

Sustainability Report 2010

eco
ideas





Panasonic Corporation

—Full Version—

In addition to information on the CSR site, Sustainability Report 2010 (Full Version) includes other CSR-related information, including information on other parts of Panasonic's Website.

Panasonic
ideas for life

Contents

Top Message	2
Panasonic CSR Management	4
 In cooperation with employees	6
Respect for diversity	6
Human resource development	12
Occupational Health and Safety Management	15
Healthy Labor-Management Relations	19
 In cooperation with business partners	20
Recycling Parts and Materials to Achieve Balance between the Ecology and Costs	20
Procurement Activities, Thoughts About CSR Procurement from a Supplier	20
Approach to CSR Procurement, Policy	22
 Partnering with local communities (Corporate Citizenship)	28
Basic Policy	28
Corporate Citizenship's Key Areas	28
Taking Corporate Citizenship to a Higher Level	29
 Corporate Governance for CSR Management	32
Corporate Governance	32
Directors and Corporate Auditors	41
Panasonic Code of Conduct	43
Global Compliance	51
G&G Risk Management Activities	53
Information Security Enforcement	57
Fair and Appropriate Advertising Activities	58
What We Would Like to Communicate	59
Corporate Profile	62
GRI Guideline Indexes	63

Top Message



As a public entity of society, we aim to become the No.1 Green Innovation Company in the Electronics Industry through the combined efforts of all of our employees around the world.

Fumio Ohtsubo, President

Living in harmony with the global environment is everyone's responsibility. There is no place for a company that does not fully embrace this spirit.

Today, our world is facing a major turning point.

As global environmental problems become more serious, and as concerns about the depletion of resources and the rise of emerging countries increase, the shift to a sustainable, multipolar society has become a significant common issue worldwide, and people around the globe are taking specific action to make this a reality.

Under our midterm management plan, the "GP3 Plan," covering fiscal years 2008 through 2010, we worked to accelerate our shift toward environmental sustainability management. Reducing the environmental impact of all of our business activities was a major theme of this plan, having the same priority as given to goals involving growth and earnings. Our commitment to society in our contribution to the environment was set out in our 'eco ideas' Declaration. This declaration divides our effort into three categories: 'eco ideas' for Products, producing energy-efficient products; 'eco ideas' for Manufacturing, dedicated to reducing CO₂ emissions across all manufacturing processes; and 'eco ideas' for Everybody, Everywhere, designed to spread environmental activities throughout the world. Our wide-ranging initiatives in these areas have enabled us to achieve a great many of our objectives. In particular, we promised to reduce global CO₂ emissions in production activities by 300,000 tons compared to fiscal 2007, and have managed to far exceed this midterm goal, achieving a reduction of 840,000 tons. We also held a "Panasonic Eco Relay," in which employees, their families, and others in the community took part in environmental conservation activities in 39 countries and regions around the world. In two years, our initiatives have numbered over 1,000, indicating the steady progress we have made in our effort to live in harmony with the environment on a global scale.

We will spur innovation in society from within our day-to-day lives. By integrating our environmental contribution and business growth, we will realize a major paradigm shift.

When formulating our new management plan to begin in fiscal 2011, following the "GP3 Plan," we thought that we had to build on our strengths to further evolve our environmental sustainability management. Panasonic's business activities have always been carried out giving close attention to everyday life, and it has enabled us to build strong ties with our customers. These ties are our greatest asset. And, in working to expand our business globally, we have always sought to establish strong roots in the regions and countries in which we serve. In light of this, I believe that, moving forward, we must squarely address the task of realizing a sustainable society and take the lead in spurring innovation which takes hold in our daily lives to benefit the next generation of people around the world.

With this in mind, looking to the year 2018, the 100th anniversary of our founding, we have set our goal, which is to become the "No.1 Green Innovation Company in the Electronics Industry." To realize this vision, we will take a comprehensive approach to ensure that we make the environment central to all of our business activities, and allow for no exception.

Specifically, we will focus on two types of innovation. The ideas we provide through our “Green Life Innovation” will make possible a green lifestyle to enrich people's lives, while our “Green Business Innovation” will focus on achieving a maximum reduction in the environmental impact of our own business activities, and we will offer this new way of doing business to society at large. We have also established new benchmarks to realize this vision. We will work to continually meet our “global excellence indexes,” including sales of at least 10 trillion yen and ROE of at least 10%. At the same time, we aim to become number one in the four “green indexes” taken as a whole. These green indexes include our contribution to reducing CO₂ emissions and our contribution to recycling resources.

As we worked out our 100th anniversary vision, we also completely renewed our ‘eco ideas’ Declaration, focusing on ‘eco ideas’ for Lifestyles, aiming to promote lifestyles with virtually zero CO₂ emissions all around the world, and ‘eco ideas’ for Business-styles, aiming to create and pursue a business-style which makes the best use of resources and energy. Making a new commitment to society, we will always implement and pursue these ideas.

In May of this year, we announced our new midterm management plan, “Green Transformation 2012” (GT12), which is the first step towards achieving this vision. With the addition of Sanyo Electric Co., Ltd., the new Panasonic Group is working to build a foundation to realize a major paradigm shift and become a Green Innovation Company.

In order to make a contribution closely tied to the everyday lives of the people in the various countries and regions, we will put to use the individual traits and abilities of our diverse workforce worldwide.

Organizational growth and business growth are nothing more than the sum of the growth of individuals. To contribute to the development of an increasingly multipolar global society, it is essential that we nurture a corporate culture where a greater diversity of people than in the past interact, appreciate one another's values, compete with one another, and grow ever stronger. At Panasonic, this kind of diversity is actively being promoted, describing it as “irimajiru,” or “mixing together.” Panasonic has nearly 380,000 employees around the world, and they are people having unique individual personalities and abilities, people from a variety of backgrounds in terms of country, region, culture and history, people of many different nationalities, varying in age, men and women. Our hope is that as we all extend ourselves beyond the boundaries of our nation and organization, actively exchange ideas with each other, and renew ourselves, we will become a company capable of providing innovative products and services to customers around the world.

Based on our basic way of thinking regarding personnel development - “Develop people before making products” - we aim to continue to pursue diversity in our employees that is worthy of Panasonic.

As a “public entity of society,” we will continue working to contribute to sustainable growth in society through our manufacturing activities, which are our core activities.

Long before the word CSR was in wide use, Panasonic's activities were already guided by our management philosophy which states that a company is a public entity of society. Our founder, Konosuke Matsushita, often said that, “Companies and society are not separable, but rather are a single entity.” Companies that think of themselves as acting separately from society will take a passive attitude and simply follow along with the laws, rules and other expectations of society. But if companies realize that they are also truly members of society, they will ask themselves what is really right for society, and how they should best behave. And they will begin to sincerely listen to society and learn from society, and will spontaneously take the initiative and act. We believe that this is what having a “corporate conscience” means. I hope that all employees at Panasonic will look into their own “corporate consciences,” and act in ways that contribute to sustainable growth in society. By always behaving with this kind of sincerity, the Panasonic Group aims to continue to contribute to society and be trusted by society.

Fumio Ohtsubo
President
Panasonic Corporation

Panasonic CSR Management

“Public Entity of Society”

We at Panasonic have always followed our unchanging management philosophy of “contributing to society through our business activities.” This philosophy serves as the basis of all our operations. And, as we aim to become the “No. 1 Green Innovation Company in the Electronics Industry” moving toward the 100th anniversary of our founding, we will make our utmost efforts to bring forth innovation. At our company, we also adhere to a fundamental management principle of “Start anew every day.” Konosuke Matsushita, our founder, once said, “Actual policies and measures adopted at a given time as we put our management philosophy into practice in light of existing business conditions... have to change with the times. In other words, we must “start anew every day.” All of our employees across the globe are working together embracing the spirit of innovation reflected in the philosophy of “Start anew every day,” a spirit which has been a part of us ever since the founding.

“Start Anew Every Day”

“A good management philosophy should basically be workable in any age. However, actual policies and measures adopted at a given time as we put our management philosophy into practice in light of existing business conditions, are not unchangeable. On the contrary, they have to change with the times. In other words, we must start anew every day. Our society is constantly changing and shifting, and in order to continue to develop in the midst of such change, companies must also adapt to changes in society, and even move one step ahead of the times.”

“My Management Philosophy” (Konosuke Matsushita) From the chapter, “Adapting to Changing Times”

Example #1: Innovation born of the desire to provide people with a more modern lifestyle - “Develop an electric iron that even a fledgling teacher can afford!”

It was in 1927. Along with the radio, the electric iron was becoming more popular as a leading-edge consumer product in an increasingly modern age. But irons were expensive, and affordable ones were usually of inferior quality. Our efforts to develop a better, less expensive iron started with the thought that even a fledgling teacher should be able to go to work in a neatly pressed shirt. First, we employed a more solidly built mechanism for the electric heating component which had often failed. We also designed this iron so that it could be easily repaired should it break. Mass production methods, still rare in Japan at that time, were used to reduce costs. After just three months in development, the Super Electric Iron went on sale. Irons at the time cost between 5 and 8 yen for domestically manufactured models, with imports costing as much as 15 yen. But selling at just 3.2 yen, the Super Electric Iron became a huge hit, acclaimed not only for its low price, but also for its superior quality. After numerous improvements based on customer feedback, in 1930, the iron was officially designated as a “product of excellence” by the Ministry of Commerce and Industry (Currently the Ministry of Economy, Trade and Industry).



Super Electric Iron

Example #2: Innovation born of the desire to let everyone experience the convenience provided by a bicycle - “Even the elderly can ride an electric bicycle with ease.”

In his younger days, the founder of Panasonic worked as an apprentice in a bicycle shop, and there he developed a special attachment to bicycles. After rolling out his long wished-for, first bicycle in 1952, he continued to think about what the company could do as an electric manufacturer to contribute to the progress of bicycles, and in 1980, Japan’s first electric bicycle finally went on sale. Mr. Matsushita, who was already over eighty at the time, saw that there was a future for the electric bicycle, as it was easy to ride for even an elderly person like himself. Unlike today’s power-assisted bicycles, this first electric bicycle ran on electric power alone, and required a license to operate, limiting its potential demand. But research continued, and technology accumulated over the years finally came to fruition with the advent of the power-assisted bicycle. Today, over half of the power-assisted bicycles sold in Japan are made by Panasonic.



Founder Konosuke Matsushita tries out an electric bicycle.

Aiming to Become the No. 1 Green Innovation Company in the Electronics Industry

Panasonic is striving to bring forth two types of innovation as it works to realize its vision for the 100th anniversary of our founding. One is Green Life Innovation, which aims to make green lifestyles a reality to enrich people's lives, made possible through ideas that we propose for better living. The second is Green Business Innovation, which seeks to implement and offer an optimum green business-style.

Through these activities, we will work to contribute to the progress and development of society and enrich people's lives.

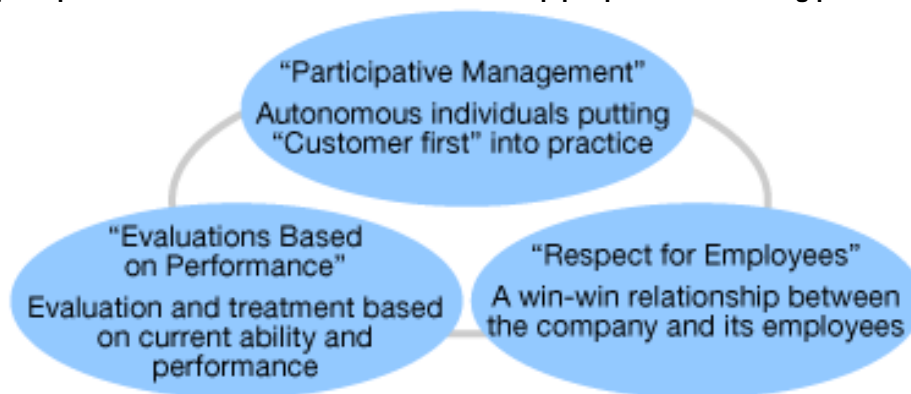


In cooperation with employees

Basic Approach

"People are the foundation of business. Develop people before making products." Throughout its history, Panasonic has consistently placed priority on human resource development based on this philosophy. The core element of our human resources policy is building win-win relationships between the company and employees through a variety of activities based on the principles of participative management, evaluations based on performance, and respect for employees. In essence, this approach means that we are simultaneously pursuing two objectives: sustaining growth in sales and earnings and allowing employees to achieve their goals through their work. This is how we go about making Panasonic a worker-friendly, more fulfilling environment.

["People are the foundation of business. Develop people before making products"]



Respect for diversity

Global Diversity Policy

"New Panasonic Group" is now one of the world's leading business groups which offers a wide variety of products in electronic business areas related to our daily lives. With an aim to contribute to progress in society and to enrich people's lives through manufacturing, every employee plays a leading role in their job and promoting business activities of Panasonic.

380,000 employees from all over the world are currently working for Panasonic. This shows that Panasonic is a group of people who have various regional, cultural and historical backgrounds. Although all people are different in nationality, age and gender, they all have their own individuality and abilities. Each person has various different ideas, and by sharing these ideas across countries and business areas, we can create more innovative values. Thus, Panasonic will continue to be a Group which always gathers wisdom and spurs innovation with the concerned efforts of all. We have a strong hope that through using our diverse mindsets and viewpoints we can deliver products and services like no other in the world to our customers.

In order to achieve this, it is important to give a chance for success to motivated people of all countries and regions, regardless of their gender, nationality or any other characteristics. From fiscal year 2010, we will expand our diversity activities to make the best of the individuality and abilities of each employee and to support their success on a group and global basis. We will keep challenging to be "No.1 in Diversity Promoting Activities in each country and region".

Managing Director
Director, Corporate Diversity Promotion Division

April 1st, 2010
Masatoshi Harada

Panasonic Diversity Promotion Vision

As a truly global company, we are aiming to create a corporate culture that respects different values and encourages diversity. All employees will freely demonstrate their individuality and creativity to enable both the company and themselves to continue to grow with the ultimate goal of becoming the No.1 Green Innovation Company in the Electronics Industry.



Initiatives to Hire and retain More Foreign Employees in Japan

As part of our effort to create an organizational climate that enables people to play an active role regardless of gender, age, or nationality, Panasonic implemented the Action Plan of Global Recruitment, a program to expand the hiring of non-Japanese employees to work in Japan, including both new graduates and midcareer professionals.

In conjunction with this program, from 2008 we began making environmental changes and fostering an organizational climate that enables us to maximize the potential of each foreign employee working in Japan, as well as to retain them. For example, on entering the company, foreign employees meet with their immediate supervisors to create an Individual Development Plan so that the supervisor and employee share an understanding of his or her future career path. This is followed up with an interview in two years' time by the Personnel Group to ensure that the employee's placement, training and education are going well. To provide new employees with vital information about working in Japan, we created the "Irimajiro" ("to mix with each other") website for the foreign community. For Japanese employees working with non-Japanese employees, we instituted inter-cultural communications training that provides tips on how to better communicate across cultural borders.



Non-Japanese employees exchanging opinions about "work at Panasonic" at the "Irimajiro Networking forum"

In March 2010, we held a "Global Irimajiro Networking Event" for foreign employees, their immediate supervisors and work colleagues. Through lectures by guest speakers and discussions, participants learned how to communicate with and bring out the best in people from different backgrounds through leadership.

These initiatives are intended to help each of our employees excel and make full use of their abilities, creativity, and sensitivities. Having employees exchange different viewpoints will make us that much more able to embrace a customer-comes-first attitude.

Initiatives to Appoint More Women to Positions of Responsibility

In 1999 Panasonic began its Equal Partnership initiative, and since this time, we have been promoting the creation of an open, fair, work environment—one that does not discriminate based on gender, age, or nationality—through the establishment of the Panasonic Positive Action Program, special training programs for women, and the establishment of the Equal Opportunity Employment Officer.

Then in 2001, the initiative to appoint women to positions of responsibility—previously the crusade of the personnel groups—was recognized as an engine of diversity for the entire organization. Subsequently, as one of the management policies to change the corporate climate by facilitating the participation of women in management, the Corporate Equal Partnership Division (currently the Corporate Diversity Promotion Division) was established directly under the office of the President.

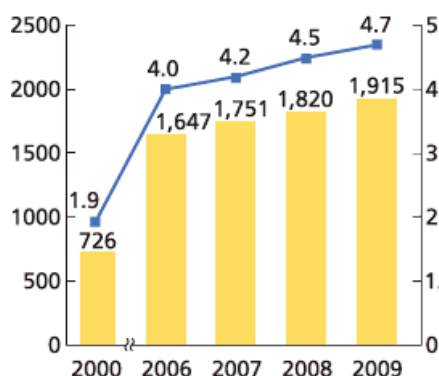
An advisory committee made up of the 8 top executives over the business domain companies was then established to implement the various activities originating from the Corporate Equal Partnership Division. Acting as leaders for promoting diversity in their domains, these executives promoted the appointment of women to positions of responsibility, changing the corporate climate from the top down.

July has been declared Diversity Promotion Month, during which the Diversity Forum is held to provide an opportunity for the President, executives, managers, and divisional leaders to discuss the role of women within the company and issues relating to diversity. In 2007 Panasonic reestablished the Career Improvement Seminar with the goal of developing knowledge and improving practical management skills for female middle managers who are upper management candidates. This seminar has been attended by 170 people companywide over 3 years.

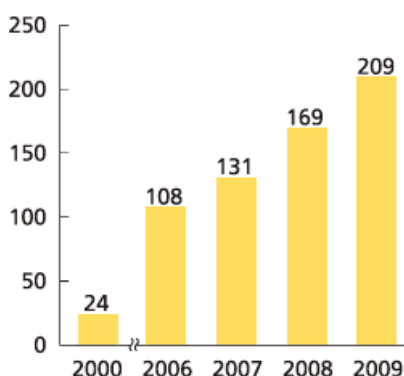
The result of these multi-faceted initiatives was an increase in the number of women serving in a management capacity, whether as a top executive, group manager, or team leader. It also resulted in more women in leadership roles in manufacturing and all other fields, and led to the creation of many new and popular products.

**[Numbers and percentages of women in positions of responsibility]**

■ Number of female employees in positions of responsibility
 ■ Percentage of total positions of responsibility occupied by female employees



* Total for Panasonic Corporation and related companies in Japan

[Number of female employees in managerial positions (Section leader or higher)]

* Total for Panasonic Corporation and related companies in Japan

[Growth in appointments of women]

1986

The first year of initiatives for expanding the role for women in the workplace. In response to the enactment of the Equal Employment Opportunity Law, Panasonic set up a system for leave for childcare and other schemes, and promoting women as a management strategy.

21.6 years

The average time that female employees continue working at Panasonic. Thanks to our fully developed "Work and Life Support Program," the number of female employees leaving to give birth, raise children or care for relatives has declined and the gap between males and females has closed in terms of the average time employees continue working at Panasonic. The figure for male employees is 22.4 years.

209

The number of female employees in managerial positions as of April 2009. Compared with 24 in April 2000, this number has grown nearly nine-fold in nine years. The number of female employees in positions of responsibility is 1,915; 2.6 times higher than nine years ago.

Promoting Diversity beyond Corporate Borders

Panasonic is also working with other companies to create a work environment that enables all employees to achieve their full potential regardless of gender, age, or nationality.

For example, in 2005, Panasonic joined other leading companies to encourage female employees through the Women's Networking Forum, as one of its organizing companies, an annual forum attended by about 520 people from 62 companies. Panasonic is also a member of the Executive Committee of the Diversity West Japan Workshop (with 94 members from 39 companies), and is involved in planning and running the quarterly meetings of the group, whose members gather to share practical policies and know-how and thus increase the effectiveness of diversity initiatives at each company.

Through these attempts to effect diversity outside its own corporate framework, Panasonic aims to learn from other member companies as well as contribute to improving diversity throughout society.

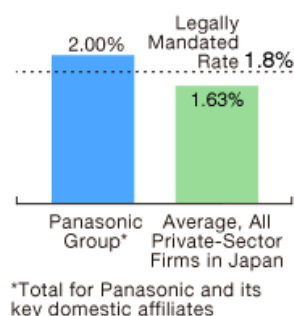


Creating Comfortable Workplaces for Those with Disabilities

In fiscal 2010, individuals with disabilities accounted for 2.00% of the workforce in Japan of Panasonic and its key affiliates. This is higher than both the legally mandated level of 1.80%, and the average of 1.63% for all private-sector companies in Japan. In addition, for almost 30 years, in collaboration with communities and local governments, Panasonic also operates three subsidiaries (Panasonic Ecology Systems Kyoei Co., Ltd., Panasonic Kibi Co., Ltd., and Panasonic Katano Co., Ltd.) that are owned jointly with public-sector partners for the purpose of employing those with severe disabilities.

These workplaces are designed to be comfortable for those with disabilities, and include placement of parts and materials, and adjustments to working surfaces, to suit the physical needs of individual wheelchair users. We also work with group homes and training institutes to provide vocational life guidance to encourage hiring of independent individuals with intellectual disabilities, and actively welcome participants in trainee programs and company tours. Going forward, Panasonic is committed to promoting the independence of those with disabilities, and their active participation in society.

[Disabled Hiring Rates (Fiscal 2010)]



Fiscal 2010 Awards and Certifications

Panasonic Ecology Systems Kyoei Co., Ltd.:
Winner of the "Light of the Lamp" Award from the Osaka Prefectural "Compassionate Corporation" program

Panasonic Kibi Co., Ltd. and Panasonic Katano Co., Ltd.:
Obtained "Excellence in Hiring the Disabled" certification from the Ministry of Health, Labour and Welfare



Sadahiro Kimura is an employee of Panasonic Kibi Co., Ltd. He has used a wheelchair for 23 years since losing the use of his legs in an automobile accident. Responsible for the assembly of LCDs in camcorders, he helps raise productivity by coming up with many innovative ideas for soldering and precision assembly. Sadahiro is a star athlete, too. At the Beijing 2008 Paralympic Games, he was part of Japan's first ever win in a paralympic wheelchair tennis quad event.



