



## Panasonic Avionics Corporation's Modern Slavery Statement (International) for the financial year 1 April 2023 – 31 March 2024

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This modern slavery statement was prepared and submitted in accordance with the requirements of applicable modern slavery laws, including the Australian *Modern Slavery Act 2018* (Cth) (“Australian Act”), the California *Transparency in Supply Chains Act of 2010* (“CA Act”), the UK *Modern Slavery Act of 2015* (“UK Act”), and the *Norwegian Transparency Act* (“Norwegian Act”) on behalf of Panasonic Avionics Corporation (“PAC”) (Australian Business Number 068 581 920) as the reporting entity, for the reporting period 1 April 2023 – 31 March 2024 (FY23)<sup>1</sup>.

### Our Commitment to Human Rights

Modern slavery may occur in various forms—including servitude, forced or compulsory labor, and human trafficking—all of which include the deprivation of an adult’s or a child’s liberty by another (collectively, “modern slavery”).

Panasonic Avionics Corporation is committed to a work environment free from modern slavery, in accordance with the laws and regulations of the respective countries in which we operate. PAC is committed to acting ethically and with integrity in all its business dealings

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<sup>1</sup> Panasonic Avionics Corporation owns or controls\* the following entities, none of which meet the reporting threshold under any of the Acts identified above:

- Aeromobile Communications Ltd.
- Aeromobile AS
- Delta Engineering Corporation
- Panasonic Avionics (China) Company, Limited
- Panasonic Avionics India Pvt. Ltd.
- Panasonic Avionics Mexico Company Limited, S. De R.L. De C.V.
- Panasonic Avionics New Zealand Limited
- Panasonic Avionics Services Singapore Pte. Ltd.
- Tactel AB

\*For purposes of this modern slavery statement, “control” is as defined in the Australian Act.

and relationships. PAC does not knowingly use modern slavery in any of the products it uses or services it supplies.

We strive to improve our internal standards, guidelines, and partnership agreements to facilitate management of human rights-related issues and help prevent modern slavery from taking place anywhere in our own business or in our supply chains.

As an international company, we understand our responsibility in supporting Sustainable Development Goals (SDGs), particularly the United Nations' Goal 8 of 'Decent work and economic growth,' especially target 8.7, which states:

*Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.*

## Structure, Operations, and Supply Chain

### Structure

Panasonic Avionics Corporation is a U.S. corporation incorporated in the State of Delaware, and headquartered in Irvine, California. PAC is a wholly owned subsidiary of Panasonic Corporation of North America, the principal North American subsidiary of Panasonic Holdings Corporation. Panasonic Holdings Corporation is PAC's ultimate parent company and is headquartered in Japan. It is one of the largest electronic manufacturers in the world, with 524 consolidated companies located globally. PAC is part of the global Panasonic Group (for more information, see [Panasonic Group](#)).

### Operations

Panasonic Avionics Corporation is the world's leading supplier of in-flight entertainment and communication systems. The company pioneered the industry beginning in 1979 and has consistently introduced innovations that enable unique customer experiences and enhance airline loyalty, ancillary revenue, and operational efficiency.

Over 200 leading airlines across the world have chosen to install PAC's in-flight entertainment systems, satellite Wi-Fi connectivity, and digital services on their aircraft. PAC's proven systems are supported by the largest, global support and services team utilizing original equipment manufacturer insights to ensure peak system performance.

## Supply Chain

As a global company, PAC operates a highly complex supply chain, with suppliers located worldwide. As a member of the Panasonic Group, PAC is able to leverage Panasonic Group's entire supply chain globally. Many of PAC's and PAC's subsidiaries' products are sourced by manufacturing facilities located in Japan and therefore must comply with Panasonic Holdings Corporation's [Procurement Policy](#).

## Modern Slavery Risks in Operations and Supply Chains

Panasonic Avionics Corporation acknowledges that the risks of modern slavery may be greater in certain operations or supply chain as a result of geographic location, product, or service. We are aware that the risk is heightened in sectors involving migrant workers, for example.

Panasonic Avionics Corporation's assessment is that there is low risk in modern slavery occurring in relation to employees directly employed by PAC in its business operations and in the operations of the entities PAC owns or controls. However, the scale and complexity of our global supply chain has been identified as a potential source of modern slavery risk. Currently, PAC has identified sourcing in China, India and Indonesia as higher risk supply chain activities and is therefore focused on developing, implementing and monitoring these activities.

