights that Panasonic Respects

The major structure of the fundamental human rights that Panasonic respects is shown in the following diagram:

Structure of the Fundamental Human Rights that Panasonic Respects



Respect for Human Rights: Initiatives Relating to Global Standards, Legislation, Regulations, and So Forth

State of Efforts Relating to the ILO Core Labour Standards

Panasonic supports the fundamental principles of the United Nations Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. The major parts of these principles are embodied in the Panasonic Code of Conduct. Panasonic's headquarters and each regional headquarters serve as bases for the collection of information on critical changes in legal requirements related to human rights and labor, and every one of our business sites works to ensure and strengthen our compliance with them.

The freedom of association and the right to collective bargaining

No. 87 (Freedom of Association and Protection of the Right to Organise Convention)

No. 98 (Right to Organise and Collective Bargaining Convention)

▶ "The Freedom of Association and Respect for the Right to Collective Bargaining"

http://www.panasonic.com/global/corporate/sustainability/human_rights/approach/#freedom

Prohibition of forced labor

No. 29 (Forced Labour Convention)

No. 105 (Abolition of Forced Labour Convention)

▶ "Prohibition of Forced Labor, Effective Abolition of Child Labor, and Attention to Young Workers"

http://www.panasonic.com/global/corporate/sustainability/human_rights/approach/#labor

Effective abolition of child labor

No.138 (Minimum Age Convention)

No.182 (Worst Forms of Child Labour Convention)

▶ "Prohibition of Forced Labor, Effective Abolition of Child Labor, and Attention to Young Workers"

http://www.panasonic.com/global/corporate/sustainability/human_rights/approach/#labor

Rejection of discrimination in employment and occupation

No. 100 (Equal Remuneration Convention)

No. 111 (Discrimination (Employment and Occupation) Convention)

▶ "Prohibition of Discrimination"

http://www.panasonic.com/global/corporate/sustainability/human_rights/approach/#discrimination

Initiatives for the Prevention of Slavery and Human Trafficking

Modern slavery can occur in various forms including servitude, forced or compulsory labour and human trafficking, all of which include the deprivation of a person (an adult or a child's) liberty by another (collectively "Modern Slavery"). This document sets out the procedures Panasonic has put in place with the aim of preventing opportunities for Modern Slavery to occur within our business or supply chain.

Panasonic ("We" "Us" or "Our") 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 we operate.

We operate a zero-tolerance approach to Modern Slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure Modern Slavery is not taking place anywhere in our own business or in any of our supply chains. We will not knowingly use Modern Slavery in any of our products and/or services supplied, nor will we accept commodities, products and/or services from suppliers that we believe to utilise Modern Slavery.

Our Business and Key Risk Areas:

Our business

Panasonic's global business is organised into four key business units:

- Appliances;
- Eco Solutions;
- AVC Networks; and
- Automotive & Industrial Systems.

Our Supply Chain

Our supply chains include the sourcing of raw materials and minerals principally related to the provision and manufacture of electrical products. Please refer to http://www.panasonic.com/global/corporate/sustainability/supply_chain/minerals.html for more details.

Our key risk areas

The risk that Modern Slavery will occur is thought to be especially high in certain regions of the world. Panasonic is actively implementing a program of enhanced checks in these regions to ensure compliance with local legislation.

Due Diligence Process for Modern Slavery:

As part of our initiative to identify and mitigate risk we have taken a number of actions to verify the absence of Modern Slavery in our supply chain, including the following:

Panasonic Code of Conduct (Excerpts)

Chapter 3: Employee Relations

(Omitted)

(2) Respect for Human Rights

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.

▶ Panasonic Code of Conduct, Chapter 3: Employee Relations

<http://www.panasonic.com/global/corporate/management/code-of-conduct/chapter-3.html>

Standard Purchase Agreement (Excerpts)

(Demand on Suppliers to Respect Human Rights)

The Supplier shall not engage in forced or child labor, illegal employment of foreign workers, or other illegal or illegitimate employment practices; employment conditions, including wages and shift lengths, shall be based on the laws and regulations of the respective countries and regions in which the Supplier does business.

3 STEP PROCUREMENT POLICY

This ensures respect for human rights and safety of labour.

<http://www.panasonic.com/global/corporate/management/procurement/policy.html>

SUPPLIERS

We ask our suppliers to meet our CSR requirements, including safeguarding human rights and the health and safety of labourers

Panasonic Supply Chain CSR Promotion Guidelines (Excerpts)

1-1 Prohibition of Forced Labor

Suppliers shall employ all workers of their own free will with no worker being subject to forced labor.