Mr. Kimura at work, assembling LSD parts of a video camera



Mr. Kimura playing tennis (Participated in the Beijing Olympics in 2008)

Initiatives to Promote Diversity in North America

Panasonic Corporation of North America (PNA), the company that oversees Panasonic's businesses on the continent, is working to promote a culture of diversity and inclusion under the leadership of the top management. Its Diversity Campaign was launched in 2005 to create an awareness of PNA's multidimensional diversity. The campaign spotlights the broad experiences and viewpoints of employees as a means to provide greater opportunities for employees to learn from each other. The goal of the campaign and all other diversity initiatives is to build a creative and innovative organization, rich in new and revolutionary ideas. The 2007 Diversity Campaign also prepared the way for the introduction of initiatives to enhance the employees' autonomy and productivity and that endeavor to meet the many different needs of employees. Because, in addition to being good employees, we want individuals to be connected with their local communities and have a fulfilling home life. Also, it is our understanding that work quality and productivity are enhanced by the new values and experiences obtained through such fulfilling life in local communities and at home. Thus, in 2007, we launched the High-Performance Works Program, and provided an environment that enables people to work more flexibly thereby realizes



their work-life balance (harmony between work and personal life). Through this approach to work, we are nurturing a corporate culture that provides Panasonic employees with more autonomy and an increased sense of responsibility that enables them to achieve self-fulfillment through their work. In March 2008, we introduced PERKS@WORK, which offers a range of wellness, health program and other welfare services to employees and their families. We believe that through these programs we can help enrich the lives of Panasonic employees with their families and friends, and increase employee satisfaction and ultimately, customer satisfaction.

Equal Employment Opportunities in North America

PNA has instituted intercultural communications training based on its Equal Employment Opportunity (EEO) policies and related laws against discrimination. This training is being provided to promote understanding of the laws related to prohibiting discrimination in employment, and to prevent harassment in the workplace. This training has the additional goal of teaching employees how to deal with fellow employees, customers, and trading partners, and of creating an open and fair work environment. It also raises awareness among managers and executives of their responsibility to take the necessary actions to comply with EEO policies in the workplace and with the law.

A Greater Role in Product Planning for International Employees

Global operations at Panasonic for home appliances like refrigerators and washing machines are expanding at an increasing speed. In order to cater to different user needs linked to lifestyles and cultures of the various regions of the world, we are conducting lifestyle research in each region led by local employees. These research activities are leading to the development of products that reflect regional characteristics.

For example, at the China Lifestyle Research Center, established by Panasonic Corporation of China, 9 Chinese researchers visit about 400 households in all areas of the country each year. This survey aims to gain a detailed understanding of consumers' lifestyles and their needs involving major appliances. We use this information in conjunction with the market knowledge of the center's local staff to create products that precisely match the Chinese market. Combining the input from market surveys with Panasonic's advanced technologies has yielded a number of highly successful products in China. One is a compact tilted drum washer that can be placed in cramped bathrooms and changing rooms typically found in China. Another is an air conditioner unit that can be placed on the floor and that blows air up and down, enabling even spacious living rooms to be well air conditioned.



A local employee conducting a survey at a household in China



Group interview survey

Creating an Environment for Global Communications

Communication is critical to enabling our 380,000 global employees to make full use of their diversity in helping us to realize our goal of developing global network management. Our ongoing innovations in communication aim to create an environment in which employees worldwide can share information, and exchange knowledge and expertise on a daily basis, regardless of regional or national boundaries.

The foundation of these efforts is Panasonic's English-language global intranet portal. Through the portal we have created an environment that enables employees anywhere in the world to read messages from management and share information on global company developments.

Panasonic is also developing an environment for employees worldwide of management rank or higher, to be used in exchanging more complex management data. Further, with the introduction of two-way communications tools, we are hoping to create an environment which breeds collaboration, enabling regional managers to exchange opinions on management strategy directly with head office executives, or to search for employees with specific knowledge needed in business, and link them across the globe.



Initiatives to Maintain a Good Work-Life Balance that Supports Diverse Working Styles

As part of Panasonic's efforts to create an environment that enables diverse personnel to play an active role, we are implementing initiatives to support a good work-life balance for employees.

In addition, Panasonic has created an environment that allows employees easy access to programs that support parents in managing both work and child-rearing. This includes measures complying with Japan's Law for Measures to Support the Development of the Next Generation. Examples include sections on the company intranet that supply information to help men who are raising children, and provide useful information on maintaining the proper balance between job and household responsibilities.

[Supporting Working Care-Givers]



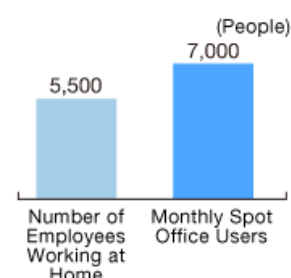
[Examples of Work-Life Balance Support Systems]

Child Care Leave	A total of two years of leave is available until the end of April immediately after the child begins elementary school.
Work and Life Support Duty	A flexible work system for those raising children or caring for the elderly, which includes shortened work hours, half-days, alternate days, and other schedules.
Family Support Leave	A vacation system that can be used for a wide range of needs, including caring for a sick or elderly family member, or participating in a child's school events.
Child Plan Leave	A system allowing leave for infertility treatment.

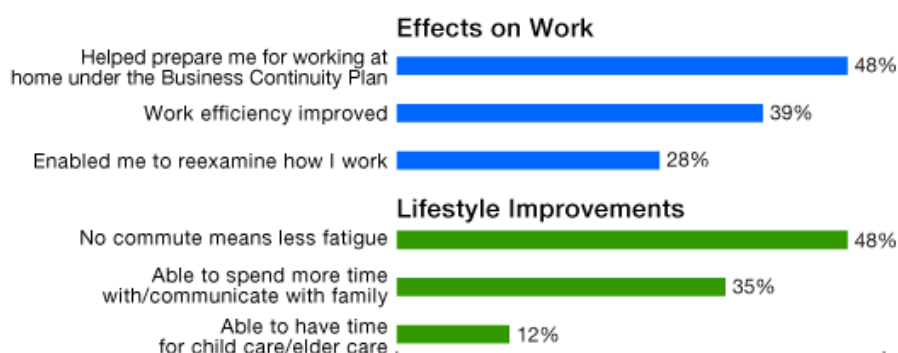
Promoting Diverse Work Styles—e-Work Program

Panasonic is promoting the e-Work program, which uses information and communications technology to enable people to work from anywhere, with the full e-Work@Home system being introduced to around 30,000 employees in April 2007. In fiscal 2010, approximately 5,500 employees worked from home once a month to as often as once or twice a week, or had used the e-Work@Home system more than once during a trial period. More than 7,000 people per month also used our "spot offices"—places where employees can work when traveling on business—which are now at 16 locations nationwide. The spot offices have been shown to reduce travel time and speed up customer service, and we plan to continue our efforts to create a working environment that allows people to work even more efficiently. Panasonic will increase productivity and continue to improve the work-life balance for its employees by accelerating implementation of more diverse, flexible work styles.

[e-Work Users (Fiscal 2010)]



[Results of a survey of e-Work users: Effects of Working at Home (multiple-choice answers)]





Human resource development

A Global Mingling Develops Diverse Individual Strengths and Capabilities

Panasonic is enhancing its human resource development across a variety of fields, enabling its diverse employees to develop their skills while using their individual strengths, giving birth to new values and creativity, and putting “customer first” into practice. These efforts include our Panasonic Global Executive Development Program (P-EDP), designed to strengthen executive staff development inside and outside of Japan, our Global Marketing Seminars (GMS), which provide practical training in management philosophy, business policy and marketing to staff in our marketing companies outside Japan, and the Panasonic Management of Technology (P-MOT) program, which aims to develop technology leaders who can also contribute to business operations from a management viewpoint.

In addition, we have been working to create an organization that enables people from different countries, cultures, and languages to mix together and enrich one another. As part of this effort, since 2008 we have developed and established the Working in Japan program, which provides short- and long-term assignments and training opportunities in Japan, with the aim of enhancing the training of workplace leaders in product development, manufacturing, and sales, and facilitating the placement of personnel in management positions.



Global leaders study together at a training seminar



Working in Japan training
Studying management philosophy at the Panasonic Konosuke Matsushita Museum

[Percentage of Locally Hired CEOs of Overseas Companies]



Bringing Together Collective Wisdom Through the Manufacturing Innovation Forum

To accelerate and raise the standards of our global initiatives, each year Panasonic holds its Manufacturing Innovation Forum, providing an opportunity for employees to learn from the collective achievements and expertise gained through its varied manufacturing activities worldwide, free of organizational and national boundaries.

At the session held on November 12, 2009, we focused on the manufacture of products for high-volume segments, a theme critical to our global growth, and used our HD Visual Communication System to link forum sites in Japan, Singapore, and Shanghai in real time. The 400 or so participants included Panasonic executive management and staff from various business segments, including front-line leaders from China, Indonesia, Singapore, and many other countries. A frank exchange of opinions covering current business issues and future strategy took place through a range of reports on activities and panel discussions.



Panel discussion attended by leaders from around the world



Framework and Global Activities for Training Manufacturing Professionals

Panasonic has operated internal schools in Japan for about five decades that train individuals to become leaders in the field of manufacturing technology. Due to the shift of manufacturing activity to other countries and more prominent role of factories outside of Japan, there is an increasing need to develop personnel to be production leaders at our companies in other countries too.

To conduct training in China, the Manufacturing Technical College (China) was established in the city of Hangzhou, in Zhejiang Province, in April 2009. The aim is to accelerate the localization of operations in this country by increasing the number of local managers. In Vietnam, we established the Institute of Manufacturing (Vietnam). Located in Hanoi, the college trains leaders and sub-leaders who can take responsibility for operating and improving Panasonic factories. Both of these learning facilities take advantage of knowledge gained from Panasonic's schools in Japan. The curriculum is tailored to target education levels and is designed to develop employees into well-rounded leaders with skills in management, manufacturing technology and driving innovation. We receive positive feedback from managers of attendees. A manager in China reported a marked increase in frontline skills when a well-drilled participant returned to the workplace, as evidenced by 50 proposals for improvements in half a day back at work. A manager in Vietnam noted a marked difference in motivation before and after the training; there was a noticeable change in self-awareness as a leader and in the way the trainee instructed workers on production lines.

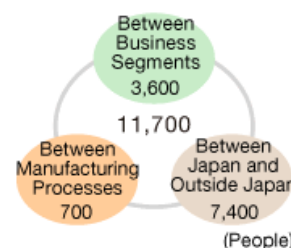


Entrance ceremony at Manufacturing Technical College (China)

A Variety of Programs to Encourage Personnel Rotation

At Panasonic, we actively work to encourage human resource development through staff interaction, and have built a number of programs to support individuals in their efforts regardless of age, gender, or nationality. In the three years of our previous mid-term plan (fiscal 2008 through fiscal 2010), a total of 11,700 staff participated in such rotation from three angles: between business segments, between different manufacturing processes, and between Japan and outside Japan.

[Actual Personnel Rotation (Fiscal 2008~2010)]



Three Internal Recruiting Systems

Skills-Based Recruiting

An internal recruiting system in which business divisions requiring new staff send out postings clearly listing the skills and skill levels they are seeking, giving employees with those skills the opportunity to put them to use in new positions.

Direct Appeal System

A "free agent" system in which employees with specific skills can pursue new job opportunities by applying directly to the business divisions they are interested in joining.

Skills Development

Provides an opportunity for concentrated study and acquisition of new skills, either for employees who have taken up new positions, or for those hoping to move to new positions but who lack confidence in their existing skills. Enables employees to leave their current positions for a set period of time, during which they can focus on obtaining new skills through knowledge-building and practical experience.

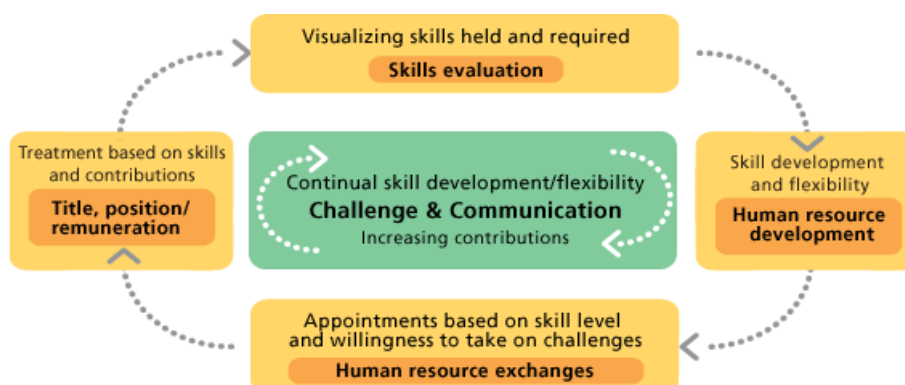
Skill Evaluations to Speed Global Skill Refinement and Switch Activities

To achieve a stronger and more dynamic frontline in the workplace that will enable us to be a global leader in each business domain, we are creating a work environment in which individuality is valued and employees can exercise their skills to the fullest extent. The Skills Evaluation System, introduced in 2006, firstly uncovers existing skills objectively and quantitatively, and then actively supports employees in finding vigorous and exciting challenges in their work through effective communication with senior staff.



This skill evaluation system creates a true merit-based human resources framework that completely eliminates the old approach that was based on an employee's age and seniority. Using this system provides the groundwork for making Panasonic a lean and swift customer-driven organization where people of diverse backgrounds find active enjoyment in their jobs.

[Overview of personnel system after the introduction of the Skill Evaluation System]



Career Design Training

Panasonic runs "Career Design Training" for employees when they turn 35, 45 and 50 years of age. In this program, employees reflect on their lives to date, taking stock of their experiences and achievements as corporate employees. At the same time, the program clarifies the necessary steps these employees must take to enhance their skill sets to increase their employability and rebuild their long-term life plans under a difficult economic environment to achieve autonomy and robustness, so that they achieve more success in the future. The training is held over two days at a human resource development company and at each workplace. Approximately 1,500 employees took part in this training program in fiscal 2010. One attendee said: "The course gave me the time and opportunity to reflect on my career at an important juncture in my life and to think thoroughly about my working life going forward as well as retirement."

Recruiting People for Success on a Global Stage

Panasonic seeks people who can take on global challenges. We want individuals with the traits required to succeed: strong motivation along with a global perspective; specialized skills and other outstanding strengths; and the perseverance to stick with a project to its conclusion. Panasonic welcomes these kinds of people anywhere in the world regardless of their race, nationality, age or gender.

Our recruiting process places the highest priority on giving everyone equal employment opportunities and on respecting the basic human rights of each applicant. Final decisions are based on an individual's skills and suitability for the job.

In order to ensure that our hiring practices are fair, we conduct training programs for all departments associated with recruiting. We hold corporate recruiting conferences as one way to thoroughly prevent discrimination when processing application forms, conducting aptitude tests or interviews, and performing other steps of the selection process.



Occupational Health and Safety Management/Labor-Management Relations

Basic approach to employment and labor-management

When carrying out business activities globally, it goes without saying that we must comply with laws, regulations and ethics relating to employment and labor in each country where we do business. The basic approach to employment and labor management of the entire Company is not only to respect basic human rights, namely, the prohibition of discrimination, the right to freedom of association, the guarantee of the right to organize, the guarantee of the right of collective bargaining, and the prohibition of forced labor, but also to practice appropriate recruitment and labor management based on the laws and regulations, labor practices, and labor management relations of each country.

[Respect for Human Rights]



Occupational Health and Safety Management

Occupational Health and Safety Management System

Panasonic is globally promoting initiatives for occupational health and safety in line with its management system.

In Japan, all work locations of Panasonic's major affiliates have developed an occupational health and safety management system based on internal standards, and are appropriately operating the system. Similar initiatives are being promoted outside of Japan as well, and health and safety assessments will be implemented and other initiatives promoted to achieve a high standard of health and safety.

Management System	<p>To provide a safe, comfortable work environment for all employees working on the premises, Panasonic is promoting the General Health and Safety Measures, implementing the 5S activities, and performing health and safety inspections of work places and facilities.</p> <p>[Important aspects of the management system]</p> <p>Maintain and strengthen the global occupational health and safety management system Implement straight-forward health and safety activities</p>
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Establishment of Occupational Health and Safety Committees

Panasonic established an Occupational Health and Safety Committee with members from both labor and management at each business location to investigate and deliberate health and safety management issues that affect all the employees. An Occupational Health and Safety Committee was established for the contractors working on site to ensure compliance with health and safety regulations and to disseminate information, among other activities.

Safety Management

We are implementing initiatives to establish a “hazard free” work place through risk assessments on high-risk irregular operations and hazard prevention activities. Furthermore, we are working to eliminate accidents and injuries such as falls, tumbles and back problems, which have been increasing in recent years.

[Important aspects of safety management]

Improve precision of injury risk assessment

Eliminate accidents and injuries such as falls, tumbles and back problems

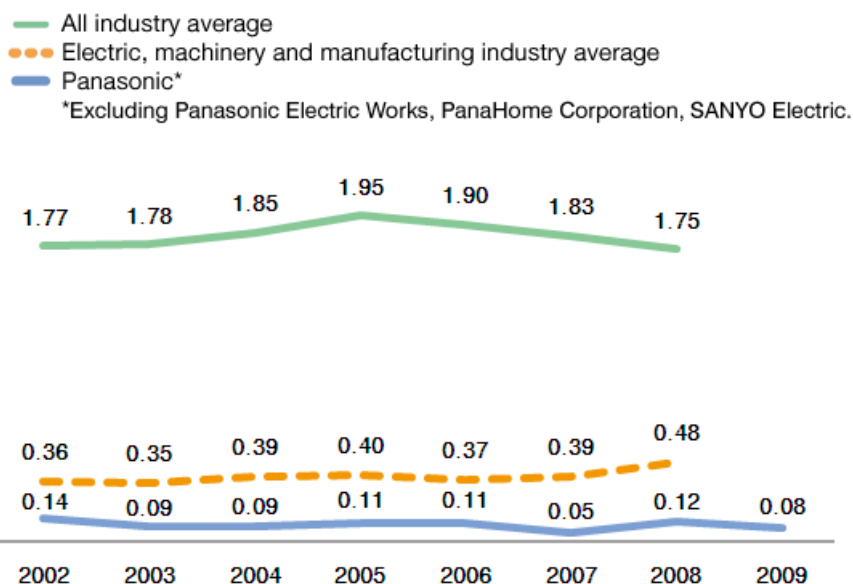
Strengthen cooperation on fire and accident prevention

Work-related Accidents and Injuries

In 2009, there were 35 incidents worldwide according to reports of serious work-related accidents received last year at the headquarters: 10 accidents in Japan, 16 in China (including 1 fatality), 1 in Malaysia, 2 in the Philippines, 2 in Singapore, 1 in Thailand, 2 in India, and 1 in Poland.

Accordingly, we are distributing a global report on the major serious accidents, to address the issues companywide, and to press for health and safety assessments.

[Incidence rate of work-related accidents]



[Working days lost (Japan)]

	2002	2003	2004	2005	2006	2007	2008	2009
Time-Lost	1,059	7,358	409	1,762	584	368	4,269	1,773
Severity-rate	0.008	0.055	0.003	0.014	0.005	0.003	0.039	0.014

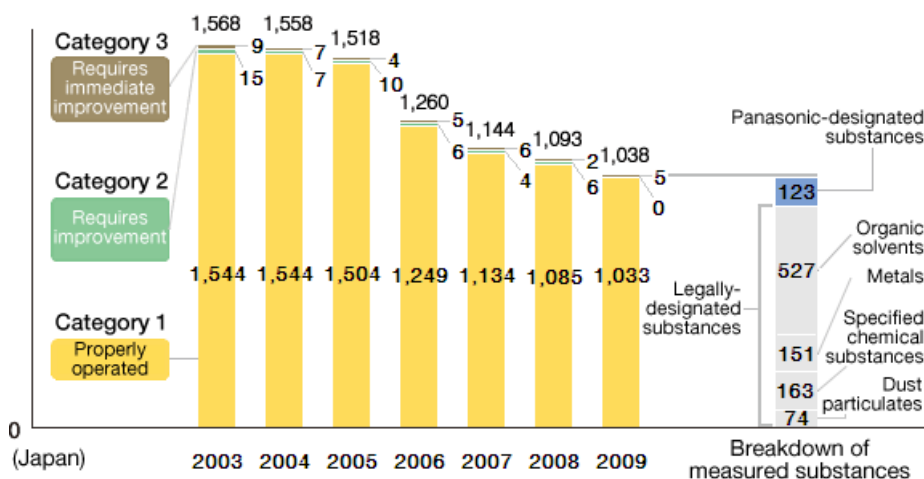
* Time-Lost: Total time-lost of victims due to labor accident

*Severity rate: Proportion of time-lost per 1,000 hours of total working hours



Sanitation Management	<p>We are implementing initiatives to establish a “more efficient work environment” through risk assessments of chemical substances, equipment inspections, and efforts to improve the work environment.</p> <p>[Important aspects of sanitation management]</p> <p>Achieve a comfortable working environment</p> <p>Strengthen management of chemical substances</p> <p>Promote anti-asbestos measures</p>
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[Number of workplaces by Management Category and Breakdown of Measured Substances]



*Data collected from January to December

Employee Health Management Policies and Initiatives (Fiscal 2011)

Health Management	<p>We are implementing initiatives to achieve "greater health for employees" through health management measures for those working long hours, a higher level of worksite communication, and activities to promote and maintain health centered on regular health checkups.</p> <p>[Important aspects of health management]</p> <p>Activities to promote overall mental health</p> <p>Promote measures to combat lifestyle illness</p> <p>Promote measures to discourage smoking</p>
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Preventing HIV/AIDS, Protecting the Rights of Those with HIV/AIDS, Assistance for the Families

Panasonic believes that, armed with the proper knowledge, HIV/AIDS can be prevented and unnecessary confusion and worry avoided in the work place. Thus, Panasonic has undertaken to educate all its employees about HIV/AIDS as the cornerstone of its initiatives in this area. In human resources management, with the protection of the human rights of our employees with HIV/AIDS as our guiding principle, we will

1. keep personal information confidential
2. prohibit discrimination in personnel matters
3. require consent for testing of HIV/AIDS
4. carry out educational activities

Implementing the Overseas HR & Labor Assessment



Against a backdrop of expanding global business activities, Panasonic introduced in fiscal 2008 the Overseas HR & Labor Assessment, whose goal is to strengthen compliance with labor and human rights requirements at companies outside of Japan, and to bolster labor risk management. The Overseas HR & Labor Assessment is used at companies outside of Japan and is a self-administered checklist of 300 items whose purpose is to determine if proper labor practices based on local labor laws and employment regulations are being followed (including observance of legally mandated working hours and minimum wages, for example), and to determine if there are latent labor risks that will affect business or create problems later. The initial assessment is done by the company itself, and a final assessment is performed by assessors from the parent business domain company in Japan. A total of 13 companies had been assessed by the end of fiscal 2010. Panasonic also provides regular assessor training to raise the effectiveness of assessments. In this way, Panasonic is working to strengthen labor management at the global level while deepening relations between companies in Japan and other countries.

