UK Modern Slavery Act Transparency Statement 2023

In the following statement, 'we', 'us' or 'our' refers to the Panasonic Group.
Scope of Reporting - Fiscal 2023 (1st April 2022 to 31st March 2023)

The Panasonic Group's mission is to realize an ideal society offering material and spiritual affluence. This stems from the notion of achieving prosperity both in matter and mind, which is the ideal state of society that our founder, Konosuke Matsushita, envisioned and pursued throughout his life.

As a comprehensive electronics manufacturer, Panasonic Group develops, produces, sells, and provides services in relevant sectors through close cooperation with Group companies in Japan and abroad. Our business activities all depend on the support of many people, including our Group employees, customers who use our products and services, suppliers involved in procurement and sales, and our business partners. Therefore, our business activities may impact them positively or negatively. Under our management philosophy that "a company is a public entity of society," we recognize that we cannot allow ourselves to develop at the expense of these people, and that we have a responsibility to protect their rights and contribute to the well-being and happiness of these people.

Panasonic Heating & Ventilation Air-Conditioning UK Ltd. is committed to make efforts to confront Modern Slavery at its sites and along its entire supply chain, in accordance with Section 54 of the Modern Slavery Act 2015.

Panasonic Heating & Ventilation Air-Conditioning UK Ltd. publishes its Slavery and Human Trafficking Statement annually.

Our Business. **Panasonic Heating & Ventilation Air-Conditioning UK Ltd.** is part of the global Panasonic Group, which is head-quartered in Japan and one of the largest electronic manufacturers with 532 consolidated companies located globally.

Panasonic Group Data (Fiscal Year ended March 2023)



As the key element of our Basic Business Philosophy, we have the basic concept of the "a company is a public entity of society." This is also the very essence of the Panasonic Group's sustainability. As we stand at historical turning points in many areas today, Panasonic Group will continue to promote sustainability management globally and to contribute to the future of society.

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 five key business units:

Lifestyle	Refrigerators, microwave ovens, rice cookers, washing machines, vacuum cleaners, personal care products, air-conditioners for residential, and commercial use, heat pump-type hot water heaters, ventilation, perflation and air-conditioning equipment, air purifiers, air purifier/sterilizers, freezing or refrigerating showcases, lighting fixtures, lamps, wiring devices, solar photovoltaic systems, fuel cells, compressors, bicycles, nursing care services
Automotive	Automotive-use infotainment systems, head-up displays, automotive speakers, automotive switches, advanced driver assistance systems (ADAS) and related devices, systems and devices for xEVs, Interior rearview mirrors
Connect	Aircraft in-flight entertainment systems and communications services, Electronic components-mounting machines, welding equipment, projectors, professional AV systems, PCs and tablets, solutions for various industries, installation/operation/maintenance services, supply chain management software
Industry	Relays, switches, power supplies, touch panels, motors, sensors, laser markers, capacitors, inductors, resistors, circuit board materials, semiconductor device materials, molding compounds, LCD panels
Energy	Cylindrical lithium-ion batteries for in-vehicle use, dry batteries, primary/secondary lithium batteries, nickel-metal hydride batteries, lithium-ion batteries, storage battery modules/systems

Panasonic Heating & Ventilation Air-Conditioning UK Ltd. was formed in 2022 following the combination of the Panasonic UK Heating & Ventilation Air-Conditioning division and A.M.P. Air Conditioning Limited. In that short time, Panasonic Heating & Ventilation Air-Conditioning UK Ltd has grown substantially and is a significant supplier Heating & Ventilation Air-Conditioning products and services.

Our Commitment to Human Rights

Panasonic Group established our Panasonic Group Human Rights and Labor Policy (hereinafter referred to as "Human Rights and Labour Policy"), referencing the below international standards and incorporating external experts' opinions. This policy states that, predicated on compliance with international standards and the laws and regulations of each country that apply to our business activities and transactions, we are committed to respecting internationally recognized human rights; identifying, preventing, and correcting human rights violation risks; promoting remedy and other measures for victims; creating a rewarding working environment; and engaging in dialogue on these issues with various stakeholders.

Following this policy, we have established internal rules, developed a promotion system, and advanced specific initiatives for respecting human rights and creating a rewarding work environment.