Specific action items

- Suppliers shall not engage in all forms of forced labor, involuntary prison labor, bonded labor, compulsory labor, indentured labor, or trafficking in persons.
- Suppliers shall not impose unreasonable restrictions on entering or exiting dormitories and workplaces.
- Suppliers shall give written notice to a worker concerning working conditions in the national language of the worker before entering into a definitive agreement (in the case of a foreign worker, before leaving his/her home country).

- Suppliers shall permit workers to freely terminate their employment.
- Suppliers, manpower supply companies, and staffing agencies shall not retain any government-issued identification card, passport, working permit (except the case where the retention of a working permit is required by law), immigration application, and any other similar document.
- Suppliers, manpower supply companies, and staffing agencies shall not collect any recruitment fee from workers.
- Suppliers shall inform workers of all items deducted from their salaries.
- Suppliers shall request and confirm that manpower supply companies and staffing agencies comply with above items.

<http://www.panasonic.com/global/corporate/management/procurement/for-suppliers.html>

TRAINING

We conduct training for all new, permanent staff on our Basic Business Philosophy and Code of Conduct. This includes training on: compliance with local laws and a respect for basic human rights with emphasis on not employing persons against their will and on compliance with local employment laws.

RECRUITMENT

We have strict recruitment policies and comply with laws and regulations of the respective countries in which we operate. Our self-assessment checklist includes: checking whether we are confirming ages in order to prevent child labour; not allowing temp agencies to collect fees or are themselves retaining workers' passports or identification documents; and providing workers with employment contracts, including terms of employment in those workers' native languages.

SUPPLIER CSR SELF CHECK QUESTIONNAIRE

We are in the process of formulating and testing tools which will allow us to measure the degree to which our suppliers comply with our Supply Chain CSR Promotion Guidelines in our supply chain. This includes issues concerning Modern Slavery and requires suppliers to complete a self-assessment questionnaire on their compliance with CSR and Modern Slavery principles. We have already circulated the self-assessment questionnaire to around 700 suppliers in Japan, China and other countries throughout Asia.

CONFIDENTIAL WHISTLE-BLOWING

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

Plans for the Future and Continuous Improvement:

We have expressed our commitment towards better understanding our supply chains and working towards greater transparency and responsibility towards people working in them. We will continue to work with our suppliers to encourage commitment to and compliance with our anti-slavery and human trafficking policies and legislation.

We have begun to circulate a CSR check questionnaire to our suppliers to ensure compliance with our CSR core values and policies on anti-slavery and human trafficking. We will continue to circulate this questionnaire and ensure compliance. Once our suppliers have responded we will evaluate their compliance with anti-modern slavery laws and our CSR policies and assess how we can achieve continuous improvement in the coming years.

Initiatives Relating to Compliance with Matters Demanded by SA8000

SA8000 is an international standard concerning labor and human rights that has been issued by the US NGO Social Accountability International. The standard provides for voluntary requirements that employers should fulfill, including those concerning the rights of workers in the workplace, the working environment, and management systems. The eight requirements that SA8000 demands and the state of Panasonic's initiatives concerning each management system are publicly available from the following websites:

1. Child Labor

▶ "Prohibition of Forced Labor, Effective Abolition of Child Labor, and Attention to Young Workers"

http://www.panasonic.com/global/corporate/sustainability/human_rights/approach/#labor

2. Forced or Compulsory Labor

▶ "Prohibition of Forced Labor, Effective Abolition of Child Labor, and Attention to Young Workers"

http://www.panasonic.com/global/corporate/sustainability/human_rights/approach/#labor

3. Health and Safety

▶ "Occupational Health and Safety"

http://www.panasonic.com/global/corporate/sustainability/health_safety.html

4. Freedom of Association & Right to Collective Bargaining

▶ "The Freedom of Association and Respect for the Right to Collective Bargaining"

http://www.panasonic.com/global/corporate/sustainability/human_rights/approach/#freedom

5. Discrimination

▶ "Prohibition of Discrimination"

http://www.panasonic.com/global/corporate/sustainability/human_rights/approach/#discrimination

6. Disciplinary Practices

▶ "Prohibition of Discrimination"

http://www.panasonic.com/global/corporate/sustainability/human_rights/approach/#discrimination

7. Working Hours

▶ "Managing Working Hours"

http://www.panasonic.com/global/corporate/sustainability/human_rights/approach/#hours

8. Remuneration

▶ "Managing Wages"

http://www.panasonic.com/global/corporate/sustainability/human_rights/approach/#wages