Measures to Prevent Sexual Harassment

Sexual harassment is harmful in many ways. Victims suffer undeserved embarrassment and are unable to perform their jobs well. Companies are hurt by the loss of public order of the workplace, job efficiency and even damage to their reputations.

Panasonic is dedicated to maintaining working environments where people from diverse backgrounds in terms of gender, age and nationality can easily work together in a spirit of mutual respect, treating each other as valued partners. We therefore will not tolerate gender discrimination or sexual harassment and use the following measures to prevent these problems.

- Establishment of sexual harassment policies and programs to explain these policies to employees
- Distribution of sexual harassment leaflets and manuals
- Operation of an Equal Employment Opportunity Office
- Sexual harassment seminars and training sessions



Leaflet on sexual harassment in Japan

Establishment of an Equal Employment Opportunity Office

Panasonic established an Equal Employment Opportunity Office and appointed full-time consultants to staff it. In addition, a consultation desk was established at each domain company and business site as well, in an effort to provide a place for employees to go and discuss their concerns about equal employment, sexual harassment, and a wide range of other topics.

Retirement Planning Seminar

For those employees who are reaching their retirement, Panasonic is providing practical knowledge and information about the issues caused by the mandatory retirement age. Panasonic is also offering the Retirement Planning Seminar for employees over 55 and their spouses to help them complete their post-retirement plans. This half-day seminar is held at all business locations on Saturdays, and in fiscal 2010, about 2,230 employees and their spouses took advantage of it. One employee who attended had this to say: It was a great opportunity for my wife and I to consider our post-retirement financial situation.



Healthy Labor-Management Relations

Participation of Employees in Important Management Decisions

At Panasonic, important management issues are discussed in advance with the labor union, and Management-Labor Committees are established as forums for the labor union members to express their opinions on these issues. Important decisions are explained to labor union leaders, and Labor-Management Councils are held to provide an opportunity for people to express their approval or suggestions.

Both the Management-Labor Committees and Labor-Management Councils are held regularly at the corporate level, business domain level, and business unit level. The top management level Management-Labor Committee is held once a month and is attended by the President, Executive Officer in charge of personnel, and the head of the labor union's Central Executive Committee. The top-management level Labor-Management Council is held twice a year and is attended by all Executive Officers at the level of Managing Director or above and the members of the labor union's Central Executive Committee.

Labor-Management Dialogue through the Panasonic European Congress

The Panasonic European Congress was established based on a voluntary agreement between labor and management to set up a forum for healthy discussions between the two parties in Europe. In fiscal 2010, 29 employee representatives from 14 countries gathered together for a three-day congress in Spain, where they exchanged information regarding management strategy, business challenges, employment and labor conditions, and conducted lively discussions with management executives.

Proactive Labor-management Talks Implemented in China

Though the ratio of union organizations varies among private companies in China, 55 of the 59 Panasonic Group companies have unions, and there are active efforts to hold labor-management talks and joint labor-management recreation activities every couple of months.

At the time of the Sichuan earthquake in 2008, labor and management made a combined effort to donate 190 million yen in relief money and supplies. They also carried out activities in support including asking for several volunteers from labor and management to carry supplies to the affected area.

Through initiatives such as these, Panasonic is striving to build good labor relations as a foundation to business growth.



A poster for donation produced by labor-management, and a donating employee in the workplace

In cooperation with business partners

Recycling Parts and Materials to Achieve Balance between the Ecology and Costs



Masaaki Fujita, Executive Officer
In Charge of Global Procurement and Director, Corporate Procurement Division
In Charge of Global Logistics and Director, Corporate Global Logistics Division
In Charge of Trading Company

Globally, Panasonic procures parts, materials, and equipment from approximately 9,000 suppliers. To date, we have worked in collaboration with many of our suppliers to put our CSR policies into practice, including our Clean Procurement Declaration, which ensures rigorous compliance in our own procurement activities, our Supplier Evaluation System, which includes an assessment of supplier CSR initiatives, and our Green Procurement policy, which ensures that specific chemical substances are not used in the parts and materials we procure.

As concerns about resource depletion grow, Panasonic, in its quest to become a Green Innovation Company, is focused on two areas key to achieving recycling-oriented manufacturing: resource conservation and recycling. The departments involved in procurement, which are responsible for the flow of resources to manufacturing, are particularly focused on contributing in the area of recycling, and work to promote procurement of recyclable materials, paints, and reclaimed materials. In addition, our design and manufacturing departments work in close alliance with suppliers that have world-leading technical capabilities, developing processing technologies and new applications to make use of these materials. We also promote centralized purchasing by developing common components, which leads to further expansion of resource recycling, and enhanced competitiveness through rationalization of costs. Using these initiatives to share expertise with our suppliers, we hope to raise the level of technology on both sides, and spread recycling-oriented manufacturing throughout the entire supply chain. Going forward, we will focus first on the most basic resources among those that we use such as metals and resins, aiming to raise the ratio of recycled resources to total resources used to more than 12% by the year ending March 2013.

[Promoting Recycling-Oriented Manufacturing]



Another important initiative is the reduction of CO₂ in logistics. We are working with our partner companies to strengthen efforts in this area, including switching to lower-emission transport methods, promoting joint transport with other companies, and a variety of other measures. We are also expanding outside Japan our system and structure for managing the volume of CO₂ emissions, originally developed in Japan, working to reduce CO₂ emissions globally while also enhancing competitiveness.

By ensuring that these goals are met, and based on the concept of fair trade, we hope that our procurement activities can contribute significantly to the achievement of a sustainable society.

Procurement Activities

Promoting Environmental Innovation with Supply Chain Partners

Since the fiscal year ended March 2010, Panasonic has been working with its suppliers on the ECO-VC (value creation) initiative. This program focuses on environmentally-conscious efforts in parts and materials procurement, including energy and resource conservation and use of recycled materials, which at the same time aims to rationalize costs. In the fiscal



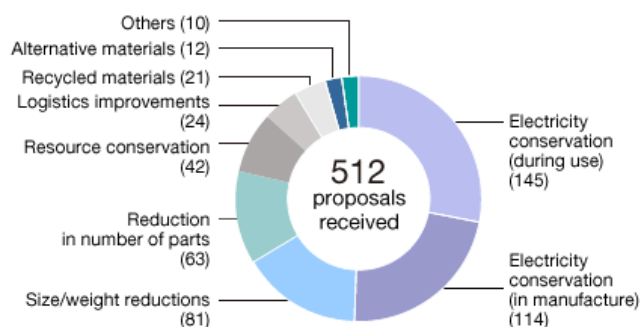
year ended March 2010, we received over 500 suggestions from our suppliers around the world, involving electric power conservation, development of smaller, lighter components, significant reductions in the number of parts used, and improvements in logistics. Examples of these advanced initiatives are shared with our suppliers and expanded across the supply chain through our Panasonic Excellent Partners Meeting, which is attended by both suppliers from inside and outside Japan.

Going forward, we will place even greater focus on recycling-oriented manufacturing, encourage even more of our suppliers to take an active part in our ECO-VC initiatives, and, based on the concept of fair trade, continue to play a proactive role in contributing to the global environment.



Expertise in recycling-oriented manufacturing is shared with suppliers from around the world at the Panasonic Excellent Partners Meeting.

[Breakdown of ECO-VC Activities Proposed by Suppliers (Year Ended March 2010)]



[Results of Proposed Themes for Each ECO/VC Activity (Environment)]

	FY2010	FY2011
No. of proposals	512	668
CO₂ reductions derived from proposals	29,000 tons	163,000 tons
Use of recycled resources derived from proposals	-	11,612 tons
Reduction in resources used derived from proposals	-	12,311 tons

Initiatives in Green Logistics

CO₂ emissions from Panasonic factories in the fiscal year ended March 2010 totaled 3.14 million tons, while logistics-related emissions totaled 780,000 tons, equal to about 20% of factory emissions. In order to reduce CO₂ emissions from logistics, Panasonic has worked to shift from trucks to rail transport (modal shift), use more eco cars and biodiesel fuels, and improve the loading ratio through joint transport with other companies.

In the fiscal year ended March 2010, we formed an alliance with The Asahi Shimbun Company, one of the leading Japanese newspaper companies, which has been active in working to reduce CO₂ emissions in the transport of newspapers. We have begun an initiative with Asahi in which trucks used for delivering newspapers can be used on their return trips for Panasonic logistics. Transport involves use of mid-size trucks powered by compressed natural gas (CNG), biodiesel fuel made from used cooking oil, and other alternative fuels.

Outside of Japan, we are working to switch from ocean-based shipping to railroad transport. In the fiscal year ended March 2010, transport from the Far East to Moscow, which would normally involve sea routes by way of India and Africa, was, with adjustments to transport methods, shifted to the Trans-Siberian railroad, resulting in a 38% reduction in CO₂ emissions. Transports from China to Kazakhstan, which until now had gone by sea to Europe, and then overland to Kazakhstan, were also shifted to rail transport using the same kind of adjustments to transport methods, achieving a 62% reduction in CO₂.



The Challenge of Reducing Global CO₂ Emissions in Logistics

Because most countries have yet to establish laws regarding the reduction of CO₂ in global logistics, for a long time little progress was made in this area. However, as part of its move to become a Green Innovation Company, Panasonic and its Corporate Global Logistics Division is leading the industry with the start of full-fledged initiatives beginning in the fiscal year ending March 2011. What we are particularly hoping to focus on is the use of an incentive program* for subsidiaries outside Japan, which are under no legal obligation to reduce CO₂ in this area. We will first work to establish success stories in the U.S. and Europe, before going on to expand the program into other regions.

*A system for granting incentives to companies who have successfully reduced logistics-related CO₂ emissions, including use of a special ecomark label on products, subsidies, etc.



Sawako Kaneshiro
Corporate Global Logistics
Division
Team Leader, CSR/Green
Logistics

Thoughts About CSR Procurement from a Supplier



Takayuki Tsuji
Chairman
Taiyo Manufacturing Co.,
Ltd.

We provide surface treatments for external components, electronic components, semiconductors and other products for Panasonic in Japan, and overseas we provide Panasonic with car audio components, mainly in Southeast Asia.

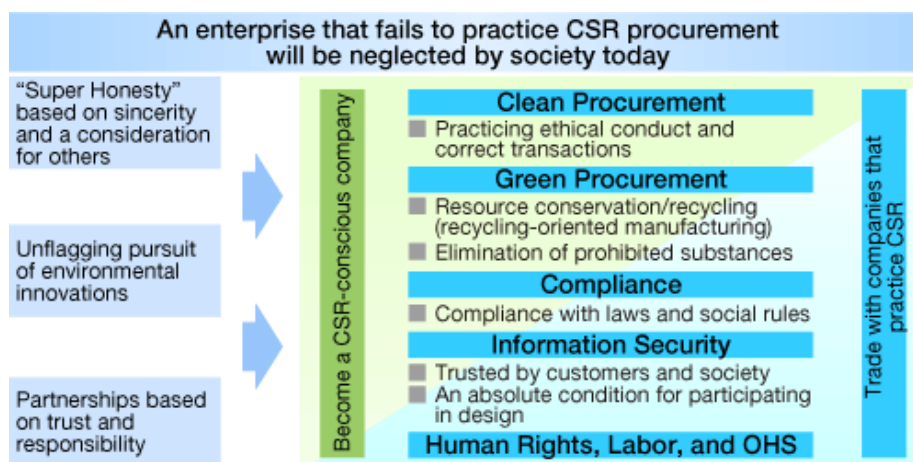
As a member of the Panasonic Kyoeikai, which supports Panasonic's efforts to realize its vision of becoming a Green Innovation Company, we have taken active measures to protect the environment, including conserving energy and resources, as well as recycling and reusing resources, and thereby cut our CO₂ emissions.

In regards to reducing CO₂ especially, in addition to past ISO 14001 initiatives, we are cutting CO₂ and evaluating our progress by organically linking all our activities, including actions by the CO₂ Reduction Committee, increased efforts for improvement by all employees, and reducing CO₂ through capital investment.

In terms of recycling, we aim to achieve zero emissions and conduct environmentally conscious manufacturing. This includes promoting recovery of rare and precious metals and making use of our own technologies. These activities also help to streamline costs. We are confident that Panasonic's products will continue helping to create more environmentally conscious and richer lives for everyone. We are determined to play our part in contributing to society by helping Panasonic.

Approach to CSR Procurement

[The Panasonic Approach to CSR Procurement]

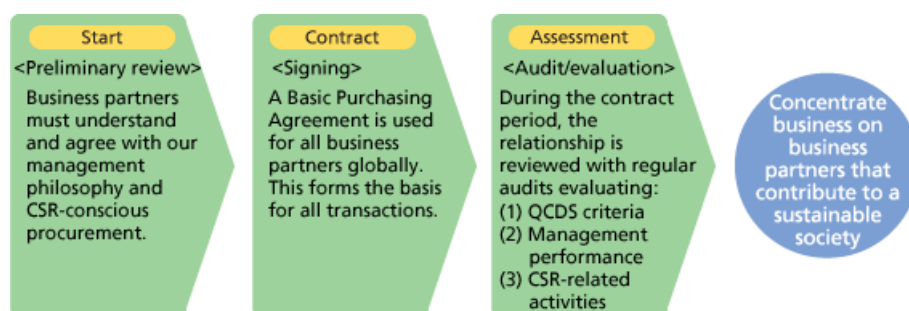


The CSR-conscious procurement evaluation system and Panasonic initiatives

Panasonic concentrates business on business partners that have outstanding technologies and quality along with a strong commitment to CSR. Currently, major business partners account for more than 70% of our procurement. All new business



partners must comprehend and agree with the Panasonic management philosophy and CSR Procurement guidelines. New business partners worldwide must also sign a Basic Purchasing Agreement before receiving the first order. Afterward, we review these business relationships periodically by performing audits that evaluate QCDS (Quality, Cost, Delivery and Service) criteria, the performance of management and CSR activities.



If a business partner violates the CSR requirements of the Basic Purchasing Agreement, we ask the company to take immediate actions to resolve the problem and report back to us. For serious violations, we may reduce or even terminate purchases from that business partner.

As part of our Green Procurement activities, we have been performing Environmental Quality Assurance System Audits since fiscal 2005. These audits were instrumental to our completion of measures to comply with the RoHS Directive in October 2005, six months before compliance became mandatory. Currently, we are using these audits to comply with REACH.

The Clean Procurement Declaration describes our commitment to fair and equitable procurement activities. To explain our stance and give business partners a better understanding of Clean Procurement, we once again sent information about this declaration to our approximately 5,000 business partners in Japan in 2008.

Compliance is at the heart of all activities at Panasonic. We are dedicated to complying with Japan's Subcontracting Law, customs laws governing global procurement activities, and other laws, regulations and social standards around the world. We frequently conduct employee training events and audits in order to procure goods and services with emphasis on fair and unrestricted competition among business partners.

Information security is essential to creating an environment for close cooperation with business partners, starting with the design and development of a new product. Security is particularly important for business partners with access to confidential information. We require these business partners to implement the same level of information security as Panasonic to prevent information leaks. Approximately 1,000 companies worldwide have access to highly sensitive information. By 2008, all of these business partners in Japan had achieved the same security level as at Panasonic. We are now working with overseas business partners to improve their security systems so they can meet our standards.

With regard to human rights, employment, and occupational health and safety, our Basic Purchasing Agreement and other contracts require business partners to respect the rights of employees in four areas: (1) equal opportunity employment, (2) prevention of discrimination, (3) respect for privacy and (4) sound relationships between the company and its employees. Panasonic business partners must also provide workplaces that are safe and not harmful to employees' health. To meet this standard, business partners must comply with all labor-related laws and regulations, including laws concerning forced labor, child labor and illegal workers.

We initiated activities toward integrating CSR-conscious procurement promotion methods and programs following the inclusion of SANYO Electric Co., Ltd. in the Panasonic Group in December 2009.



Procurement Policy

1. Working together with Suppliers

Suppliers are invaluable partners in our efforts to continually better serve customers in all of our business areas, mainly by helping us to develop products that meet the customers' expectations. Panasonic is committed to creating the functions and values customers demand by establishing relationships of mutual trust with suppliers through joint efforts.

To evaluate and select the best suppliers in a fair manner, Panasonic has adopted the following criteria.

1. Assurance of required product quality and safety
2. Competitive pricing
3. Fulfillment of on-time delivery
4. IT-oriented responsiveness to changes
5. Advanced technology and development capability
6. Stable operation infrastructure
7. Environmental consciousness
8. Compliance
9. Information security
10. Respecting human rights and the health and safety of labor

2. Implementation Information Gathering and Purchasing during the Development Phase

Our procurement employee serves as a liaison between the company and its suppliers to collect information on market trends in parts, materials, and products as well as new technology, materials, and processes. We are responsible for collecting key information and sharing it with the relevant sections and individuals.

Procurement employee must collaborate with suppliers and the company's product planning, design, and R&D operations to take proactive actions. We want to help make products that are more competitive through active involvement in all manufacturing processes, from product development to after-sales services and making effective proposals.

3. Ensuring Product Quality and Safety

In line with the autonomous quality assurance policy, we will clarify the quality level of functions and standards that procured parts, materials, and products must fulfill in the development phase and request suppliers to secure and maintain the required quality.

We also ask each supplier to develop their own autonomous quality assurance systems by ensuring high quality in manufacturing processes.

4. Implementation Cost Reduction Programs

We will endeavor to reduce not only materials and processing costs but also total costs to achieve the product values and prices expected by customers. To this end, we will closely work with our suppliers to expedite the development of new materials and processes and VE (Value Engineering) activities.

5. Achieving Optimum Procurement by Shortening Lead-times

We will strive to shorten lead-times for procurement, product development, production and administrative processing to flexibly respond to changes in market needs by closely collaborating with our various sections.

6. Living in Harmony with the Global Environment through Green Procurement

We will place priority on procuring environmentally friendly parts, materials, and products and promote the development of new materials and parts that have less impact on the global environment with a view to achieving Green Procurement.



7. Improving Global Procurement

Panasonic must contribute to host countries through local procurement. We aim to establish partnerships with suppliers by considering the feasibility of long-term business arrangements in addition to optimum quality and prices. We will also develop an information network among global production operations to make flexible and prompt responses.

8. Enhancing Compliance

To conduct procurement activities with integrity, we will ensure compliance with the laws, regulations, and social ethics in each nation and region and promote fair and open competition.

9. Better Utilizing Information and Enforcing Information Security

We will make efforts to gather information that is useful to our business operations and then effectively manage, utilize and eventually dispose of this information. Regarding the information of other companies, we will carefully consider whether it's necessary before obtaining it and take every possible measure to maintain its confidentiality and prevent leakage.

10. Respecting Human Rights and the Health and Safety of Labor

Panasonic will conduct its procurement activities while respecting the human rights of individual employees of the company and its suppliers and thus provide a safe and healthy working environment.



For Suppliers

How Panasonic Expects its Suppliers to Achieve CSR Procurement

A genuine partnership with our suppliers is essential for Panasonic to implement its business activities. In this respect, Panasonic intends to fulfill CSR (Corporate Social Responsibility) throughout its supply chain.

Therefore, we strongly ask our suppliers to meet the following CSR requirements.

1. Agreement with Panasonic's Clean Procurement Policy

Our suppliers must agree with Panasonic's "fair and ethics-based procurement principle" (Clean Procurement Declaration) and implement fair business.

2. Product Quality and Safety

Our suppliers must provide the product quality and safety levels required by Basic Purchase Agreements and individual contracts concluded with Panasonic's business units. They must also develop quality assurance systems and fulfill requirements specified by quality warranties.

3. Environmentally Consciousness Management (Green Procurement)

Our suppliers must actively implement programs for conserving the global environment and conduct environmental management. The supply of all parts, materials, and products to Panasonic must be carried out in accordance with the Green Procurement Policy.