Moreover, the Panasonic Group Code of Ethics and Compliance (hereinafter referred to as "Code of Ethics and Compliance"), defines the commitments that all Group employees must fulfill and positions respect for human rights as our social responsibility. We strive to raise awareness of this responsibility.

Main international standards used as reference:

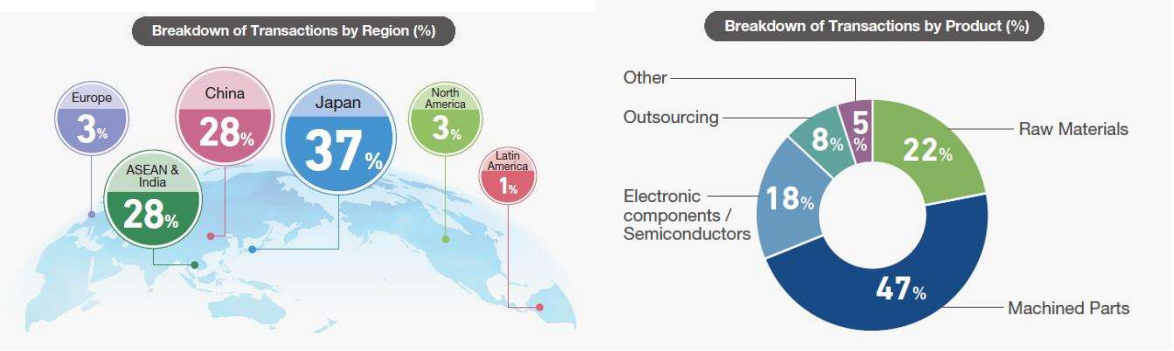
- The United Nations' Guiding Principles on Business and Human Rights
- The United Nations' International Bill of Human Rights (Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, and International Covenant on Economic, Social and Cultural Rights)
- ILO Declaration on Fundamental Principles and Rights at Work and ILO Core Conventions

Our Human Rights and Labour Policy includes a clear expectation to work toward the effective eradication of child labour. When we hire employees, in addition to complying with all applicable laws, we also require the staffing firms, suppliers, and other companies we work with to do the same. We also do not permit any midnight work, heavy labour, or dangerous labour for employees under 18 years old.

To prevent potential adverse human rights impacts and following the revision of the Code of Ethics and Compliance, we provided trainings for all employees, with 150,000 taking part.

Our Supply Chain

With Panasonic Group does business with approximately 13,000 suppliers worldwide.



Panasonic Group strives to do business with suppliers that not only provide superior technology and quality but also fulfil their social responsibilities including human rights and environmental considerations, worker-friendly labour conditions, and fair-trade practices. The parts and materials we purchase range from raw materials to electrical/electronic components and processed parts. Our suppliers are located in various regions and countries,

meaning that some parts and materials come from regions and countries with many migrant workers.

In April 2022, we established the “Rules on Supply Chain Compliance” to strengthen our efforts to promote CSR in the supply chain. This rule stipulates the basic policy regarding supply chain compliance and internal rules for its implementation. In addition to a thorough implementation of procurement operations, management reviews are conducted on a regular basis. Furthermore, in light of society’s and stakeholders’ increasing expectations, and of trends in legislation, we will revise, as necessary, to continuously improve our efforts.

We, the Panasonic Group, require that suppliers affirm the Panasonic Group’s Code of Ethics & Compliance and the Human Rights and Labor Policy making it mandatory, at the start of transactions for materials and components for the manufacturing of Panasonic products, to conclude a Master Global Purchasing Agreement stipulating compliance with Panasonic Supply Chain CSR Guidelines (hereinafter referred to as “the CSR Guidelines”). In addition, we require in the CSR Guidelines a respect for human rights as expressed in United Nations norms and principles, an evaluation of the status of suppliers’ human rights initiatives and the implementation of prevention / mitigation / corrective measures, a request for compliance with tier 2 suppliers, and a request for cooperation with the Panasonic Group’s Human Rights Due Diligence.

To prevent potential adverse human rights impacts, our procurement departments at Panasonic Group conducts CSR procurement training for our procurement staff members, who will be able to fulfil our social responsibilities when it comes to procurement activities, by teaching them about the company’s approach to CSR, and they create opportunities to gain knowledge about procurement compliance.