## Actions Taken to Address Modern Slavery Risks and Assessment of the Effectiveness of Such Actions / Due Diligence Processes

We take several proactive steps to mitigate potential risks of modern slavery in our operations and supply chains:

### Policies, Codes, and Guidelines

The Panasonic Group has defined the [Panasonic Group Human Rights and Labor Policy](#) with reference to the international standards listed below. In keeping with this policy, the Panasonic Group sets rules within the Group, sets up systems to promote the policy, and promotes concrete initiatives toward achieving working environments that respect human rights and provide meaningful work. As a global organization conducting business throughout the world, the Panasonic Group respects internationally recognized human rights. (See, the [Panasonic Group's Code of Ethics & Compliance](#) ("Code"), available in 22

languages.) As a member of the Panasonic Group, the policy and Code are applicable to Panasonic Avionics Corporation.

The primary international standards used as reference for the Panasonic Group Human Rights and Labor Policy are:

- The United Nations' Guiding Principles on Business and Human Rights
- The United Nations' International Bill of Human Rights
- International Labour Organization's Declaration on Fundamental Principles and Rights at Work

Panasonic Avionics Corporation has also implemented several policies and guidelines related to human rights, labor, and sustainability, all of which may be accessed by employees on PAC's intranet:

- **Combatting Trafficking in Persons and Forced Labor Policy** – sets forth PAC's opposition to trafficking in persons and use of forced labor within our company and supply chains, and provides guidance regarding the identification and prevention of human trafficking and forced labor.
- **Global Environmental Health, Safety and Security Department** –sets forth a procedural framework to provide a safe and secure working environment for employees and third parties.
- **Environmental Policy** – sets forth scope of PAC's environmental management system.
- **Global Employee Handbook and regional/local employee handbook addenda** – sets forth standards of employee behavior.
- **Affirmative Action and Equal Employment Opportunity Policy Statement** – sets forth PAC's commitment to diversity and being an equal opportunity employer. Applicable only in the United States.
- **Global Standards of Business Conduct** – sets forth standards of employee behavior when interacting with any business partner, including customers, consultants, agents, contractors, subcontractors, vendors, and suppliers. Anything prohibited for employees is also prohibited for any business partner or third party providing goods or services to PAC.
- **Business Partner Policy** – sets forth standards and guidelines for the due diligence review of PAC business partners.
- **Business Partner Code of Conduct** – sets forth the ethical conduct standards and principles the Company expects its Business Partners to follow in providing products and services to or on behalf of PAC.
- **Anti-Retaliation Policy** – prohibits retaliation against employees who exercise protected rights, such as the right to lodge an internal complaint or make a good faith report about a possible violation of law or the Panasonic Group Code of Ethics and Compliance.

## Recruitment

When recruiting employees, PAC 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.

## Training

We conduct training for all new, permanent staff on our [Basic Business Philosophy](#) and the Panasonic Group Code of Ethics & Compliance. The Code includes a chapter on [Respecting Human Rights](#). As part of the Panasonic Group, Panasonic Avionics Corporation and all of its subsidiaries adopted and are expected to comply with the Code. The training covers compliance with local laws and respect for fundamental human rights, emphasizing that PAC and its subsidiaries will not employ persons against their will or in violation of local employment laws. PAC maintains internal accountability standards and procedures for employees and contractors failing to meet our standards. Failure to comply with company policies and the Code may subject the employee to disciplinary or corrective action, up to and including termination.

Furthermore, job-specific training regarding corporate social responsibility (“CSR”), procurement, and other relevant occupations, informs employees and raises awareness about human rights risks and responses.

Enhanced training will be deployed to all employees in the Fall of 2023 in the Panasonic Ethics and Knowledge (PEAK) learning management system. All PEAK trainings are mandatory, tracked, and must be completed by all employees.

## Confidential Whistleblowing

To make it possible for PAC to respond quickly to address any complaints it receives related to human rights violations, a global hotline (supporting 31 languages) is available to our employees and external partners, who can report any suspected compliance violations, including those issues involving human rights or labor. The hotline is accessible via Panasonic Avionics Corporation’s intranet and public website ([www.panasonicichotline.com](http://www.panasonicichotline.com)), and is run by an external, independent third party that allows the reporter to remain anonymous to the extent permitted by applicable law. Retaliation is prohibited against anyone who acts in good faith to raise a compliance concern. (For more information, see [Fair Operating Practices](#).)