4. Compliance and Fair Trade

Our suppliers must ensure full compliance with laws, regulations, and social ethics under the Basic Purchase Agreements concluded with Panasonic's individual business units.

5. Information Security

Our suppliers must implement information management for sharing information in line with the information security policy set forth in Panasonic's ISM Criteria for Suppliers

To Information Security Page

<http://www.panasonic.net/procurement/security.html>

6. Safeguarding of Human Rights and the Health and Safety of Labor

Our suppliers must not use any illegal, forced, or child labor force. They must also fully comply with the laws and regulations in each country and region where they conduct business operations with regard to employment conditions and occupational health and safety standards, including remuneration and working conditions.

7. Corporate Citizenship

Our suppliers must actively implement corporate citizenship programs that contribute to the well-being of international and regional society by utilizing their managerial resources to support the community.



Clean Procurement Declaration

Fair and Appropriate Procurement Activities

1. Fair Transaction on an Equal Basis

Based on the company's Basic Management Philosophy that a company is a public entity of society, we conduct fair and appropriate transactions with global suppliers according to specified policies and procedures while maintaining the belief that there shall be "no private interests" in the procurement process.

2. Selection of our Suppliers

When procuring goods and services, we assess and select our suppliers by providing fair competition opportunities according to the following procurement standards, in addition to each supplier's agreement to comply with legal and social ethics and the company's Basic Management Philosophy and Code of Conduct.

1. Assurance of the required quality and safety
2. Consideration of the environment
3. Advanced & High technology and development capability
4. Competitive pricing
5. Fulfillment of the on-time delivery
6. Stable operation infrastructure
7. IT-based flexibility to changes
8. Consideration of human rights and labor safety and hygiene
9. Information Security
10. Respecting human rights and the health and safety of labor

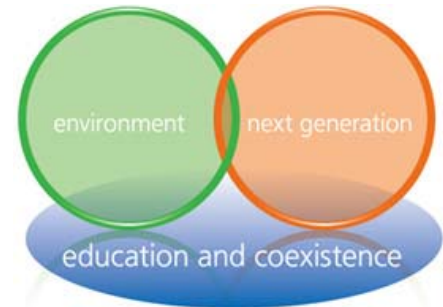
3. Practicing Appropriate Procurement Activities

To build an appropriate relationship with the suppliers based on the fair competition principle, the company has specified rules such as "Except for specific events indicated by Panasonic, individuals shall not accept any supplier invitations to dinners, golf tours, sightseeing trips or gifts." The members of the Board of Directors, executive officers and all employees shall obey these rules when procuring goods and services for the company.

Partnering with Local Communities

Basic Policy

Panasonic has inherited its management philosophy of contributing to society from its stance as "a public entity of society," which has been a part of the company's DNA ever since its foundation. To help achieve a sustainable society, Panasonic is promoting corporate citizenship activities (social contribution activities) and working to solve social issues around the world, based on the philosophy of education and coexistence while focusing on two key areas: the environment and the next generation.



We believe that our business activities and our corporate citizenship activities should be balanced like the wheels of a car, and we are working to promote both types of activities simultaneously in a manner that suits the times. We carry out our corporate citizenship activities not as distribution of profit but as investment in society, and to ensure the sustainable continuation of activities in the two key areas. Furthermore, strengthening the foundations of civil society will always be the focus of our activities. The Panasonic Group has formulated a Global Policy to develop the following corporate citizenship activities around the world.

[Global Policy for the Panasonic Group's Citizenship Activities]

Positioning	Social investment should be an integral element in business strategy, and top management must take the lead in making these investments.
Activities	The highest priorities are the next generation and the environment.
Vision	The Head Office will establish global strategies and oversee activities that are carried out across several regions. Regional companies will spearhead regional strategies and activities.

We are firmly committed to advancing and communicating this policy. As a global organization, we will focus the energy of our workforce on solving social issues that affect the entire world.

Corporate Citizenship's Key Areas

The Environment

Panasonic places the environment at the center of all of its business activities, aiming to become the No. 1 Green Innovation Company in the Electronics Industry. In this environment area, we are working to ensure that all of our company's employees around the world serve as global citizens to promote targeted environmental projects within their workplaces, families, and local communities. Then, by passing on these activities to the next generation and working with people throughout society, we will contribute to the development of a better global environment and a sustainable society.

Example: Yellow Sea Ecoregion Support Project

As the first Asian corporate sponsor, Panasonic is taking part in the Yellow Sea Ecoregion Support Project, which aims to ensure the coexistence of people's lives with the marine ecosystems in the marine region surrounding China and the Korean Peninsula. This is one of the initiatives the World Wide Fund for Nature (WWF) is promoting in zones designated as natural environments requiring high-priority conservation efforts. In the second stage of this project, beginning in 2010, model regions will be selected for scientific research on the relationship between the coastal fishing industry and migratory birds and marine life. Through these efforts, the goal is to develop measures that ensure sustainable usage and conservation.



The estuary of the Yalu River in Liaoning Province, China. Tens of thousands of bar-tailed godwits pass through this region during their migratory paths every spring and autumn.



Major Activities for the Environment

- Support for WWF projects and contributions to protecting biodiversity
- Employees and their families throughout the world promote environmental activities that contribute to local communities [Panasonic Eco Relay]
- Employees and their families promote eco activities that are close to them: in the home, locally, and overseas [Love the Earth Citizens' Campaign (LE Activities)]
- Global eco community website to gather and share eco ideas from around the world [eco-ideas.net]

The Next Generation

Panasonic believes that it is people who can create a sustainable society, and so we are working to support the education of the next generation. By supplying many opportunities for learning, we are working to provide a healthy upbringing to the children who will be responsible for the future of our planet, thus giving them the chance to make the most of their individual abilities and potential.

Example: Environmental education

Panasonic is promoting a wide range of environmental education activities around the world. We have provided lessons during school visits, factory tours, and after-school programs in about twenty countries. Around 96,000 people (including 69,000 children) took part in these environmental education activities across the world in fiscal 2009. We have also set up a standard global environmental education program, and we will develop this further in the future.



Children in China learn with hand-made experimental tools

In China, we have developed hand-made educational materials and experimental tools based on the theme of energy savings, with the aim of helping one million children learn about the environment over a period of ten years. Panasonic employees are serving as lecturers to offer classes and promote locally oriented initiatives across the country. During the first year of these Chinese activities, we were able to offer environmental education to some 24,000 children.

Major Activities for the Next Generation

At schools

- Kid Witness News (KWN)

At Panasonic facilities

- Panasonic Center Tokyo
- RiSuPia
- Panasonic Center Osaka
- Panasonic Konosuke Matsushita Museum
- Panasonic Eco Technology Center

Taking Corporate Citizenship to a Higher Level

Identification of Global Needs and Social Issues

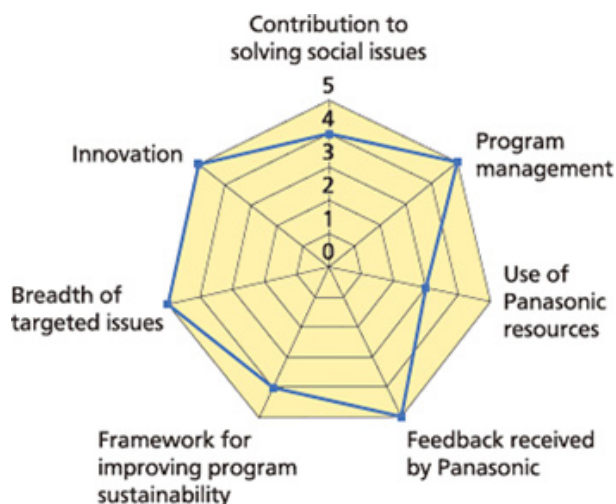
Engaging in conversation with stakeholders is the most important way for Panasonic to identify pressing social issues. This is why the cooperation of communities, governments, NPOs, educational institutions, and other organizations is a key element of promoting our corporate citizenship programs.

Method Used to Evaluate Citizenship Activities

We use seven parameters to evaluate our citizenship activities based on a process that includes the input of external organizations. These seven parameters are 1) Contribution to solving social issues; 2) Program management; 3) Degree to which Panasonic resources are used; 4) Feedback received by Panasonic; 5) Framework for improving program sustainability; 6) Breadth of targeted issues; and 7) Innovative nature of the program. Using these criteria makes it possible to improve programs and channel resources to the activities that produce the greatest benefits.



Example of Evaluations Using the Seven-Point System (for NPO Support Fund)



Corporate Citizenship Expenditure and Benefits

With globalization and diversification progressing rapidly, various social issues are now emerging in different areas. Tackling them requires a worldwide perspective in some cases and a local perspective in others. To achieve the best allocation of our resources at the global level, we started a corporate citizenship survey that encompasses the entire Panasonic Group. The results of a fiscal 2009 survey are given below for Japan and six overseas regions: North America, Latin America, Europe, Asia Pacific, China and Northeast Asia, and Russia, the Middle East and Africa.

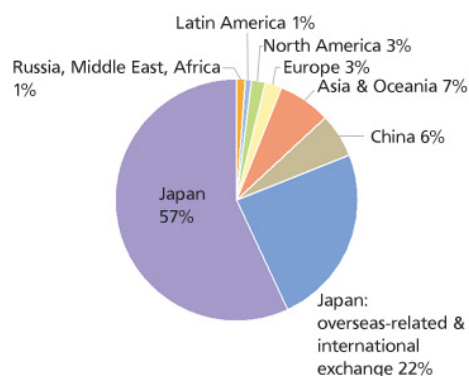
In fiscal 2009, the share of corporate citizenship expenditure outside Japan was 43%. As shown in the graph, this overseas investment ratio has failed to break through the 50% barrier in each of the three years since fiscal 2007 (39% in fiscal 2007 and 45% in fiscal 2008), and this remains a significant issue. As part of the new midterm plan, GT12, we aim to boost the overseas proportion of our social investment to 70% by fiscal 2012, and overseas business strategies will be refined to determine the precise regions, scale, and timing for this overseas investment.

As for the various types of activities, the key field of supporting education for the next generation received the top share of investment at 51%. The education-related activities, such as scholarships, KWN, and other independently developed educational programs, have increased (46% in fiscal 2007 and 43% in fiscal 2008). Of the total investment, 7% went into the environmental field, which has seen a slight increase in each of the regions (6% in fiscal 2007 and 5.5% in fiscal 2008). The environmental field mainly involves local clean-up and other environmental volunteer activities, such as the global Eco Relay project, so only a small financial investment is required in comparison to the other fields.

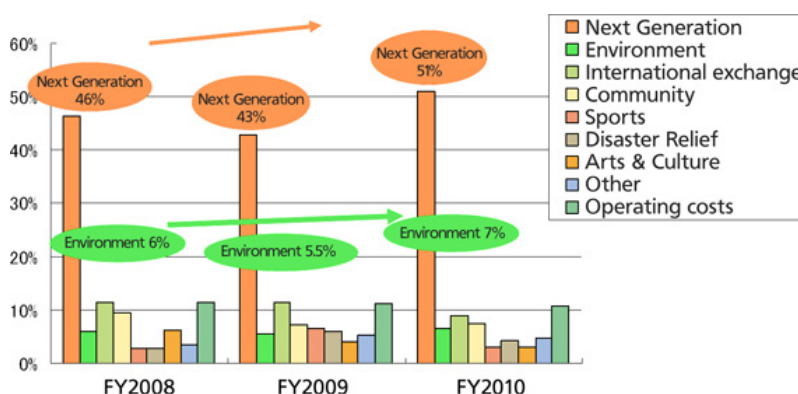
During fiscal 2010, Panasonic will build structures to strengthen investments in the environmental field around the world, including the development of global standard educational materials for its environmental education activities. As part of GT12, the Corporate Citizenship Group will globally promote corporate citizenship activities, with the aim of contributing to the creation of a sustainable society.

Corporate Citizenship Expenditure throughout the Panasonic Group

Comparison between Japanese and Overseas Corporate Citizenship Expenditures



Breakdown by Category (Global)

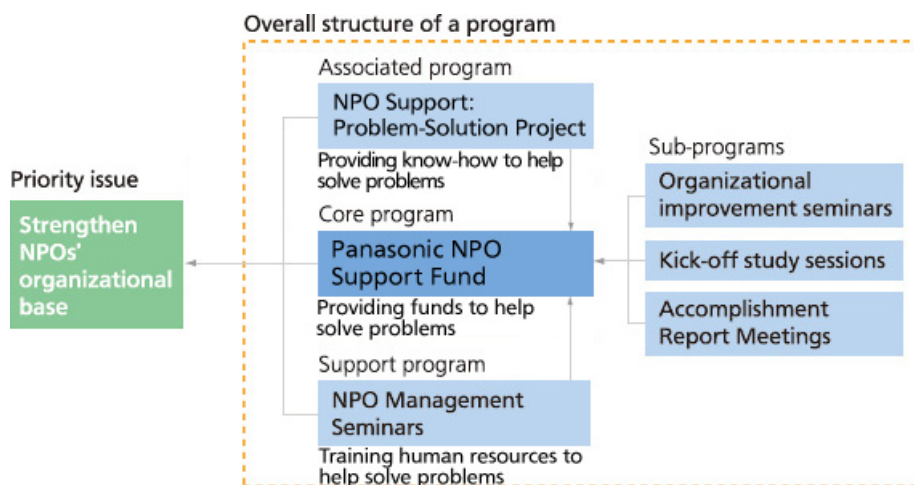




Framework for Promoting Priority Programs

To help focus resources on priority programs, we divide them into three categories: core programs, associated programs, and support programs. Core programs are the primary activities used to target a priority issue. Associated programs are activities involving important themes related to core programs. Support programs are activities that can contribute to the success of core programs. This approach provides a powerful framework for solving highest-priority issues.

Example



Various other initiatives

- Disaster Relief
- Scholarships
- Timeline

Corporate Governance for CSR Management

Corporate Governance

Information contained in this article is a reference from Annual Report 2010.

1. Basic Concept of Corporate Governance

Panasonic's corporate governance system is based on the Board of Directors, which is responsible for deciding important operational matters for the whole Group and monitoring the execution of business by Directors, and the Board of Corporate Auditors, which is independent from the Board of Directors. The Corporate Auditors and the Board of Corporate Auditors are responsible for auditing the performance of duties by Directors. Panasonic has established the following management system based on the implementation of autonomous management in each business domain and the Company's corporate governance system.

2. Corporate Governance Structure

The Board of Directors and Executive Officer System

The Company's Board of Directors is composed of nineteen (19) directors, two (2) of whom are Outside Directors, as of June 25, 2010. In accordance with the Company Law and relevant laws and ordinances (collectively, the "Company Law"), the Board of Directors has ultimate responsibility for administration of the Company's affairs and monitoring of the execution of business by Directors.

Under its basic philosophy "A company is a public entity of society," the Company has long been committed to enhancing corporate governance, and was one of the first Japanese companies to invite Outside Directors to serve on its Board of Directors. The Company's two (2) Outside Directors are independent and do not have any conflict of interests based on relationships between the Company and the Outside Directors or other entities or organizations to which the Outside Directors belong and therefore may enhance and strengthen the effectiveness of the monitoring performed by the Board of Directors of the execution of business by Directors from an objective and neutral standpoint. The Company has an optimum management and governance structure tailored to the Group's business domain-based organizational structure. Under this structure, the Company has empowered each of its business domain companies through delegation of authority. At the same time, the Company employs an Executive Officer System to provide for the execution of business at its various domestic and overseas Group companies. This system facilitates the development of optimum corporate strategies that integrate the Group's comprehensive strengths. The Company has twenty eight (28) Executive Officers (excluding those who concurrently serve as Directors), which include presidents of business domain companies, senior officers responsible for certain foreign regions and officers responsible for corporate functions of the headquarters.

In addition, the Company realigned the role and structure of the Board of Directors to ensure swift and strategic decision-making, as well as the optimum monitoring of Groupwide matters. Specifically, the Board of Directors concentrates on corporate strategies and the supervision of business domain companies, while Executive Officers handle responsibilities relating to day-to-day operations. Taking into consideration the diversified scope of its business operations, the Company has opted to maintain a system where Executive Officers, who are most familiar with the specifics of their respective operations, take an active part in the Board of Directors. Furthermore, the Company established and operates the Group Management Committee with the aim of ensuring full discussions in the Board of Directors' meetings and proper decision-making. Moreover, to clarify the responsibilities of Directors and create a more dynamic organization, the Company has limited the term of each Director to one year.

Corporate Auditors and the Board of Corporate Auditors

Pursuant to the Company Law, the Company has appointed Corporate Auditors and established a Board of Corporate Auditors, made up of Corporate Auditors. The Corporate Auditors and Board of Corporate Auditors monitor the status of corporate governance and keep abreast of the day-to-day activities of management, including the Board of Directors. As of June 25, 2010, the Company had five (5) Corporate Auditors, including three (3) Outside Corporate Auditors. All three (3) Outside Corporate Auditors are independent and do not have any conflict of interests based on relationships between the Company and the Outside Corporate Auditors or other entities or organizations to which the Outside Corporate Auditors belong and therefore may enhance and strengthen the effectiveness of audits performed by Corporate Auditors of the execution of business by Directors from an objective and neutral standpoint. Additionally, the Company elected Corporate Auditors who have substantial finance and accounting knowledge. Corporate Auditors participate in the general meetings of shareholders and Board of Directors' meetings, and have legal authority to receive reports from Directors, Executive Officers, employees and accounting auditors. Full-time Senior Corporate Auditors also attend important meetings and conduct checks in order to ensure effective monitoring. To augment internal auditing functions in the Group, the Company has assigned ten

(10) non-statutory full-time senior auditors at internal division companies to assist in audits by Corporate Auditors. The Company also inaugurated regular Panasonic Group Auditor Meetings (comprising a total of eighteen (18) full-time senior auditors and non-statutory full-time senior auditors from the Company's main subsidiaries) chaired by the Chairman of the Board of Corporate Auditors of the Company to enhance collaboration among the Company's Corporate Auditors, non-statutory full-time senior auditors of internal division companies and corporate auditors of the Group companies. In addition, as part of their audit duties, Corporate Auditors maintain close contacts with the Internal Audit Group, which performs business audits and internal control audits, to ensure the efficiency of audits.

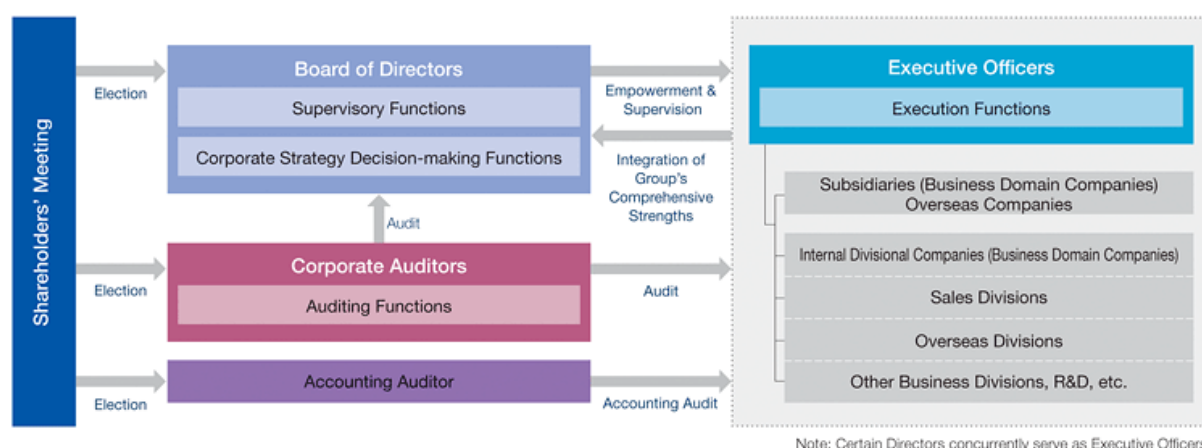
In addition, Corporate Auditors regularly receive from the Internal Audit Group or other sections a report regarding the status involving the internal control system, the result of audits, etc. Corporate Auditors may request an investigation if necessary.

Moreover, in order to enhance the effectiveness of the audits conducted by Corporate Auditors and ensure the smooth implementation of audits, the Company has established a Corporate Auditor's Office with a full-time staff of five (5) under the direct control of the Board of Corporate Auditors.

In addition, pursuant to recent amendments to the regulations of the Japanese stock exchanges, Panasonic is required to have one or more "independent director(s)/corporate auditor(s)" whose terms are defined under the relevant regulations of the Japanese stock exchanges as "outside directors" or "outside corporate auditors" (each of whose terms is defined under the Company Law) who are unlikely to have any conflict of interests with shareholders of Panasonic. The definition of the "independent director/corporate auditor" is different from that of the independent directors under the NYSE Listed Company Manual or under Rule 10A-3 under the U.S. Securities Exchange Act of 1934. Each of the outside directors and outside corporate auditors of Panasonic satisfies the requirements for the "independent director/corporate auditor" under the regulations of the Japanese stock exchanges, respectively.

Corporate Governance Structure

<Functions of the Board of Directors, Executive Officers and Corporate Auditors>



Remuneration Policy

The maximum total amounts of remuneration for Directors and Corporate Auditors of Panasonic are determined by a resolution at a general meeting of shareholders. The remuneration amount for each Director is determined by Panasonic's Representative Directors who are delegated to make such determination by the Board of Directors, and the amount of remuneration for each Corporate Auditor is determined upon discussions amongst the Corporate Auditors.