Our Human Rights Due Diligence Process

The Group is committed to respecting the human rights of the stakeholders in its business activities, products and services, and transactions, based on the United Nations’ Guiding Principles on Business and 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. We incorporate input from external experts and stakeholders in formulating related mechanisms and processes.

Own operation

We have made opportunities (including when first starting work and upon promotion) to make sure employees know about the topic of respect for human rights included in our Code of Conduct. In April 2022, we revised the Panasonic Code of Conduct to what is now called the Panasonic Group Code of Ethics & Compliance, adding a separate new chapter, Respecting Human Rights.

In fiscal 2022, we conducted a detailed self-assessment of human rights and labour issues at almost all our overseas manufacturing companies to gain a bird’s eye view of the Group’s 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. However, we recognized that we need a more detailed understanding of issues to quickly address them.

In light of this recognition, in fiscal 2023, we reviewed and added questions to our list before conducting another detailed self-assessment of some domestic manufacturing sites that were selected by our Group companies alongside our overseas manufacturing companies (for a total of 127 companies and sites). As a result of this survey, we identified 96 issues including:

- Inadequacies in contracts between companies and recruitment agencies for employing foreign workers;
- Insufficient fire alarms and similar devices installed in dormitories for foreign workers;
- Overtime by young workers;
- Hiring and promotion processes which may cause discrimination

To address these issues, the relevant companies and sites formulated improvement plans by August 2023 which will be supported by Panasonic Holdings Corporation (PHD), as appropriate, to complete the corrective measures by March 31, 2024.

Suppliers

To promote human rights due diligence and other aspects of CSR throughout the supply chain, the Group requires its suppliers to conduct CSR Self-Assessments. The CSR Self- Assessments are structured based on the CSR Guidelines, and we require that all new suppliers conduct one before we start transactions with them. We also require our existing suppliers to conduct them regularly. We collect these assessments using a web-based questionnaire, reducing the burden on suppliers and our Group and improving collection efficiency and accuracy. We restarted the assessments and their collection at the end of 2021.

By March 2023, we had collected the questionnaires from more than 12,000 suppliers (94%). After discovering issues, particularly those identified as priority management items in the CSR Self-Assessments, such as labour conditions for migrant workers, we will visit suppliers, check on-site conditions, hold interviews, and investigate issues whenever necessary and work to correct them.

Since fiscal 2023, the Group has begun work on initiatives to build a structure 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 organizations in order to identify suppliers for which action should be taken on a priority basis. From this fiscal year, using the risk-based approach mentioned above, each Operating Company focuses on those prioritized suppliers to be audited and carries out supplier audits by itself or with the third-party institutions according to its own supplier audit implementation plan.

Access to Remedy

The Panasonic Group 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 they have become aware of, including those issues involving human rights or labour. This hotline uses an external, independent system that prevents the identity of the internal or external person reporting being revealed, and we have internal rules in place such that we are careful to protect the confidentiality of such reports and to make sure that the person reporting the violation does not suffer any acts of retaliation and detrimental treatment.

In addition to our Global Hotline, we offer access to JaCER, a new industrywide grievance platform established by the CSR Committee of the Japan Electronics and Information Technology Industries Association (JEITA). JaCER is a contact point for suppliers and their employees to report any adverse human rights impacts in the Group's supply chain. By accepting grievances through a third-party contact, we aim to make grievance handling fairer and more transparent, promote dialogue and redress more than ever before, and work to resolve essential human rights issues. In all reporting systems, we ensure whistleblower anonymity and report confidentiality and publicize the contact information for reporting systems on our supplier web portal and our website, "For Suppliers."

Continuous Improvement

Given the complexity of our own production and supply chain networks, ensuring respect for human rights and completely eradicating Modern Slavery at all our suppliers and own production sites will take time and effort. We are committed to making sustained initiatives against specific human rights challenges including Modern Slavery and continuously learn and improve.

This statement has been approved by:

Jose Manuel Alves

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Date: 2023.09.25 17:20:47 +01'00'

Jose Manuel Alves
Regional Director of United Kingdom, Republic of Ireland, Netherlands
Panasonic Heating & Ventilation Air-Conditioning UK Ltd.