

Panasonic Corp.

TICKER
 TKS:6752

MARKET CAPITALIZATION
 US\$35 billion

HEADQUARTERS
 Japan

DISCLOSURES
UK Modern Slavery Act: Yes (Disclosure of Subsidiary)

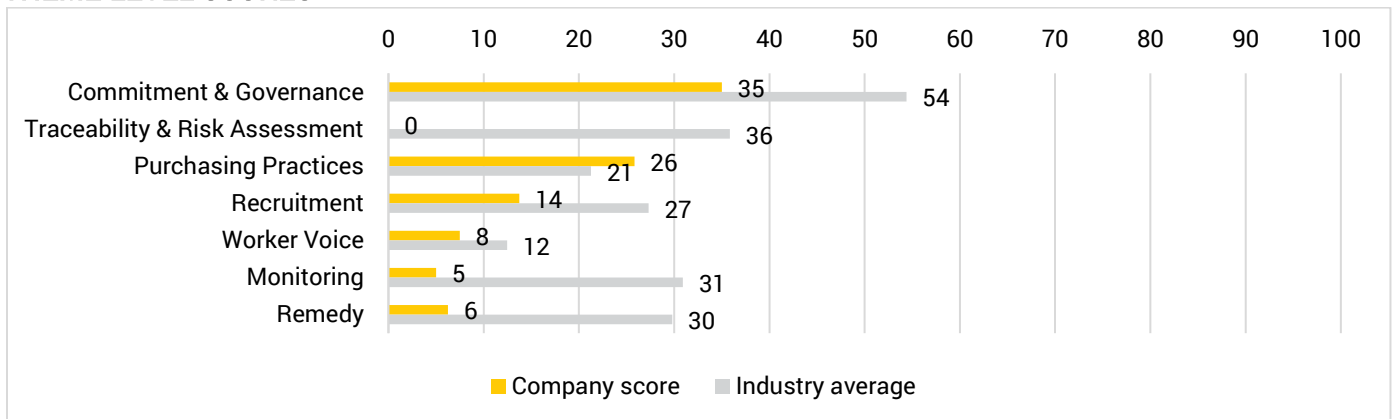
California Transparency in Supply Chains Act: Yes (Disclosure of Subsidiary)

TARGETS

None

OVERALL RANKING
38 out of **49**
OVERALL SCORE
13 out of **100**
SUMMARY

Panasonic Corp. (Panasonic), a consumer electronics company based in Japan, ranks 38th out of 49 companies, disclosing less information on its forced labor policies and practices than its peers on all themes except Purchasing Practices. The company discloses relevant information on all themes except Traceability and Risk Assessment. Notably, the company achieves the highest score on the Purchasing Practices theme among Japanese companies included in the benchmark. KnowTheChain identified three allegations of forced labor in the company's supply chains. The company discloses that it started investigations into two of the allegations. However, the company does not disclose engagement with affected stakeholders nor remedy outcomes for workers in its supply chains. The company is encouraged to improve its performance and disclosure on the themes of Commitment & Governance, Traceability & Risk Assessment, and Remedy.

THEME-LEVEL SCORES


Research conducted through October 2019 or through January 2020, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#). It includes an [allegation in the company's supply chains regarding forced labor of ethnic minorities transferred from Xinjiang to factories across other provinces in China](#), which falls outside of the research timeframe.

KEY DATA POINTS
SUPPLIER LIST

No

NO-FEE POLICY

Yes

AVERAGE SUPPLIER SCORE

N/A

REMEDY FOR SUPPLY CHAINS WORKERS

No

HIGH-RISK SOURCING COUNTRIES

 China, Malaysia¹
LEADING PRACTICES

None.

NOTABLE FINDINGS

Commitment & Governance: Panasonic discloses that it has “a zero-tolerance approach to Modern Slavery and [is] committed to ... implementing and enforcing effective systems and controls to ensure Modern Slavery is not taking place anywhere in [its] business or in any of [its] supply chains.” It discloses that it trains all new permanent staff on its code of conduct, which includes forced labor. In addition, the company discloses a supplier code of conduct: the Supply Chain CSR Promotion Guidelines, which prohibit forced labor, is easily accessible on its website and regularly updated. The company discloses that its supplier code is available in several languages and that it is “working on distributing them to all [its] suppliers via email and ensuring that they have been notified.”

Purchasing Practices: Panasonic states that since 2011, it has been participating in projects of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (currently, the Forum on Responsible Mineral Supply Chains), which references forced labor. The company discloses that it “makes it a condition of doing business that the suppliers practice CSR. Panasonic conducts checks from a perspective that encompasses such aspects as human rights, labor.” It states that it requires suppliers to complete a CSR self-assessment before it starts doing business with them. Panasonic also discloses that it “enters into a standard purchase agreement that includes CSR related matters, such as human rights [and] safe working environment.”

Recruitment: Panasonic’s supplier code prohibits worker-paid recruitment fees and the retention of passports and other identification documents. It further requires its suppliers to provide their workers with employment contracts that include terms of employment in their workers’ native languages.

OPPORTUNITIES FOR IMPROVEMENT

Commitment & Governance: The company is encouraged to establish and disclose a managerial structure with clear responsibilities and accountability for the implementation of its supply chain policies that address forced labor and human trafficking, and provide oversight of such policies at the board level. The company may further consider engaging with relevant stakeholders on forced labor and

human trafficking (e.g., policy makers, worker rights organizations, or local NGOs) in countries in which its suppliers operate. The company is also encouraged to participate actively in one or more pertinent multi-stakeholder or industry initiatives.

Traceability & Risk Assessment: To demonstrate a strong understanding of its supply chains, the company may consider disclosing the names and addresses of its first-tier suppliers, the countries in which its below-first-tier suppliers operate, the countries from which it sources raw materials at high risk of forced labor, and several data points on its suppliers' workforce. The company is further encouraged to assess forced labor risks across its supply chains and disclose the risks identified.

Remedy: The company may consider establishing and disclosing details on its corrective action plan processes that include potential courses of action in cases of non-compliance, a means to verify remediation and/or implementation of corrective actions, and possible consequences if corrective actions are not taken. Further, the company may consider establishing a process to ensure that remedy is provided to workers in its supply chains in cases of forced labor and human trafficking and disclosing details on this process, such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to remedy provided to its suppliers' workers, including in specific allegations in its supply chains.

ENGAGED WITH KNOWTHECHAIN

Yes ([Provided Additional Disclosure](#)).

¹ The US Department of Labor lists China and Malaysia as countries where electronics may be produced using forced labor. US Department of Labor (20 September 2018), "[List of Goods Produced by Child Labor or Forced Labor](#)."