The amounts of the remuneration of Directors will be linked to individual performance based on Capital Cost Management (CCM)*, sales and CO₂ emissions (an environmental management indicator). By implementing this new performance evaluation criteria based on shareholder interests, Panasonic intends to promote continuous growth and enhance profitability on a long-term basis for the Panasonic Group as a whole.

In order to realize a remuneration system with a high level of transparency and acceptability, Panasonic terminated its retirement benefits for Directors and Corporate Auditors in June 2006.

* CCM is an indicator created by Panasonic to evaluate return on capital.

3. Internal Control Systems

Compliance

The Company has published the Panasonic Code of Conduct in 22 languages as a unified global standard that spells out in concrete terms how its management philosophy should be implemented. The code applies to all the Panasonic Group's Directors, Executive Officers, and employees. On October 1, 2008, the current name of the code was adopted with the renaming of the Company and unification of its brands; the previous name was the Matsushita Group Code of Conduct. At the same time, the new code more clearly expresses the "Panasonic Brand Identity" and the Company's basic approach to responding to social demands regarding corporate social responsibilities (CSR). Panasonic has also formulated and applies a Code of Ethics for Directors and Executive Officers stating the fundamental matters the Company's top management must observe in terms of ethics.

In addition, the Company has created a Corporate Compliance Committee, which is chaired by the President and made up of relevant Directors, Executive Officers and Corporate Auditors. This committee discusses important compliance issues and responses, and communicates compliance policy to the entire company. Furthermore, the Company has appointed Directors and Executive Officers in charge of ensuring compliance with the code, as well as legal affairs, fair trade and export control managers at business domain companies, overseas regional headquarters and other entities. Through close-knit cooperation, the Company works with these individuals to ensure compliance in every area of frontline operations.

During "Compliance Awareness Month" every fall, messages are sent from the President and other management regarding compliance, tests are conducted to assess understanding of compliance, worksite discussions are held and other activities are conducted in regions around the world. Panasonic also focuses on enforcing policy, creating frameworks to ensure compliance, education and training and monitoring activities with respect to fair trade based on observance of antitrust laws and trading compliance based on export administration laws, which the Company sees as particularly important issues.

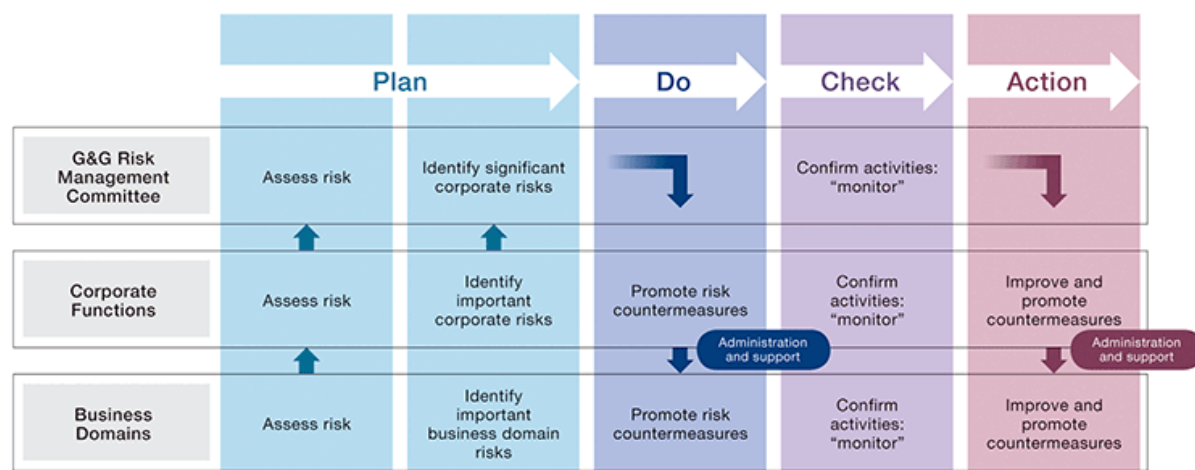
In order to assess the degree to which a compliance mindset has permeated the Company and identify issues in workplaces, Panasonic conducts compliance awareness surveys of employees regularly and uses the results to formulate initiatives and find solutions to issues. Furthermore, the Company has established several hotlines in each field to enable employees in Japan and overseas to seek advice or blow the whistle on inappropriate acts they find in the course of business operations. Panasonic is also working to ensure financial soundness by establishing a Hotline for Auditors, a system whereby Corporate Auditors directly receive concerns from employees and other individuals with regard to accounting or auditing irregularities.

Risk Management

Panasonic manages Companywide risk based on the management philosophies of founder Konosuke Matsushita: "worry earlier and enjoy later," "causes of failures lie within oneself," and "be alert for signs of change and act accordingly." In specific terms, in accordance with shared global evaluation standards, risk information is collected widely and analyzed centrally. At the same time, Panasonic maintains a management cycle that links risk management activities with business plans for responding to important risks and with other business management initiatives. To this end, Panasonic has specified Basic Risk Management Regulations, which stipulate the basic objectives of risk management and action guidelines when promoting risk management. In terms of a risk management framework, Panasonic has the Global and Group (G&G) Risk Management Committee, which is chaired by the President and made up of Directors and Executive Officers from various departments of the Corporate Head office. Panasonic has also established similar functional committees at business domain companies and subsidiaries to formulate appropriate countermeasures to risk on a global and Group basis. Specifically, all business domain companies and subsidiaries of the Panasonic Group assess risks once a year, coinciding with the annual business plan. Using the results of these surveys, the G&G Risk Management Committee then evaluates the importance of risk information to the Group and defines high-priority risks as Companywide Important Risks. Business domain companies and corporate sections then give priority to quickly and accurately dealing with these risks, while the G&G Risk Management Committee monitors progress implementing these countermeasures. Furthermore, in order to respond to the diversification of risks such as natural disasters, wars, terrorist acts and an increase in infectious diseases and their increasing impact as well as public demands, the Company has formulated Companywide Emergency Measure Regulations to clarify the systems and functions that will deal with Companywide emergencies and ensure a seamless and timely response. Moreover, the Company has established and is rigorously enforcing guidelines for responding to risks when they materialize, in light of repeated instances of corporate misconduct in recent times. In addition, as a countermeasure against the risk of damage resulting from a large-scale natural disaster, Panasonic is working on Business Continuity Planning (BCP), which pinpoints vulnerabilities based on simulations of damage from an earthquake and analysis of the business impact and will ensure operations are restored within a targeted timeframe. BCP also addresses what is thought to be a

comparatively high risk of business being interrupted by a worldwide pandemic of a new influenza strain. Panasonic will make comprehensive efforts in risk management to recognize business risks through the above-mentioned process and take countermeasures that protect the interests of all stakeholders, while helping the Company achieve its business goals.

Basic Risk Management Framework



Information Security

Panasonic is developing information security initiatives on a global basis to safeguard important management and business information as well as important customer information. Specifically, the Company has specified three themes: protect confidential information that is handled in each business process, including development, production and sales activities; safeguard personal information obtained through consumer surveys, customer service consultations and other means; and provide information security protections for products to ensure product safety and reliability. Panasonic has the following three aims:

1. Ensure a high degree of trust in the Company by achieving the same level of information security by all employees worldwide, and by managing customer and business partner information in an appropriate manner.
2. Boost management efficiency and enhance corporate value by ensuring trade secrets, personal information, technical data and other information held by the Company are used and shared safely.
3. Conduct regular training programs for all Panasonic employees to raise awareness of information security and foster a culture of information management.

Internal Control Over Financial Reporting

Panasonic has documented its internal control system, with coordination provided by the Corporate Internal Auditing Group, in order to ensure reliability in financial reporting of the Panasonic Group including its subsidiaries, ranging from the control infrastructure to actual internal control activities. Specifically, the Company has reinforced its internal controls by implementing self-checks and self-assessment programs, in addition to regular internal auditing at each business domain company. Panasonic has also appointed an Internal Auditing Manager at each business domain company who audits the compliance status and effectiveness of internal controls. The Corporate Internal Auditing Group supervises these activities in order to ensure the reliability of each company's financial reporting. With the aim of further enhancing the Group's internal control system, in fiscal 2010 Panasonic had approximately 400 personnel assigned to conduct internal audits, including approximately 20 people in the Corporate Internal Auditing Group.

Information Disclosure Structure and Execution of Accountability

To enhance transparency and ensure accountability, the Company established the Disclosure Committee, consisting of general or executive managers from departments that handle relevant information. The Committee checks the propriety of statements and descriptions in the Company's annual securities reports and quarterly earnings reports submitted to the Japanese regulatory authorities and its filings with the U.S. Securities and Exchange Commission, including its annual reports on Form 20-F, while confirming the appropriateness and effectiveness of its disclosure controls and procedures.

4. Policy on Control of Panasonic Corporation

Basic Policy

Since its establishment, Panasonic has operated its businesses under its basic management philosophy, which sets forth that the mission of a business enterprise is to contribute to the progress and development of society and the wellbeing of people through its business activities, thereby enhancing the quality of life throughout the world. Aiming to grow further to become a global excellent company, Panasonic will work to deliver sustained growth in corporate value to satisfy its shareholders, investors, customers, business partners, employees and all other stakeholders.

Panasonic has a basic policy that shareholders should make final decisions in the event of a Large-scale Purchase of the Company's shares, regarding whether or not the Large-scale Purchase should be accepted. However, there is the possibility that such Large-scale Purchaser may not provide shareholders with sufficient information for making appropriate decisions. There is also concern that any Large-scale Purchase may damage corporate value and shareholder interest. In this event, the Company may take countermeasures in order to protect the interests of all shareholders.

Measures to Realize Basic Policy

1) Specific measures to realize basic policy

Panasonic conducted a midterm management plan called GP3 from fiscal 2008 to fiscal 2010. Based on the plan's fundamental concept of delivering steady growth with profitability, the Company sought to achieve double-digit growth in overseas sales, expand strategic businesses, innovate in manufacturing and implement a range of other measures to strengthen its management structure with targets of ¥10 trillion in sales, and ROE of 10%. While Panasonic achieved a certain degree of success in strengthening its management structure, including reducing fixed costs and raising the marginal profit ratio, the worldwide recession triggered by the financial crisis had a sizable impact, preventing the Company from achieving the goals of its plan as a whole. With regard to the goal of accelerating environmental sustainability management, the Company has produced steady results, achieving greater-than-targeted reductions in CO₂ emissions at all manufacturing sites around the world. Furthermore, in order to maximize its corporate value, Panasonic has actively invested in growth fields, including consolidating SANYO.

In fiscal 2011, Panasonic will be guided by a new midterm management plan called "Green Transformation 2012" (GT12). The Panasonic Group has announced a vision of becoming the 'No. 1 Green Innovation Company in the Electronics Industry' leading up to 2018, the 100th anniversary of its foundation. It will take the lead in helping solve global environmental problems that are the world's shared responsibility. Under GT12, the Panasonic Group will make group-wide efforts in 'Paradigm shift for growth' and 'Laying a foundation to be a Green Innovation Company,' while integrating its contribution to the environment and business growth. Reflecting on its performance under GP3, Panasonic will endeavor to break away from a business structure skewed toward existing fields and focused on Japan and individual products. Over the three years under GT12, Panasonic aims to become a company filled with significant growth potential.

2) Measures based on the basic policy to prevent control by inappropriate parties

On April 28, 2005, the Board of Directors resolved to adopt a policy related to a Large-scale Purchase of the Company's shares called the Enhancement of Shareholder Value (ESV) Plan. The ESV Plan has been approved at every Board of Directors meeting held in April since then. On May 7, 2010, the Board of Directors resolved to continue the ESV Plan.

With respect to a Large-scale Purchaser who intends to acquire 20% or more of all voting rights of the Company, this policy requires that (i) a Large-scale Purchaser provide sufficient information, such as its outline, purposes or conditions, the basis for determination of the purchase price and funds for purchase, and management policies and business plans which the Large-scale Purchaser intends to adopt after the completion of the Large-scale Purchase, to the Board of Directors before a Large-scale Purchase is to be conducted and (ii) after all required information is provided, the Board of Directors should be allowed a sufficient period of time (a sixty-day period or a ninety-day period) for consideration. The Board of Directors intends to assess and examine any proposed Large-scale Purchase after the information on such purchase is provided, and subsequently to disclose the opinion of the Board of Directors and any other information needed to assist shareholders in making their decisions. The Board of Directors may negotiate with the Large-scale Purchaser regarding purchase conditions or suggest alternative plans to shareholders, if it is deemed necessary.

If a Large-scale Purchaser does not comply with the rules laid out in the ESV Plan, the Company's Board of Directors may take countermeasures against the Large-scale Purchaser to protect the interests of all shareholders. Countermeasures include the implementation of stock splits, issuance of stock acquisition rights (including allotment

of share options without contribution) or any other measures that the Board of Directors is permitted to take under the Company Law in Japan, other laws and the Company's Articles of Incorporation. If a Large-scale Purchaser complies with the Large-scale Purchase rules, the Board of Directors does not intend to prevent the Large-scale Purchase at its own discretion, unless it is clear that such Large-scale Purchase will cause irreparable damage or loss to the Company.

The Board of Directors will make decisions relating to countermeasures by referring to advice from outside professionals, such as lawyers and financial advisers, and fully respect the opinions of outside directors and statutory corporate auditors.

When invoking the aforementioned countermeasures, if the Company's Board of Directors decides that it is appropriate to confirm the will of shareholders from the perspective of the interest of all shareholders, a general meeting of shareholders will be held. If the Company's Board of Directors decides to hold a general meeting of shareholders, it will give notice to that effect as well as the reasons for such a meeting at that time.

The Board of Directors will adopt specific countermeasures which it deems appropriate at that time. If the Board of Directors elects to make a stock split for shareholders as of a certain record date, the maximum ratio of the stock split shall be five-for-one. If the Board of Directors elects to issue stock acquisition rights to shareholders, the Company will issue one stock acquisition right for every share held by shareholders on a specified record date. One share shall be issued on the exercise of each stock acquisition right. If the Board of Directors elects to issue stock acquisition rights as a countermeasure, it may determine the exercise period and exercise conditions of the stock acquisition rights in consideration of the effectiveness thereof as a countermeasure, such as the condition that shareholders do not belong to a specific group of shareholders including a Large-scale Purchaser, as well as the conditions that allow the Company to acquire share options by swapping Company stock with a party other than the Large-scale Purchaser.

The Company recognizes that the aforementioned countermeasures may cause damage or loss, economic or otherwise, to a prospective Large-scale Purchaser who does not comply with the Large-scale Purchase Rules. The Company does not anticipate that taking such countermeasures will cause shareholders, other than the Large-scale Purchaser, economic damage or loss of any rights. However, in the event that the Board of Directors determines to take a specific countermeasure, the Board of Directors will disclose such countermeasure in a timely and appropriate manner, pursuant to relevant laws and stock exchange regulations.

The terms of office for all Directors are for one year, and they are elected at an annual general meeting of shareholders in June of each year. All of the two Outside Directors and three Outside Corporate Auditors are notified to the Japanese stock exchanges as "independent directors/corporate auditors" pursuant to the regulations of the Japanese stock exchanges and are unlikely to have any conflict of interests with our shareholders. Panasonic's Board of Directors intends to review the Large-scale Purchase Rules, as necessary, for reasons including amendments to applicable legislation. Any such review would be conducted strictly in the interests of all shareholders.

For further details about the ESV Plan, please see the press release issued on May 7, 2010 at the Company's Web site:

<http://panasonic.co.jp/corp/news/official.data/data.dir/en100507-8/en100507-8-1.pdf>

Evaluation of Measures by the Board of Directors and Rationale for Evaluation

Panasonic's midterm management plan was formulated as a specific measure to increase the Company's corporate value in a sustained manner. The ESV Plan was formulated from the perspective of protecting shareholder value, and is aimed at ensuring shareholders receive sufficient information to make decisions on share purchase proposals by allowing those responsible for the management of the Company, the Board of Directors, to provide their evaluation of any proposed Large-scale Purchase, and providing the opportunity for alternative proposals to be submitted.

Consequently, these measures, in accordance with the Basic Policy, are intended to protect the interests of all the Company's shareholders.

5. Significant Differences in Corporate Governance Practices Between Panasonic and U.S. Companies Listed on the NYSE

Companies listed on the NYSE must comply with certain standards regarding corporate governance under Section 303A of the NYSE Listed Company Manual. However, listed companies that are foreign private issuers, such as Panasonic, are permitted to follow home country practice in lieu of certain provisions of Section 303A.

The following table shows the significant differences between the corporate governance practices followed by U.S. listed companies under Section 303A of the NYSE Listed Company Manual and those followed by Panasonic.

Corporate Governance Practices Followed by NYSE-listed U.S. companies	Corporate Governance Practices Followed by Panasonic
<p>A NYSE-listed U.S. company must have a majority of directors meeting the independence requirements under Section 303A of the NYSE Listed Company Manual.</p>	<p>The Company Law does not require independent directors on the board of directors. The Company Law has provisions for an “outside director,” whose definition is similar to, but not the same as, an independent director under the NYSE Listed Company Manual. An “outside director” is defined as a director of the company who does not engage or has not engaged in the execution of business of the company or its subsidiaries as a director of any of these corporations, and who does not serve or has not served as an executive officer, manager or in any other capacity as an employee of the company or its subsidiaries. A Japanese joint stock corporation with corporate auditors, such as Panasonic, is not obliged under the Company Law to have any outside directors on its board of directors.</p> <p>However, Panasonic had two (2) Outside Directors as of June 25, 2010. In addition, pursuant to recent amendments to the regulations of the Japanese stock exchanges, Panasonic is required to have one or more “independent director(s)/corporate auditor(s)” whose terms are defined under the relevant regulations of the Japanese stock exchanges as “outside directors” or “outside corporate auditors” (each of whose terms is defined under the Company Law) who are unlikely to have any conflict of interests with shareholders of Panasonic. The definition of the “independent director/corporate auditor” is different from that of the independent directors under the NYSE Listed Company Manual or under Rule 10A-3 under the U.S. Securities Exchange Act of 1934. Each of the outside directors and outside corporate auditors of Panasonic satisfies the requirements for the “independent director/corporate auditor” under the regulations of the Japanese stock exchanges, respectively. The tasks of supervising the administration of the Company’s affairs are assigned not only to the Board of Directors but also to Corporate Auditors, as more fully described below.</p>
<p>A NYSE-listed U.S. company must have an audit committee with responsibilities described under Section 303A of the NYSE Listed Company Manual, including those imposed by Rule 10A-3 under the U.S. Securities Exchange Act of 1934. The audit committee must be composed entirely of independent directors, and the audit committee must have at least three (3) members and satisfy the requirements of Rule 10A-3 under the U.S. Securities Exchange Act of 1934.</p>	<p>A Japanese joint stock corporation is not required to have any audit, nominating and compensation committees, except for a “joint stock corporation with specified committees,” which is a corporate governance system that may be adopted by Japanese joint stock corporations meeting certain criteria.</p> <p>Most Japanese joint stock corporations, including Panasonic, employ a corporate governance system based on corporate auditors. With this system, the tasks of supervising the administration of the company’s affairs conducted by directors are assigned not only to the board of directors but also to corporate auditors who are appointed at a general meeting of shareholders, and who are separate and independent from the board of directors. All corporate auditors must meet certain independence requirements under the Company Law. Under the Company Law, Panasonic is required to appoint at least three (3) Corporate Auditors, and at least half of Panasonic’s Corporate Auditors are required to be “Outside Corporate Auditors” who must meet additional independence requirements. An “outside corporate auditor” is defined as a corporate auditor of the Company who has never been a director, accounting counselor, executive officer, manager or in any other capacity as an employee of the company or any of its subsidiaries prior to the appointment. Under the Company Law, Panasonic is required to establish a Board of Corporate Auditors, comprising all the Company’s Corporate Auditors.</p> <p>As of June 25, 2010, Panasonic had five (5) Corporate Auditors, of which three (3) were Outside Corporate Auditors. Each Corporate Auditor of Panasonic has a four-year term. In contrast, the term of each Director of Panasonic is one year. Corporate Auditors are obliged to attend the meetings of the Board of Directors and express their opinion at the meetings if necessary. The Board of Corporate Auditors and Corporate Auditors have a statutory duty to supervise the</p>

administration of Corporate Governance Corporate Governance Practices Followed by NYSE-listed U.S. companies Corporate Governance Practices Followed by Panasonic the Company's affairs by Directors. The Board of Corporate Auditors has a statutory duty to, based on the reports prepared by respective Corporate Auditors, prepare and submit its audit report to Accounting Auditors and the Directors who prepared the financial statements and the business report. A copy of the audit report is included in the appendix to the convocation notice of the ordinary general meeting of shareholders.

A Corporate Auditor also has a statutory duty to examine the financial statements of Panasonic, and receives auditors' reports from an accounting auditor (a certified public accountant or an accounting firm). The Board of Corporate Auditors has the power to request that Panasonic's Directors submit a proposal for dismissal of an accounting auditor to a general meeting of shareholders. The Board of Corporate Auditors also has the power to directly dismiss an accounting auditor under certain conditions. Panasonic's Directors must obtain the consent of its Board of Corporate Auditors in order to submit a proposal for election, dismissal and/or non-reelection of an accounting auditor to a general meeting of shareholders.

With respect to the requirements of Rule 10A-3 under the U.S. Securities Exchange Act of 1934 relating to listed company audit committees, Panasonic relies on an exemption under that rule which is available to foreign private issuers with a board of corporate auditors meeting certain requirements.

In addition, each of the outside corporate auditors of Panasonic satisfies the requirements for the "independent director/corporate auditor" under the regulations of the Japanese stock exchanges as described above.

