

Labour-Management Relationship and Social Dialogue

Promoting decent work through labour-management dialogue

Panasonic Corporation

Panasonic

Building trust through dialogue with employees at its factories in Vietnam

Panasonic Corporation, which celebrated its 100th anniversary in 2018, has a production base in four cities in Vietnam, manufacturing home appliances, wiring equipment and breakers, automotive parts, etc. and has expanded its business in Vietnam significantly in recent years. While the electronics industry is Vietnam's largest export industry, most manufacturers are actually Japanese or Korean, not Vietnamese. In Vietnam, where the economy is rapidly expanding, competition for skilled workers is intensifying in the electronics industry. Panasonic recognizes that securing and retaining employees is a major challenge in its business.

Panasonic's Code of Conduct states: "The Company will respect human dignity and strive to provide an environment that encourages employees to realize their full potential. The Company will respect each employee's personality and motivation and, in appropriate circumstances, try to offer matching opportunities in other regions." Panasonic emphasizes long-term and stable relationships with its employees and strives to build trust in Vietnam based on dialogue with employees.

In addition to monetary compensation such as wages and bonuses, Panasonic emphasizes work-life balance for each employee. For this reason, in addition to basic working conditions such as pay raises, bonuses, allowances, and work hours, Panasonic has engaged in labour-management dialogues and negotiations on topics such as health promotion measures, support for asset accumulation savings, and improvement of on-site facilities such as cafeterias. This reflects their management philosophy to respect employees' perspectives and opinions in operation.

One example is creating an annual working schedule through communication with employees. Instead of setting up a schedule that is based only on the business needs of the factory, the company created an annual factory-operation schedule that considered employees' requirements and requests. For example, while the Chinese New Year holiday, cherished by Vietnamese people, usually allows an average of five-day leave in many global companies in the electronic industry, Panasonic has decided to allow 10 consecutive holidays based on the needs of its employees to harmonize work and family life. This was a decision based on the agreement and respect of both workers and the management of the factory, and contributed



in increasing employees' ownership to the operation schedule. By making important decisions based on labour-management dialogue, the company succeeded to build win-win relationships with the workers, contributing to advance the company's social responsibilities.

Participation in ILO projects and efforts through collaboration with industry peers

Since 2015, Panasonic has participated in an ILO project to promote socially responsible labour practices in the Vietnamese electronic industry. The project, labeled "More and Better Jobs through Socially Responsible Labour Practices," was funded by the Japanese government and promoted decent work based on the principles of ILO's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) with the government of Vietnam, trade unions, employers' associations, multinational corporations and their suppliers.

In addition, Panasonic plays a key role at the Japan Electronics and Information Technology

Industries Association (JEITA) in Japan and is actively working with other companies that deal with the electronics technology, electronics equipment, and information technology (IT) on issues shared in the industry. For instance, through activities at JEITA Responsible Minerals Trade Working Group, the company has been promoting sustainability throughout the supply chain of the IT electronics industry. Panasonic currently contributes to the newly launched CSR Committee of JEITA as the chairperson. Furthermore, in order to promote highly transparent initiatives based on international standards, the company is working to realize decent work in its supply chains in Japan and overseas through active cooperation with international organizations, including the ILO and a wide range of stakeholders. See page 34-35 for details of the "ILO More and Better Jobs through Socially Responsible Labour Practices" project in Vietnam.

NOTE



MNE Declaration
par.11, par.16, par.63



Related SDGs
Goal 8, 17