## Business Partner Due Diligence

Before engaging a new supplier or business partner or consultant, PAC performs due diligence and screening. If the findings indicate enhanced risk, PAC will conduct a deeper assessment (including the collection of additional research as required) before moving forward with engaging the potential new third party. If the screening reflects unacceptable risk (i.e., verified sanctioned party), the engagement process is terminated, and PAC will not move forward with the new business relationship.

## Supply Chain CSR Guidelines and Audits

PAC asks its suppliers to meet CSR requirements, including the respect of human rights and the health and safety of workers, so that forced labor does not occur in their operations. PAC's [Business Partner Code of Conduct](#), which supplements each supplier's contract with PAC, highlights our expectation that our suppliers will uphold human rights, and emphasizes that our suppliers are prohibited from engaging in human trafficking, forced labor, and child labor. We also conduct on-site audits of suppliers and assess compliance with CSR guidelines.

We expect suppliers to understand our position on CSR-related topics and the Panasonic Group-issued Supply Chain CSR Promotion Guidelines. We require our suppliers to adhere to these guidelines and comply with our Basic Business Philosophy.

### **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 forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons.
- Suppliers shall not impose unreasonable restrictions on workers' freedom on entering or exiting workplace or dormitories.
- Suppliers shall provide written notice to a worker about his/her working conditions in the national language before signing the formal contract (in the case of a foreign worker, prior to departing from his/her original country).
- Suppliers are prohibited to make any unfair changes of the contract in the working country, when the contract had been concluded in the original country.
- Suppliers shall permit workers to terminate their employment freely.

- Suppliers, manpower supply companies, and staffing agents shall not retain any government-issued identification card, passport, working permit (unless such holdings are required by law), immigration application, and any other similar documents.
- Suppliers, manpower supply companies, and staffing agents shall not collect any recruitment fees from workers.
- Suppliers shall inform workers of all items deducted from their salaries.
- Suppliers shall request and confirm that manpower supply companies and staffing agents comply with all of the above items.

## Supplier CSR Self-Assessments

In keeping with the United Nations' Guiding Principles on Business and Human Rights and the Panasonic Group's policies on human rights and labor, Panasonic Avionics Corporation requires our suppliers to perform CSR Self-Assessments regarding human rights. These CSR Self-Assessments are structured around the CSR Guidelines, and we request that all new suppliers conduct one before we begin doing business with them. We also request our existing suppliers to conduct assessments regularly (once every one to three years, depending upon prior assessment results). CSR Self-Assessments are available to our suppliers in an online survey format. Responses to the CSR Self-Assessments are monitored weekly.

## Effectiveness of Actions

Panasonic Avionics Corporation's focus during this reporting period was to gain a better understanding of modern slavery risks in our supply chain and that of our wholly owned subsidiaries. At this stage, we are working towards establishing a governance framework to adequately assess the effectiveness of our actions in our and our subsidiaries' supply chains. PAC will continue to monitor and assess risks by tracking the number of our suppliers who complete the CSR Self-Assessments, tracking and terminating supplier agreements based on human rights abuses identified through ongoing diligence and monitoring, and tracking human rights-related reports made to our global hotline. PAC has prioritized goals focused on implementing performance benchmarks and developing KPI reporting to assess the effectiveness of our actions.

## Continuous Improvement Activities for the Future

Some of the Panasonic Group's supply chains fall in high-risk areas, and we are very much aware that there are serious risks in those areas with respect to human rights and labor. Given the complexity of these supply chains, Panasonic Avionics Corporation is committed to

eradicating modern slavery at all our suppliers by taking time and effort to continuously address human rights risks. We are committed to making sustained initiatives against the problem of modern slavery.

Panasonic Avionics Corporation complies with modern slavery regulations in several jurisdictions. We published our first Slavery and Human Trafficking Statement in 2016, and our first Australian Modern Slavery Statement in 2020. These statements demonstrate our concern and continuous intention to encourage the implementation of sustainable development goals. These statements may be found on our public website: <https://www.panasonic.aero/public-policy/>.

## Consultation and Board Approval

Panasonic Avionics Corporation consulted its subsidiaries and affiliates in the development of this statement.

This Modern Slavery Statement was approved by Panasonic Avionics Corporation’s Board of Directors on September 26, 2023.

*Ken Sain*

Ken Sain (Sep 26, 2023 15:02 PDT)

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Kenneth W. Sain  
President and Chief Executive Officer  
Panasonic Avionics Corporation