A NYSE-listed U.S. company must have a nominating/corporate governance committee with responsibilities described under Section 303A of the NYSE Listed Company Manual. The nominating/corporate governance committee must be composed entirely of independent directors.

Under the Company Law, Panasonic's Directors must be elected and/or dismissed at a general meeting of shareholders. The Board of Directors nominates Director candidates and submits a proposal for election of directors to a general meeting of shareholders. The Board of Directors does not have the power to fill vacancies thereon.

Panasonic's Corporate Auditors must also be elected and/or dismissed at a general meeting of shareholders. Panasonic's Directors must obtain the consent of the Board of Corporate Auditors in order to submit a proposal for election of a Corporate Auditor to a general meeting of shareholders.

Each of the Corporate Auditors has the right to state his/her opinion concerning the election, dismissal and/or resignation of any Corporate Auditor, including himself/herself, at a general meeting of shareholders. The Board of Corporate Auditors is also empowered to request Directors to submit a proposal for election of a specific person as a Corporate Auditor to a general meeting of shareholders.

A NYSE-listed U.S. company must have a compensation committee with responsibilities described under Section 303A of the NYSE Listed Company Manual. The compensation committee must be composed entirely of independent directors.

Under the Company Law, the maximum amounts of remunerations, including equity compensation such as stock options, bonuses, and other financial benefits given in consideration of performance of duties (collectively, the "remunerations") of directors and corporate auditors of Japanese joint stock corporations, except for a "joint stock corporation with specified committees," must be approved at a general meeting of shareholders. Companies must also obtain the approval at a general meeting of shareholders to change such maximum amounts. Therefore, the remunerations of the directors and corporate auditors are subject to the approval of shareholders.

The maximum total amounts of remunerations for Directors and Corporate Auditors of Panasonic is therefore determined by a resolution at a general meeting of shareholders, and thus remunerations of the Directors and Corporate Auditors of Panasonic are under the oversight of shareholders. The remuneration amount for each Director is determined by Panasonic's Representative Directors who are delegated to make such determination by the Board of Directors, and the amount of remuneration for each Corporate Auditor

is determined upon discussions amongst the Corporate Auditors.

A NYSE-listed U.S. company must generally obtain shareholder approval with respect to any equity compensation plan.

Pursuant to the Company Law, if a Japanese joint stock corporation, such as Panasonic, desires to adopt an equity compensation plan under which stock acquisition rights are granted on specially favorable conditions (except where such rights are granted to all shareholders on a pro rata basis), such plan must be approved by a “special resolution” of a general meeting of shareholders that satisfies the prescribed quorum. (In the case of Panasonic, such quorum is one-third of the total number of voting rights and the approval of at least two-thirds of the voting rights represented at the meeting is required as provided by Panasonic’s Articles of Incorporation pursuant to the Company Law.)

Directors and Corporate Auditors

(as of June 25, 2010)

Chairman of the Board	Kunio Nakamura
Vice Chairman of the Board	Masayuki Matsushita
President	Fumio Ohtsubo
Executive Vice President	Toshihiro Sakamoto
Executive Vice President	Takahiro Mori
Executive Vice President	Yasuo Katsura
Senior Managing Director	Hitoshi Otsuki
Senior Managing Director	Ken Morita
Senior Managing Director	Ikusaburo Kashima
Senior Managing Director	Junji Nomura
Managing Director	Yoshihiko Yamada
Managing Director	Kazunori Takami
Managing Director	Makoto Uenoyama
Managing Director	Masatoshi Harada
Director	Ikuo Uno
Director	Masayuki Oku
Director	Masashi Makino
Director	Takashi Toyama
Honorary Chairman of the Board and Executive Advisor, Member of the Board	Masaharu Matsushita
Senior Corporate Auditor	Kenichi Hamada
Senior Corporate Auditor	Masahiro Seyama
Corporate Auditor	Yasuo Yoshino
Corporate Auditor	Ikuo Hata
Corporate Auditor	Hiroyuki Takahashi



Managing Executive Officer	Kazuhiro Tsuga
Managing Executive Officer	Takumi Kajisha
Managing Executive Officer	Ikuo Miyamoto
Managing Executive Officer	Yoshiiku Miyata
Managing Executive Officer	Yutaka Takehana
Managing Executive Officer	Toshiaki Kobayashi
Executive Officer	Masaaki Fujita
Executive Officer	Yoshihisa Fukushima
Executive Officer	Naoto Noguchi
Executive Officer	Osamu Waki
Executive Officer	Joseph Taylor
Executive Officer	Jun Ishii
Executive Officer	Toshiro Kisaka
Executive Officer	Masato Tomita
Executive Officer	Hideaki Kawai
Executive Officer	Takeshi Uenoyama
Executive Officer	Shiro Nishiguchi
Executive Officer	Yoshiyuki Miyabe
Executive Officer	Laurent Abadie
Executive Officer	Yorihisa Shiokawa
Executive Officer	Yoshio Ito
Executive Officer	Hidetoshi Osawa
Executive Officer	Yoshiaki Nakagawa
Executive Officer	Mamoru Yoshida
Executive Officer	Tsuyoshi Nomura
Executive Officer	Nobuharu Akamine
Executive Officer	Kuniaki Okahara
Executive Officer	Yukio Nakashima

Panasonic Code of Conduct

The "Code of Conduct" embodies our Basic Business Philosophy in the form of clear, practical guidelines.

The Company's Code of Conduct was first established in 1992, and revised twice since then. On October 1, 2008, the revised Code was introduced as the "Panasonic Code of Conduct," in conjunction with the renaming of the Company and unification of its brands. The purpose of this latest revision is to globally share among all employees the "Panasonic brand image to pursue" and the Company's basic approach to responding to social demands regarding corporate social responsibilities (CSR).

Let Us Faithfully Carry Out Our Business Philosophy To Realize a Global Panasonic

Ever since the founding of our company, we have consistently maintained a strong commitment to contributing to society through our business activities, based on the firm belief that a "company is a public entity of society." I believe that throughout our history, our products and business activities have made steady progress thanks to the great efforts made by all of our employees who have steadfastly carried out our Management Philosophy. No matter what age we live in, the most important thing for all employees of Panasonic is to constantly develop a better understanding of our Management Philosophy and take the initiative in implementing it.

Currently, we are witnessing radical changes in social demands and expectations for enterprises. In addition to supplying products of excellent quality and performance, while observing laws and regulations of individual countries concerned, enterprises are expected to fulfill their corporate social responsibilities in diverse areas, ranging from global environmental preservation to product safety, labor environment, human rights protection, risk management and corporate citizenship activities. Any enterprise engaged in global businesses must maintain high ethical values and conduct its day-to-day business activities accordingly.

At Panasonic, we must work to respond to such changing social demands and expectations through our daily efforts to carry out our Management Philosophy. To this end, each of us must sharpen our sensitivity to precisely grasp social demands and act according to what we believe is right. In other words, we must develop and apply what is called a "Corporate Conscience" that goes beyond laws and rules.

Today we have changed our company name to Panasonic Corporation. Panasonic has also become our unified brand name for all our products and services. It is my sincere hope that on this special occasion, all employees will renew their resolve and combine their efforts to achieve Global Excellence and realize a truly Global Panasonic by being fully prepared to integrate all the business activities into Panasonic.

This "Panasonic Code of Conduct," which embodies our Management Philosophy, presents practical guidelines for employees' day-to-day activities. I strongly ask each of you to consider the Panasonic Code of Conduct as your guiding principle and to conduct your daily business in compliance with the Panasonic Code of Conduct.

October 1, 2008

Fumio Ohtsubo
President
Panasonic Corporation

Scope of Application and Observance

<Scope of Application>

This *Code of Conduct* applies to all Directors, executive officers and employees of Panasonic Corporation (PC) and all of its operating divisions and controlled subsidiaries.

<Issuance, Adoption and Modification>

The Board of Directors of PC issues this *Code of Conduct* and the Board of Directors of each PC controlled subsidiary shall adopt this *Code*.

With prior approval of the PC head office, a PC controlled subsidiary may modify the contents of this *Code* or adopt its own *Code* in accordance with nature and area of business, the laws, regulations and customs of the relevant country or region, provided that such modified or alternate *Code* shall not include any provisions that conflict with this *Code*.

<Revision>

This *Code of Conduct* shall be revised in the manner described above when required by social, business or other relevant conditions.

<Director/Officer Responsible for Observance of this Code and Employee Education/Training>

Each Group company shall appoint either a Director or an executive officer responsible for ensuring observance of this *Code of Conduct*. Also, each Group company will take steps to promote employee awareness of, and compliance with, company policies through appropriate explanation of these policies, including training programs.

<Violation of the Code of Conduct>

Violations of this *Code* will be taken very seriously.

Any member of the Board of Directors or executive officers violating the *Code* will be dealt with either by appropriate laws and regulations, or by Company regulations.

An employee violating the *Code* will be dealt with according to employee regulations.

Chapter 1: Our Core Values

Our Basic Business Philosophy as the Foundation of Our Business

Our Basic Business Philosophy helps us determine our objectives, our approach to business activities, and the general direction of our company. This philosophy comprises the *Basic Management Objective, Company Creed and Seven Principles*. Together these guidelines serve as a compass, helping us set and maintain the right direction for our business. Our Basic Business Philosophy is timeless and remains valid regardless of where our business takes us.

Creation of Value and Contribution to Society

Our business primarily comprises the following integrated philosophies and processes. First, we are entrusted by society with valuable resources, including human resources, materials, funds and information. Next, we use these resources to create value-added products and services. Finally, we make these products and services available throughout the world. The most essential of these processes is the creation of added value aimed at contributing to economic, social and environmental progress with a view to achieving sustainable development. In other words, creating value and contributing to society is our primary mission.

Close Ties with Society

Developing close and mutually advantageous relations with society is another key process. As we contribute to the continual progress of society, so our Company is also being positively influenced by society. Our business needs both tangible and intangible support and cooperation from numerous stakeholders, including our customers, shareholders, business partners, employees and local communities. At the same time, our business activities influence those stakeholders in a variety of social, economic and environmental aspects.

An Enterprise as a Public Institution

Since our business is dependent on our customers and other stakeholders, we must remember that "an enterprise is a public institution," that must strive to fulfill its social responsibilities. In addition to listening to stakeholders' opinions, we must conduct our business activities transparently in order to be accountable. In short, we must continue to be fair, truthful, honest and swift in taking action to comply with our social responsibilities.

Only One Earth

The earth is our home. It provides us with a variety of blessings including natural resources and energy. With this in mind, we will take the initiative in environmental activities to preserve our invaluable natural environment for future generations.

Global Perspectives - Global Conduct

As a global company, 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.

Carrying out our Basic Business Philosophy

Today more than ever great importance is being given to corporate social responsibility and business ethics. This Code of Conduct is designed to help us implement our Basic Business Philosophy, by providing the criteria that should be observed in individual business activities in any country. This Code of Conduct, however, cannot cover all possible situations. For situations not covered in the Code of Conduct, it is important that we always refer to the Basic Business Philosophy and determine what action to take in the spirit of that Philosophy.

Basic Management Objective

Recognizing our responsibilities as industrialists, we will devote ourselves to the progress and development of society and the well-being of people through our business activities, thereby enhancing the quality of life throughout the world.

Company Creed

Progress and development can be realized only through the combined efforts and cooperation of each employee of our company. United in spirit, we pledge to perform our corporate duties with dedication, diligence and integrity.

Seven Principles

Contribution to Society

We will conduct ourselves at all times in accordance with the Basic Management Objective, faithfully fulfilling our responsibilities as industrialists to the communities in which we operate.

Fairness and Honesty

We will be fair and honest in all our business dealings and personal conduct. No matter how talented and knowledgeable we may be, without personal integrity, we can neither earn the respect of others, nor enhance our own self-respect.

Cooperation and Team Spirit

We will pool our abilities to accomplish our shared goals. No matter how talented we are as individuals, without cooperation and team spirit we will be a company in name only.

Untiring Effort for Improvement

We will strive constantly to improve our ability to contribute to society through our business activities. Only through this untiring effort can we fulfill our Basic Management Objective and help to realize lasting peace and prosperity.

Courtesy and Humility

We will always be cordial and modest, respecting the rights and needs of others in order to strengthen healthy social relationships and improve the quality of life in our communities.

Adaptability

We will continually adapt our thinking and behavior to meet the ever-changing conditions around us, taking care to act in harmony with nature to ensure progress and success in our endeavors.

Gratitude

We will act out of a sense of gratitude for all the benefits we have received, confident that this attitude will be a source of unbounded joy and vitality, enabling us to overcome any obstacles we encounter.

Chapter 2: Implementing the Code in Business Operations

I-1. Research and Development

(1) Research and Development for a Better Future

Through research and development we aim to achieve a better future. At the same time, we will try to prevent our technologies from being used in any way that might jeopardize the global environment, world peace, social justice or humanitarian activities.

(2) Developing Products People Want

We are committed to developing products that will enrich the lives of our customers by continually taking into account customers' opinions and changing societal needs and by observing how people live and interact with our products.

We will strive to develop products that provide ever increasing satisfaction to our customers based on their quality, performance, design, affordability, environmental consciousness and ease of use, and that are accessible to a wide range of people, regardless of age or ability.

(3) Respect for Intellectual Property Rights

We will secure and protect intellectual property rights for our R&D achievements, while at the same time promoting the responsible use of our technologies around the world.

We will respect the intellectual property rights of others. At the same time, we will strive to prevent or eliminate any infringements of our own rights.

(4) Open Standards

In unifying existing standards and establishing universal standards, we will seek to ensure maximum benefit for our customers worldwide, while fairly disclosing all relevant information and constructively promoting our business activities.

I-2. Procurement

(1) Fair Transactions on an Equal Basis

In the procurement of both goods and services, we will seek fair relationships with our suppliers based on mutual trust and respect.

(2) Selection of Suppliers

We will offer equal opportunities to potential suppliers around the world. Selection will be based on fair and objective evaluations as to each potential supplier's ability to meet our criteria concerning the safety of goods and services, environmental impact, quality, competitive pricing, and meeting agreed delivery dates and times, as well as compliance with applicable laws and social norms. Also, suppliers' support of our Basic Business Philosophy and this *Code of Conduct* will be evaluated positively.

(3) Fair Procurement Activities

In implementing procurement, we will act ethically and abide by all applicable laws and regulations. We will not receive any personal benefit from suppliers.

I-3. Manufacturing

(1) Contributing to Society

We will constantly remember that our mission is to contribute to society through manufacturing and to create added value for society. At the same time, we will continually improve the environmental performance of our manufacturing operations.

(2) Safety and Quality of Products

In addition to complying with applicable laws and regulations, we will give utmost priority to product safety and continue working to maintain and further improve product quality.

(3) Customer Satisfaction

Through our continual efforts to globally improve productivity and reduce costs, we will pursue the manufacture of products with the highest-level quality at reasonable price. We will develop flexible manufacturing and delivery systems in response to our customers' need for reliable and timely supply.

I-4. Marketing & Sales

(1) Creating New Markets

We will make every effort to understand what customers want and need so that we can actively propose the development of and promote leading-edge products and services that will usher customers into a new age.

(2) Exceeding Customers' Expectations

Whenever we meet customers, we will remember that each of us represents the Company. We will respond to customers modestly, sincerely and graciously, expressing our gratitude to them, while endeavoring to be accurate and speedy in our responses.

In particular, we will do our best to meet and exceed our customers' expectations by supplying the products and services they want and need in a timely manner and by appropriately addressing their complaints. To this end, we will properly protect all customer information.

(3) Marketing Compliance

No matter how severe the competition may be, we will pursue fair and ethical marketing activities in compliance with all applicable laws and regulations. In other words, we will never violate any laws, regulations or social norms in pursuit of greater sales or profit.

We will not engage in bribery, collusion on bids, price fixing or other cartel activities.

We will take appropriate measures for export control to ensure that our products and technologies will not be misappropriated as tools that could threaten peace and security.

I-5. Public Relations and Advertising

(1) Communications

Through our corporate communications, comprising our public relations and advertising activities, we will provide fair and accurate information on our basic business policies, as well as on our products, services and technologies, with the aim of better informing our customers and other stakeholders, thereby enhancing the value of our brands. At the same time, we will continually listen to and observe the public, to learn from them and reflect their opinions in our business, marketing and merchandising activities.

(2) Fair Content and Expressions

We will not make representations that are deceptive, misleading, fraudulent or unfair. Our advertisements shall not be defamatory or of a political or religious nature.

(3) Creativity and Innovation

We will aim to develop and demonstrate both our creativity and innovation in our corporate communication activities and impress on consumers that they can trust our brands.

II-1. Coexistence with the Global Environment

(1) Realizing a Sustainable Society

We are committed to protecting the environment and conducting business in ways that contribute to sustainable economic development compatible with environmental preservation and continue to enhance our customers' quality of life.

We will take initiatives to reduce potentially adverse environmental impacts of our business, such as initiatives to reduce global warming, proper management of chemical substances, reduction of waste, and the effective use of limited resources in all our business activities.

We will disclose information concerning our environmental initiatives.

(2) Development of environmentally responsible products and services

We will devote research and development, merchandise planning and product design efforts to develop environmentally responsible products and services with recyclable design and careful choices of materials.

(3) Reduce CO2 emissions across all manufacturing processes

Focusing on reduction of CO2 emissions, we will reduce potentially adverse environmental impacts by improving processes across our manufacturing base, such as R&D, procurement, manufacturing, sales, logistics, recycling, administration and others.

(4) Increasing Environmental Awareness

Regardless of our function, section or position, we will try to increase our environmental awareness through educational activities, and consider the impact of our work on the environment. The Company will also support employees' efforts to preserve the environment in their private lives.

II-2. Product Safety

(1) Priority on Safety

We will give the utmost priority to product safety in all design, development, manufacturing and marketing and sales activities. We will also strive to ensure safety in all our related activities, ranging from product installation to after-sales maintenance and repair.

(2) Provision of Information

To ensure that our products are used properly, thus preventing possible accidents, we will appropriately provide our customers with easy-to-understand instructions and explanations about proper operation and safe use.

We will disclose information of our environmental initiatives.

(3) Post-accident Measures

If we receive information regarding the safety of our products, we will investigate promptly to identify the cause(s). If we conclude that there may be a safety problem, we will cooperate fully and transparently with public authorities, taking prompt action where necessary to remove serious threats to public health and safety and to prevent any recurrence.

II-3. Compliance with Laws, Regulations and Business Ethics

(1) Compliance with Laws, Regulations and Business Ethics

We will conduct business with integrity, a law-abiding spirit, and the highest ethical standards.

We will fulfill our tasks by always observing not only applicable laws and regulations, but also the highest standards of business ethics. Compliance with laws, regulations and business ethics in all our business activities is essential to the survival of our business.

(2) Fair and Sincere Action

We will respect free and fair competition, and abide by all applicable antitrust (competition law) and other laws and regulations. All of our transactions shall be properly and fairly recorded.

We will not engage in bribery of any kind. We will be sensitive to, and shall abide by laws and regulations and social ethics that govern the offer of benefits of any kind, including gifts, meals and entertainment. In the same manner, we will not receive personal benefits from any of our stakeholders.

Moreover, we remain steadfast in our attitude to oppose any illegal group or organization.

(3) Thorough Observation of Relevant Laws and Regulations

To ensure that all employees observe applicable laws and regulations and respect their spirit, we will establish appropriate in-house codes and promote employee understanding through seminars and training.

(4) Prompt Redress and Strict Treatment for Violations of Laws and Regulations

If we suspect that our activities violate applicable laws, regulations or business ethics, we will report such information to a superior, or to the legal affairs section or other relevant section, or via an in-house notification hotline.

Whistleblowers shall be protected from dismissal, demotion, or any other retaliatory treatment because of their well-intentioned reporting of possible violations of any law or regulation. We will ensure thorough and confidential treatment of information reported.

Once we have established that a law or regulation has been violated, we will immediately seek to remedy the violation, take appropriate action and prevent it from recurring.

II-4. Use and Control of Information

(1) Effective Use of Information

We will use our IT resources effectively and efficiently to collect, store, control, use, protect and dispose of management, technological, personal and other useful information so that it can be properly and effectively used without jeopardizing confidentiality.

(2) Information Security

We will endeavor to prevent any piracy or falsification, and prevent leakage of our information.

(3) Information Received from a Third Party

When we receive confidential information from a third party we will respect its confidentiality and afford it appropriate protection.

(4) Handling of Personal Information

Recognizing the importance of protecting personal information, we will gather, store, control, use, process and dispose of personal information appropriately in compliance with relevant laws and regulations. We will also seek to prevent the loss, falsification, or leakage of such information.

II-5. Information Disclosure

(1) Basic Approach to Information Disclosure

We will provide our various stakeholders, including customers and shareholders, with fair and accurate information on corporate financial affairs, our Basic Business Philosophy, business policies and activities, as well as corporate social responsibility activities, in a timely, understandable and appropriate manner. At the same time, we will listen to our customers' requests and comments and reflect them in our business policies and activities. We will seek to be an enterprise with high transparency.

(2) Compliance with Applicable Laws and Regulations

Our securities have been listed on securities markets in several countries and regions. Accordingly, we will abide by all applicable securities and information disclosure-related laws and regulations of appropriate countries and regions. We will never engage in insider trading or other transactions using inside information.

(3) Disclosure Methods

In addition to information whose disclosure is required by securities-related laws and regulations of relevant countries and regions, we will disclose other information following proper internal control procedures, so as to ensure that the information we disclose is fair, accurate, sufficient and timely.

II-6. Corporate Citizenship Activities

(1) Corporate Citizenship Activities

Recognizing that our Company is a member of society, in order to create a better society we will carry out corporate citizenship activities, such as coexistence with the environment, personal development and education, art and cultural promotion, social welfare, and support for and partnerships with non-profit organizations and non-governmental organizations. Through these activities we aim to help create a healthier, more prosperous society.

(2) Coexistence with Local Communities

Recognizing that our Company is a member of the local community, we will endeavor to work and prosper in tandem with the local community.

We will actively cooperate with the local community and participate in its activities. In particular, we will carry out corporate citizenship activities benefiting the community to promote such areas as art, culture and sports, as well as the environment. Also, we will work to meet the needs of the local community by making company facilities available and holding events open to the public when possible.

When a large-scale disaster such as a natural calamity takes place, we will cooperate with the parties concerned and swiftly take necessary supportive action.

(3) Donations, Sponsorships and Support for Public Service Organizations

To help alleviate social problems and contribute to society, the Company will make appropriate donations and sponsor activities. The Company will also provide support for public service organizations, including the foundations and funds that it has established.

III. Brand

(1) Our Approach to Our Brand

We will integrate all of our business achievements into our brand and create valuable ideas constantly as characterized in the brand slogan, "Panasonic ideas for life", which is derived from our Basic Management Philosophy.

(2) Panasonic Brand Identity

The brand concept 'Panasonic ideas for life' means that we generate ideas for life today and tomorrow, and are committed to enriching people's lives around the world through innovative thinking. In doing so, we will strive to be 'Visionary', 'Refined' and 'Trusted' with 'eco ideas for the earth';

Visionary	We embrace emerging trends and stay ahead of the times, continuously exceeding our customers' expectations.
Refined	We continuously gain insight from a broad perspective and translate this vision into products and solutions that enhance the lifestyles our customers aspire to.
Trusted	We consistently deliver the highest level of brand experience, making Panasonic the name customers rely upon and believe in.
eco ideas for the earth	We make protection of the global environment the premise for all our business activities, thereby helping to bring about a truly prosperous future.

(3) Optimal Products and Services that Enhance Our Brand Value

We will use our brand only for products and services that truly benefit our customers. At the same time, we will continue to manufacture products and provide services of high quality and performance, to strengthen our brand value. Furthermore, through untiring efforts to improve our management quality we will strive to enhance the value of our brand.

Chapter 3: Employee Relations

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. By building such mutually benefiting relations between the Company and its employees, we will carry out the Basic Business Philosophy.

(1) Human Resource Development

1) Remaining faithful to the principle, "The basis of management is people," we are committed to developing human resources with outstanding specialties, creativity and a challenging spirit, as well as to developing our own abilities through personnel systems, employee education and training.

2) We will respect each individual's personality and individuality, while at the same time working to maintain and improve a system that develops the diverse qualities of employees.

3) We will strive to act as a respectable member of society, as well as a good member of the Company, utilizing common sense and respect for others.

4) Managers will fulfill their tasks based on the recognition that personnel development is their most important responsibility.

(2) Respect for Human Rights

1) The Company will respect basic human rights and will work to ensure equal employment opportunities. No discrimination toward employees or others will be tolerated in speech or conduct, based on sex, age, nationality, race, ethnicity, creed, religion, social status, physical or mental disability or any other legally protected status.

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.

3) Based on the full recognition that individuals are different and have different values, we will respect the privacy of each employee. We will strive to create a safe and pleasant workplace by avoiding speech or conduct that violates human rights, such as defamation, insults, sexual harassment or violent acts.

4) The Company will give due consideration to the health of its employees and will maintain a comfortable workplace that meets all applicable safety standards.

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.

(3) Corporate Asset Protection

Tangible and intangible corporate assets, including our online network and other information systems, are provided for business purposes. We will not abuse them. When employees leave the Company, they will return to the Company all corporate property in their possession, including all business-related confidential information, and related materials. Employees will not disclose to third parties any confidential information learned while performing their services, including trade secrets, without permission of the Company.

(4) Conflicts of Interest

We will not engage in any action in which our personal interest conflicts or may conflict with that of the Company. Should such a conflict arise, we will report the matter to a superior or other appropriate person.

Global Compliance

Promoting Thorough Compliance Globally

Panasonic will work to achieve a paradigm shift for further growth by accelerating a shift from an overconcentration on existing business fields to new fields such as energy, and from Japan-centric operations to a full globally-oriented approach. These efforts will be guided by our new midterm management plan, Green Transformation 2012, or GT12. With business expanding in this way, compliance rooted in our management philosophy will become more important than ever before. It therefore will be equally important to totally ensure that this mindset penetrates every level of the organization. At the same time, fine-tuned compliance activities that take into account differences in national and regional laws and their application and diversity in cultures and languages will also be needed. Panasonic takes the viewpoint "Think Globally, Act Locally" seriously, and we will carry out initiatives for promoting compliance in this spirit.

Compliance Awareness Month is held every fall. During the month we take up compliance issues pertinent to the entire group and promote compliance promotion activities on major issues relevant to specific business fields or specific regions.

Risk assessments are also held every year at all group companies. Based on the results, we identify areas related to antitrust laws and security export control administration laws where non-compliance would have a material impact on the group as a whole and work to rigorously ensure compliance in those areas on a priority basis.

It goes without saying that people are the leading actors in any business activity. The level of a company's compliance is determined by the awareness and knowledge of its employees. We hold fast to the view that ignorance of the law is no excuse for non-compliance. Efforts are made to raise the awareness of employees and improve their levels of knowledge regarding compliance by strengthening and enhancing training programs that utilize the Internet and other tools.

Compliance promotion initiatives are evaluated for their effectiveness through our Compliance Awareness Survey and Compliance Comprehension Test, which are conducted globally during Compliance Awareness Month. Highly tailored programs are then implemented for the various issues that are identified.

Initiatives in Asia and Oceania Region

Panasonic intends to strengthen business activities in emerging markets going forward. We believe it is important that in creating and growing new businesses in these markets we simultaneously pursue compliance in line with each country's circumstances as a part of business activities. This section introduces compliance initiatives with a focus on Asia and Oceania, including emerging markets such as India, Vietnam and Indonesia, prioritized markets undergoing rapid growth.

During fiscal 2010's Compliance Awareness Month, Ikuo Miyamoto, Managing Executive Officer at Panasonic Corporation and President of Panasonic Asia Pacific Pte. Ltd. (PA), the regional headquarters of Asia and Oceania, conveyed to PA's employees that executing its midterm growth strategy must be premised on compliance and that compliance will be prioritized over achieving the company's business plan.

Panasonic has some 80 affiliates in Asia and Oceania and the countries are highly diverse in terms of law, culture and language, so rigorously pursuing compliance at every level of the organization tends to be more difficult than in other regions. This fact also increases the risk that each country's laws will not be properly understood and that non-compliance will occur without realizing it. In order to address these concerns, the region is promoting compliance with the following two objectives.

- i) Build a strong management framework for rigorous compliance at every level of the organization
- ii) Deepen legal knowledge and raise compliance awareness in each and every employee

Efforts to achieve these two objectives are focused on the following four action areas. Taking the first letter of each action area, PA has dubbed the initiative 'GEAR.'

- 1) Governance -- Strengthen governance
- 2) Equipping -- Assign legal staff
- 3) Awareness -- Raise awareness of laws, regulations and company policies
- 4) Reviewing -- Verify the results of initiatives

1) Governance -- Strengthen governance

As in other regions, preventing cartel activities is one of the most important issues in Asia and Oceania. To this end, PA has supplemented the Panasonic Group's global policy on cartel prevention by issuing the Legal Policy on Fair Competition and Cartel Prevention for the Asia and Oceania region in October 2009 in an effort to fully comply with antitrust law.

A session for focused debate on compliance was established at the managing directors' (of the affiliates in the region) meeting held regularly every year. A legal network conference for the region is also held regularly. In fiscal 2010, legal conferences were also regularly held in Singapore, Malaysia and Thailand. In fiscal 2011, the company plans to hold periodic legal conferences in India and Vietnam as well and administer compliance programs in accordance with local conditions and business characteristics.

2) Equipping -- Assign legal staff

Entities under PA are assigning legal staff, who are also responsible for promoting compliance at their respective companies, and conducting education and awareness-raising activities related to antitrust law, security export control, copyrights and other laws and regulations.

3) Awareness -- Raise awareness of laws, regulations and company policies

Legal staff from global headquarters also participate in the aforementioned managing directors' meetings and legal network conferences. They share information on antitrust law, security export control and other compliance policies with the management and legal staff from approximately 30 group companies representing the region. A compliance training program is also being developed for employees other than legal staff.

At legal conferences in Singapore, Malaysia and Thailand as well, legal staff from the region's various countries furthered their understanding of global legal policies with the help of global headquarters and PA and underwent compliance training, tailored to local business characteristics, on a number of legal issues, including contracts, labor problems and corporate governance.

As a training tool, Singapore and Malaysia editions of the Legal Guidebook for Organizational Managers were issued. Plans call for the guidebook to be gradually expanded to include other countries and regions.

In addition, for employees, PA created its own Legal Compliance Guide by modifying global headquarters' Compliance Guidebook to match the laws of each country in its region. All employees in the region have online access to the guide.

PA is also involved in campaigns to ensure rigorous compliance. In September 2009, it conducted the 1st Fair Competition and Cartel Prevention Promotion Campaign and distributed educational tools in the different languages used in the countries of the region to fully ensure strict compliance with antitrust law by all employees. In fiscal 2011, PA will continue the campaign while also conducting other initiatives related to compliance, including the 1st Copyright Compliance Campaign.

4) Reviewing -- Verify the results of initiatives

In order to verify the results of the initiatives outlined above, PA conducts a survey using our Compliance Awareness Survey while adding items specific to Asia and Oceania. Survey results are analyzed, conveyed to affiliate management and used to improve compliance activities on an ongoing basis.

PA has also established a hotline specifically for the region. Employees can use the hotline for consultation or to report an issue. Issues are handled quickly while coordinating with global headquarters.

PA will continue strengthening the group's compliance network and 'GEAR' up its compliance initiatives so that we will continue to be trusted and respected by society.

G&G Risk Management Activities

Fundamental Stance

Panasonic promotes company-wide risk management activities that cover operations around the world. The aim is to take preemptive actions to eliminate “sources of failure,” which means anything that could impede the accomplishment of business goals. Underpinning this risk management are principles of Panasonic founder Konosuke Matsushita: “Worry earlier and enjoy later than people,” “Cause of failures lie within oneself,” “There is always a ‘sign’ for everything,” and “Small things can create big problems; you must be alert for signs of change and act accordingly.”

At Panasonic, risk management to eliminate sources of failure functions in tandem with the establishment and execution of management strategies that can create sources of success. Combining these two functions better enables us to accomplish business objectives and increase our corporate value. Disclosing risk information in public in an appropriate way and improving the transparency of our activities, as well as reducing risk by taking preemptive countermeasures gives customers and other stakeholders as well as communities and the public greater confidence in the Panasonic organization.

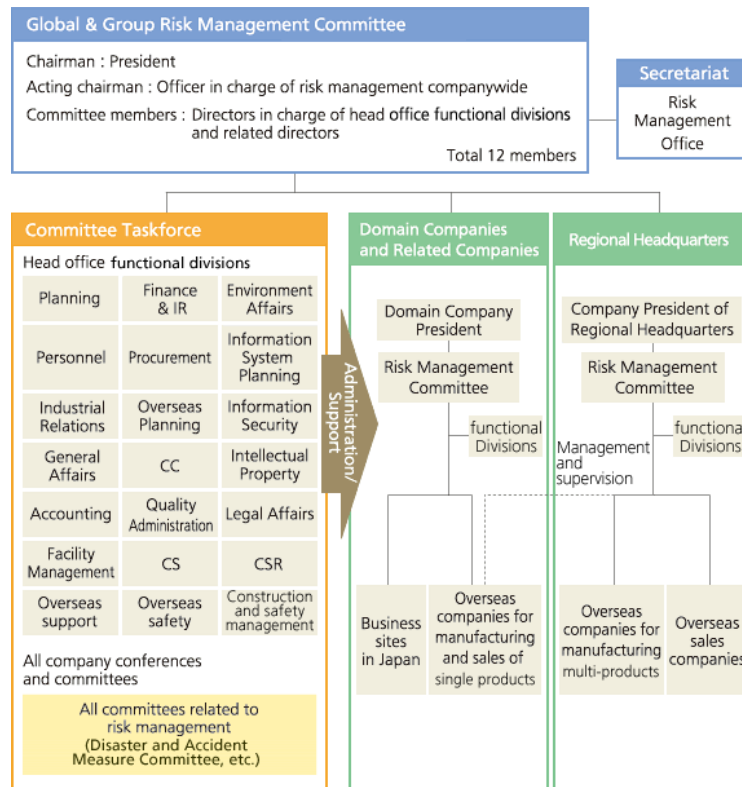
[Role of Risk Management in Business Management]



Promotion Organization

Panasonic has a Global & Group (G&G) Risk Management Committee that is chaired by the company president and includes Directors and Executive Officers who oversee corporate functions and divisions. In addition, corporate functions coordinate their efforts through committees associated with risk management. This provides a basis to promote measures throughout the company to deal with risks and to give assistance to business domain companies, related companies and regional headquarters. Risk Management Committees are also established by these business domain and related companies and regional headquarters. Collectively, these units create a global risk management system that spans the entire Panasonic Group.

[Panasonic Global and Group Risk Management Promotion Framework]

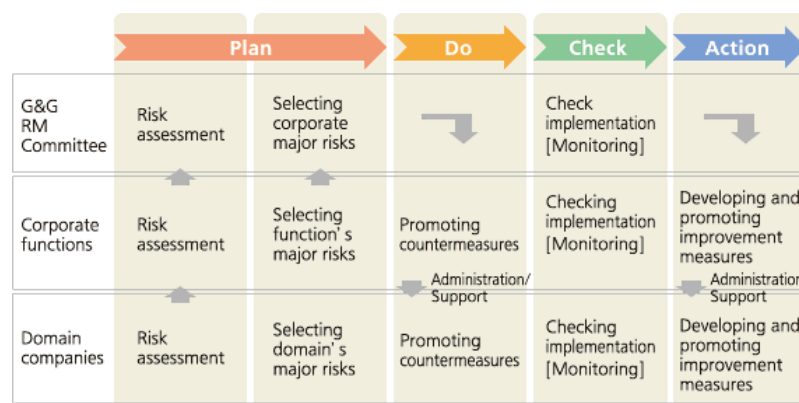


Basic Framework

Panasonic has three levels of management cycles for risk management: the G&G Risk Management Committee, business domain and related companies, and related functions. We conduct risk assessments once a year in an integrated and comprehensive manner—risks that could affect business management are identified and then evaluated in terms of a single, global set of standards incorporating the potential impact on business operations, probability of risk occurring and other factors, after which the priority of countermeasures is determined. The G&G Risk Management Committee is responsible for identifying Corporate Major Risks that could affect the Panasonic Group based on these assessments. Among these, risks that are particularly important are classified as closely monitored major risks, and the G&G Risk Management Committee directly monitors progress made concerning countermeasures and other activities targeting these risks. Taking this approach allows reinforcing and speeding up of risk containment measures for the entire Panasonic Group. In addition, all business domain and related companies and related functions identify major domain and function risks for their respective activities.

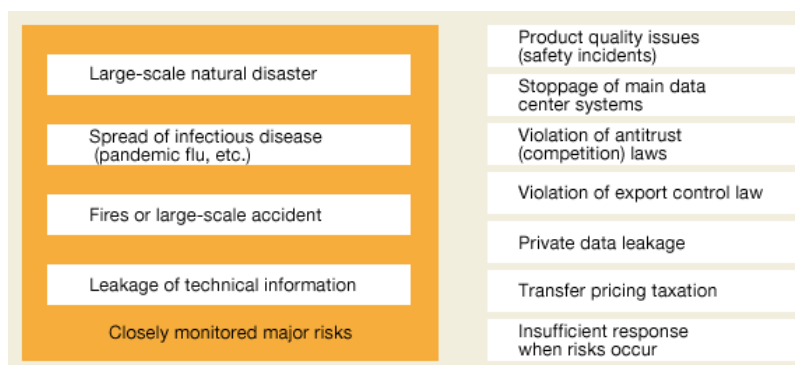
The G&G Risk Management Committee, business domain and related companies and related functions cooperate as necessary in order to enact countermeasures with speed and accuracy for the three categories of major risks that they respectively identify. Going one more step, we monitor the progress of the countermeasures and make constant improvements.

[Basic Framework for Risk Management]



Corporate Major Risks in Fiscal 2010

[Corporate Major Risks in Fiscal 2010]



Examples of Countermeasures Against Fiscal 2010 Corporate Major Risks

Countermeasures Against New Influenza Strain

In order to respond to the risks posed by a new strain of influenza (A/H1N1) that broke out in Mexico in April 2009, we launched a Pandemic Flu Corporate Emergency Headquarters. This headquarters led efforts to ascertain the status of contagion in the Panasonic Group globally and to respond appropriately as the situation developed. As a result, we minimized the number of employees who were infected and/or fell gravely ill, thereby preventing stoppages at worksites and other disorder. Although the new strain of influenza (A/H1N1) remains prevalent in some countries and regions, it is in the main becoming less of a threat, and we have shifted back onto a normal operational footing. On the other hand, we must remain vigilant against developments with the highly virulent avian influenza virus (H5N1). We continue to maintain the necessary systems to respond to this threat within the Disaster and Accident Measure Committee.

Measures Against a Large-scale Natural Disaster

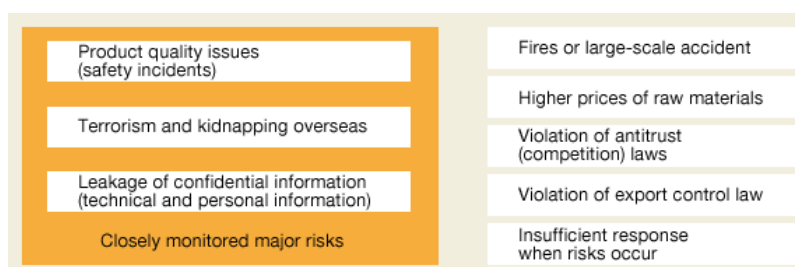
In Japan, there is the major and ever-present risk of an earthquake, and for this reason up to now we have proceeded systematically by ensuring earthquake resistance, introducing an earthquake early warning system, formulating a Business Continuity Plan (BCP) and taking other actions. However, outside of Japan dangerous natural disasters differ by type and magnitude in each country and region. Consequently, in fiscal 2010 we evaluated the threat of earthquakes, gale force winds and flooding using a common set of objective standards at 145 manufacturing sites outside Japan, identifying sites with a high hazard rating and investigating and assessing the degree of response readiness at these sites. Based on the results of these assessments, we continue to look at additional countermeasures that should be taken at all sites.

Corporate Major Risks in Fiscal 2011

The G&G Risk Management Committee has determined the Corporate Major Risks for fiscal 2011, as per the table below. Of these, terrorism and kidnapping overseas and higher prices of raw materials were selected as new Corporate Major Risks for fiscal 2011. The global risk of terrorism is rising, as highlighted by failed aircraft terrorist incidents in the U.S. and subway bombings in Moscow. Meanwhile, there is a rising risk of raw material prices increasing due to factors such as the inflow of speculative funds into commodities futures, and growing demand from China and other emerging markets.

Large-scale natural disaster, spread of infectious disease (pandemic flu, etc.), stoppage of main data center systems and transfer pricing taxation, which were identified as Corporate Major Risks for fiscal 2010, were downgraded as risks due to progress with countermeasures. Accordingly, each responsible function will continue implementing countermeasures and monitoring these risks as function major risks.

[Corporate Major Risks in Fiscal 2011]



Main Measures for Enhancing Risk Responsiveness

Business Continuity Plan

Panasonic has a Business Continuity Plan (BCP) in order to be prepared for a large-scale natural disaster or the spread of infectious disease (pandemic flu, etc). Establishing a BCP is essential to earning greater trust from stakeholders. These plans also enhance the reputation of the Panasonic brand and make our business more competitive. Another benefit is the ability to fulfill our corporate responsibility to society by enhancing our capability in business continuity.

Risk of large-scale natural disasters	<ul style="list-style-type: none"> Assumes a large-scale earthquake in particular By the end of fiscal 2010, at least one site at each business domain company must have completed or begun formulating a BCP These companies which have already completed the plan(s) must also extend continuity planning to their other business sites.
Risks involving infectious diseases (pandemic flu, etc.)	<ul style="list-style-type: none"> Formulated a BCP at all domain companies assuming a virulent new strain of influenza

Strengthening Disaster and Accident Countermeasure System

Panasonic has established the Disaster and Accident Measure Committee under the G&G Risk Management Committee to lead efforts to strengthen the framework for responding to major risks such as earthquakes, floods and other natural disasters, and large-scale accidents, including fires and explosions. A 24-hour global system reports to management in the event of an emergency situation and information is shared among major departments. The committee also provides support for any response as necessary. Various working groups established under this committee cooperate with related departments to explore countermeasures in readiness for the materialization of risks. Furthermore, a specially established sub-committee is promoting fire prevention measures globally across the organization.

Information Security Enforcement

Committed to Remaining a Company That Customers Can Trust.

Basic Philosophy for Information Security

In accordance with the basic management philosophy, Panasonic is dedicated to using its outstanding technologies, products and services to earn the satisfaction and trust of customers. Information security is vital to accomplishing this goal. This includes customer, personal, financial and other categories of information. Positioning information security as one of our most important strategies, we take the following actions with the aim of helping maintain the integrity of today's information-based society.

1. Information security systems

Each organizational unit has its own information security system for properly supervising information based on prescribed rules and procedures.

2. Management of information assets

To protect the security of all information, each type of information is managed by clarifying correct handling in accordance with its importance and level of risk.

3. Education and training

We have continuous information security education and training programs for all executives and employees. Activities reinforce awareness of the importance of information security and associated rules. Violators are subject to strict penalties.

4. Products and services that can be used with confidence

We have security measures for customer information so that customers can use Panasonic products and services with confidence.

5. Compliance with laws and regulations and continuous improvements

We comply with all applicable laws and regulations as well as ethical standards and make continuous improvements to information security as required to respond to changes in the environment.

Measures to Upgrade Information Security

Panasonic holds a growing volume of personal information about customers and information concerning business partners in conjunction with the company's broad range of business activities. In particular, as Panasonic expands its businesses globally, the volume of information is increasing, making enhanced security of personal and business partner information essential. Moreover, we are increasingly encountering situations where business partners require proper information security as a given when doing business. We believe that the proper supervision of this information is essential to our ability to remain a trustworthy member of society.

On the other hand, to continue growing as a global organization, we must conduct speedy and worldwide product development, manufacturing and sales operations while protecting the technologies that make us competitive. Meeting these requirements demands systems for the proper internal use and sharing of information.

As one way to establish these systems, we began working on earning ISO/IEC 27001 certification, an international standard for information security. The headquarters and most manufacturing-related departments received this certification during fiscal 2009. In fiscal 2010, sales-related departments also worked toward obtaining certification. As a result, the acquisition rate of certification on an organizational basis was expanded to 70% in fiscal 2010 from 50% in fiscal 2009. Group companies outside of Japan are also becoming certified; the acquisition rate of certification was also expanded to 30% in fiscal 2010 from 3% in fiscal 2009.

Looking ahead, we plan to increase the acquisition of ISO/IEC 27001 certification, strengthen global personnel development, introduce information security according to risk in each region outside Japan, and operate management systems more efficiently.

Fair and Appropriate Advertising Activities

In compliance with regulations and customs in each region

Basic Approach to Advertising

Advertising activities reflect the belief of founder Konosuke Matsushita that "we contribute to society through our business activities." The fundamental stance taken from this is that manufacturers producing quality products have a responsibility to disseminate information about those products broadly, accurately, and as quickly as possible.

This responsibility is even greater today. Giving the public information about all corporate activities, in addition to products, has become an important social responsibility. Panasonic's advertising activities fully reflect this broader responsibility.

One illustration of this stance is our advertising incorporating the theme of "Coexistence with the Global Environment," which is a common issue throughout society and is one of Panasonic's goals for its business activities. We use advertising to convey information about our environmental activities in a simple and timely manner based on three themes: "eco ideas" for Products, "eco ideas" for Manufacturing, and "eco ideas" for Everybody, Everywhere. In addition, through our advertising activities we hope to communicate the importance of environmental conservation to general public.

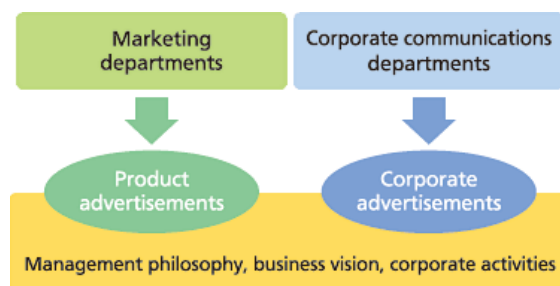
Compliance with Advertising Laws and Regulations

Panasonic conducts advertising activities in compliance with local laws, regulations, industry rules and other guidelines in every region to prevent any misunderstandings and misconceptions. In Japan, for instance, our advertisements conform to provisions of the Law for Preventing Unjustifiable Lagniappes and Misleading Representation and other advertising laws and regulations. We also comply with the "Advertisers' Ethical Code" of the Japan Advertisers Association, standards established by media companies and other guidelines.

To comply with laws and guidelines, we have on-the-job training programs for employees and hold seminars and other events for significant revisions to advertising laws and regulations. This ensures that advertising personnel have a thorough understanding of how to perform their jobs. Panasonic companies also take part in classes and seminars held by other companies and organizations and, when necessary, seek the input of specialists from outside the group.

Framework

[Framework for Mass Media Advertising Activities (Summary)]



Guidelines and Approaches to Production of Advertisements

Panasonic uses the following guidelines and approaches for television commercials, newspaper advertisements and other advertising activities.

- Advertising is an important social mission regarding business activities
- Advertising should convey the true spirit of a company
- Provide information that is accurate and easy to understand
- Never use inappropriate or annoying advertisements

Selection of Advertising Media

Panasonic selects as its mass-media only companies that are well-known and respected in their respective regions and that permit the efficient use of advertising budgets.

What We Would Like to Communicate

Making Reports Accessible Worldwide on the Panasonic Website

Starting from fiscal 2009's sustainability report, Panasonic has produced only an electronic version that can be viewed on the company's Website. Eliminating the printed version reduces the environmental impact of this report while keeping us in step with today's ubiquitous network society. We will continue to fulfill our obligation to explain our CSR activities through this more timely and global public reporting method.

Sustainability Report 2010

In May 2010, Panasonic Corporation announced its new midterm management plan. Through this plan, we hope to take the lead in driving innovation inspired by everyday life, with the aim of achieving a sustainable, multipolarized society.

With those thoughts in mind, beginning this fiscal year we have changed the name of this report from the "Social and Environmental Report" to the "Sustainability Report." In this report we describe the innovations Panasonic is working on in hopes of contributing to sustainable growth.

Information about our business activities is provided in three reports, including this one, our 'eco ideas' Report, which provides details on our environmental activities, and our Annual Report, which provides financial information to our shareholders and investors.

'eco ideas' Report (PDF)

Available on the Environmental Activities section of our Website.

Environmental Activities

<http://panasonic.net/eco/>

Annual Report (PDF)

Available on the IR Information section of our Website.

IR Information

<http://panasonic.net/ir/>

Basic Approach for This Report

Panasonic must tackle a range of issues involving sustainability that is just as broad as our diverse business portfolio. This report is based on the Panasonic CSR Report Guidelines, which we established in fiscal 2009 in order to help us extract, analyze, and report on the most important of these many sustainability issues.

The guidelines express the obligations that we must fulfill along with our vision for the future in Panasonic's business domains (the provision of wide-ranging products and services connected with people's lives, centering on home appliances and extending to electronic components used in them, equipment, systems, services and homes). We also referred to the Global Reporting Initiative's Sustainability Reporting Guidelines Version 3.0 (GRI G3), which reflects the opinions of various stakeholders worldwide, and the Environmental Reporting Guidelines 2007 issued by the Japanese Ministry of the Environment. We have made use of the AA1000* Principles as a practical method for selecting items on which to report.

The AA1000 Accountability Principles

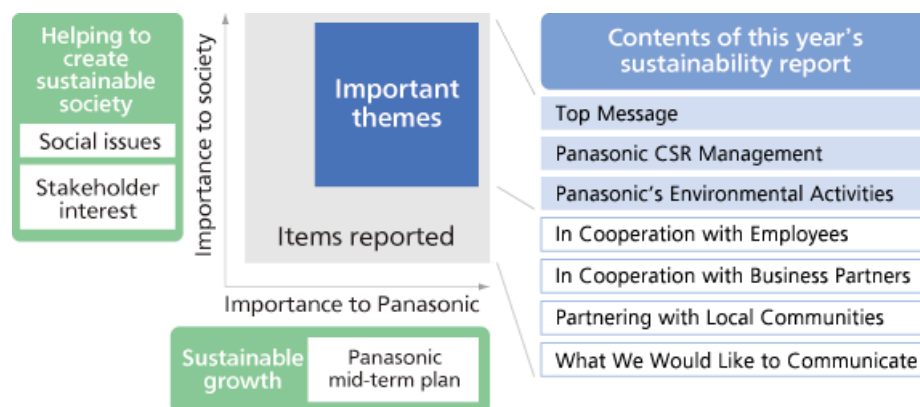
Materiality	Whether the necessary information for stakeholders' activities and decision-making is included
Completeness	The degree to which important aspects related to the sustainability of the organization are properly identified and understood
Responsiveness	Whether the stakeholders' concerns are appropriately addressed and the attendant ramifications disclosed

*The UK firm AccountAbility has developed standards for the disclosure of information.

What Should Be Disclosed? (Materiality and Selection Criteria)

Our fundamental stance regarding CSR is that a company is a public entity of society. This report is based on our belief in the importance of fulfilling two roles as a public entity on a global scale: achieving sustainable growth and contributing to a sustainable society.

We examined all CSR issues and selected items to be included in this publication from several perspectives. For subjects concerning sustainable growth, we referred to the GT12 midterm management plan. For subjects concerning the contribution to a sustainable society, our selections were based on our interaction with stakeholders and pressing social issues in the world today.



How should we communicate our message? (Responsiveness)

Panasonic places great value on interacting with customers, business partners and employees, our most important stakeholders. For this purpose, we conduct surveys of customers and employees, hold Excellent Partners Meetings and perform many other activities. All these measures are consistent with our commitment to the principles of customers first, co-existence and mutual prosperity, and participative management through collective wisdom. Further supporting this interaction are the Global Advisory Committee and other committees that bring together individuals from Panasonic and outside our group.

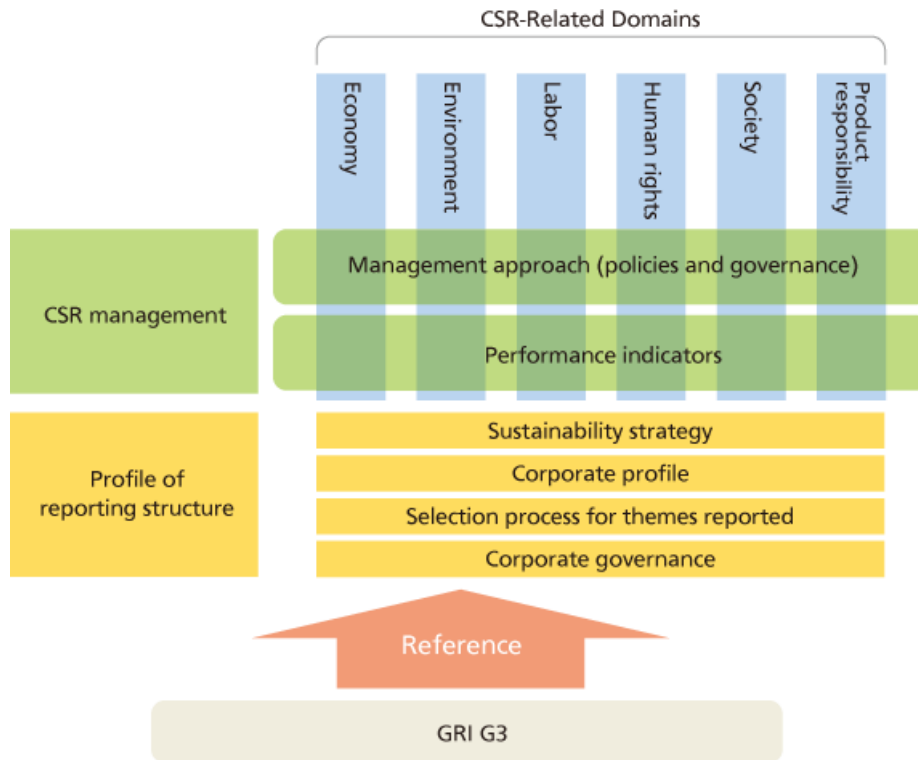
Organizational units and employees are also key components of our engagement with the stakeholders involved in our diverse business operations. Interaction with stakeholders is part of everyday activities, allowing us to work constantly on establishing processes that can make CSR and responses to social issues part of our business operations.

This publication incorporates the suggestions and other input of stakeholders that the Panasonic Group gathers from these stakeholder dialog activities.

How much should be disclosed? (Completeness)

To ensure that this report does not contain solely favorable information from our standpoint, we took care to include a broad range of important topics. We accomplished this by creating our own CSR Reporting Guidelines encompassing all areas associated with CSR, using the Global Reporting Initiative's Sustainability Reporting Guidelines Version 3.0 (GRI G3), as well as stakeholder interaction and other sources of information. Using these guidelines, we compiled a publication that includes reports on our approach (policies and governance) to CSR management, a variety of performance indicators, and a profile of our reporting organization.

[Panasonic CSR Reporting Guidelines]



Corporate Profile

Panasonic Corporation is one of the largest electronic product manufacturers in the world, comprised of over 680 companies. It manufactures and markets a wide range of products under the Panasonic brand to enhance and enrich lifestyles all around the globe.

Outline

Company Name	Panasonic Corporation
Head Office Location	1006, Oaza Kadoma, Kadoma-shi, Osaka 571-8501, Japan Tel. 81-6-6908-1121
President	Fumio Ohtsubo
Foundation	March, 1918 (incorporated in December, 1935)
Net Sales*	7,418.0 billion yen
Number of Employees*	384,586
Number of Consolidated Companies*	680 (including parent company)

*as of March 31, 2010

The scope of the following GRI Guideline Indexes ranges over Sustainability Report (S), eco ideas Report (E) and Annual Report (A).

GRI Indicator		Report page		Report Chapter	Our Information Disclosure
1.Strategy and Analysis					
1.1	CEO statement	S	2	Top Message	
1.2	Key impacts, risks, and opportunities	E	5	Vision and Strategy	To meet our 100th anniversary goal of becoming the No. 1 Green Innovation Company in the Electronics Industry, our company is promoting a sustainable society based on the New Midterm Management Plan(GT12) and the Annual Management Policy FY2011 .
2.Organizational Profile					
2.1,2.2, 2.4,2.6	Name of the organization	S	62	Corporate Profile	
2.3	Operational structure			–	Introduced as the Business Segments on our corporate website
2.5	Countries in operations/ Panasonic geographic spread			–	Introduced as the Global Network on our corporate website
2.7	Markets served	A A	22 36	Business at a Glance Overseas Review by Region	
2.8	Scale of the organization (Number of employees, Net sales, Total capitalization)	A	2	Overseas Review by Region	
2.9	Significant operational changes			Not applicable	SANYO Electric Co., Ltd. became our consolidated subsidiary in December 2009. However, SANYO Electric Co., Ltd., Panasonic Electric Works Co., Ltd. and PanaHome Corporation issue separate reports.
2.10	Awards received	S	back cover	Global recognition for Panasonic's CSR activities	
		E	40	Major awards in the environmental field	
3.Report Parameters					
Report Profile					
3.1	Reporting period	S	back cover	Scope of this report	
3.2	Date of previous report			July 2009	
3.3	Reporting cycle			Annual	
3.4	Contact point for questions	S	back cover	Inquiries	
Report Scope and Boundary					
3.5	Content definition process	S	59	What We Would Like to Communicate	
3.6	Boundary of the report	S	back cover	Scope of this report	
3.7	Limitations on the reporting scope and boundary	S	back cover	Scope of this report	
3.8,3.11	Significant boundary change which affects comparability from period to period			Not applicable	
3.9	Data measurement techniques	E	33	Calculation model	
3.10	Explanation of Re-statement of information			Not applicable	
GRI Content Index					
3.12	GRI content index			This page	
Assurance					
3.13	Assurance	E	38	Independent Assurance Report by KPMG AZSA Sustainability Co., Ltd.	Independent assurance for the environmental report is provided by a third party.

GRI Guideline Indexes

The scope of the following GRI Guideline Indexes ranges over Sustainability Report (S), eco ideas Report (E) and Annual Report (A).

GRI Indicator		Report page		Report Chapter	Our Information Disclosure
4.Governance, Commitments, and Engagement					
Governance					
4.1–4.7, 4.9–4.10	Governance structure	S	32	Corporate Governance	
		S	19	Participation of Employees in Important Management Decisions	
4.8	Mission and value statements, Code of Conduct	S	4	Panasonic CSR Management	
		S	43	Panasonic Code of Conduct	
Commitments to External Initiatives					
4.11	Precautionary principles	S	53	G&G Risk Management Activities	
4.12	External charters, principles or initiatives			–	The Panasonic Code of Conduct incorporates the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, as well as the basic concept of the OECD Guidelines for Multinational Enterprises. Our CSR reflects standards in Japan and abroad, such as the UN Global Compact and the Nippon Keidanren Charter of Corporate Behavior.
4.13	Associated memberships			–	By exercising leadership in the Nippon Keidanren, JEITA, CSR Europe, JBCE, etc., we develop solutions for the world's increasingly diverse sustainability issues.
Stakeholder Engagement					
4.14– 4.1.7	Stakeholder engagement	S	19	Employees:Healthy Labor– Management Relations	We recognize stakeholder engagement is an important factor for doing business, and implement it in various work processes. Since the definition of stakeholder, the approaching scheme or the handled themes vary depending on the work process, we report specific examples respectively.
		S	20	Business partners:In cooperation with business partners	
		S	28	Local Communities:Partnering with local communities	
5.Management Approach and Performance Index					
Economic					
EC	Management Approach	A	11	Aiming to Become the ‘No. 1 Green Innovation Company in the Electronics Industry’	
		S	28	Corporate Citizenship:Basic Policy	
Economic Performance					
EC1	Direct economic value generated and distributed	A	56	Financial Review	
		S	30	Corporate Citizenship Expenditure and Benefits	
EC2	Financial implications of climate change	A	51	Risk Factors	
EC3	Benefit plan			–	Reported in the chapter for Retirement Allowance Payment, pages 84 and 85 of the Annual Security Report (Japanese Only).
EC4	Financial governmental assistance			Not applicable	
Market Presence					
EC6	Policy on local suppliers			–	We publicize our expectations to suppliers to implement CSR procurement in our ' For Suppliers ' website and openly recruit suppliers from around the world.
EC7	Procedures for local recruitment	S	14	Recruiting People for Success on a Global Stage	
		S	12	A Global Mingling Develops Diverse Individual Strengths and Capabilities	
Indirect Economic Impacts					
EC8	Infrastructure investments			–	Our activities in local community development are reported on the Corporate Citizenship Activities website . RiSuPia is one of the examples of our infrastructure investment for education.

GRI Guideline Indexes

The scope of the following GRI Guideline Indexes ranges over Sustainability Report (S), eco ideas Report (E) and Annual Report (A).

GRI Indicator		Report page		Report Chapter	Our Information Disclosure
Environmental					
EN	Management Approach	E	5	Vision and Strategy	Our report focuses on how we contribute to global environmental challenges via our main line of business as a green innovation company.
Performance Indicators					
Materials					
EN1	Volume of materials used	E	33	Overview of Environmental Impact from Business Operation	
EN2	Recycled materials	E	33	Overview of Environmental Impact from Business Operation	
Energy					
EN3	Direct primary energy consumption	E	33	Overview of Environmental Impact from Business Operation	
		E	19	Energy Conservation and Global Warming Prevention at Factories	
EN4	Indirect primary energy consumption	E	33	Overview of Environmental Impact from Business Operation	
		E	19	Energy Conservation and Global Warming Prevention at Factories	
EN5	Energy saved due to conservation and efficiency improvements	E	19	Energy Conservation and Global Warming Prevention at Factories	
		E	9	Energy Conservation in Products	
EN6	Initiatives to provide energy-efficient or renewable energy based products , and reductions achieved	E E	8 9	Initiatives for Green Products Energy Conservation in Products	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	E	19	Energy Conservation and Global Warming Prevention at Factories	
		E	24	Energy Conservation in Offices	
Water					
EN8	Water withdrawal	E	23	Effective Use of Water Resources at Factories	
Biodiversity					
EN11	Land assets in sensitive areas			Not applicable	
EN12	Initiative to biodiversity within lands owned	E	28	Biodiversity Conservation	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	E	28	Biodiversity Conservation	
Emissions, Effluents, and Waste					
EN16	Greenhouse gas emissions	E	19	Energy Conservation and Global Warming Prevention at Factories	
EN17	Other indirect greenhouse gas emissions	E	19	Energy Conservation and Global Warming Prevention at Factories	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	E	19	Energy Conservation and Global Warming Prevention at Factories	
EN19	Ozone-depleting substance emissions	E	19	Energy Conservation and Global Warming Prevention at Factories	
EN20	NOx, SOx emissions	E	33	Overview of Environmental Impact from Business Operation	
EN21	Water discharge by quality and destination	E	23	Effective Use of Water Resources at Factories	
EN22	Waste by type and disposal method	E	22	Waste Reduction at Factories	
EN23	Significant spills	E	24	Compliance Management at Factories	

GRI Guideline Indexes

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GRI Indicator		Report page		Report Chapter	Our Information Disclosure
Products and Services					
EN26	Initiative to environmental impact mitigation	E	9	Energy Conservation in Products	
EN27	Packaging materials reclaimed	E	13	Resource Conservation in Products	
		E	25	Recycling	
Compliance					
EN28	Non compliance sanctions	E	24	Compliance Management at Factories	
Transport					
EN29	Environmental impacts of transporting products and employees	E	26	Green Logistics	
		E	33	Overview of Environmental Impact from Business Operation	
Overall					
EN30	Total environmental protection expenditures and investments by type	E	36	Environmental Accounting	
Labor Practices and Decent Work					
LA	Management Approach	S	6	Basic Approach	
		S	6	Global Diversity Policy	
		S	15	Basic approach to employment and labor-management	
Performance Indicators					
Employment					
LA1	Breakdown of workforce			–	We exercise employment and labor management on a global basis while taking into account the laws, labor practices, and labor-management relations in each country. We also take a corporate-wide approach by complying with the basic principles of labor and global diversity policies. However, we do not tabulate the summed figures on a global level as the definitions of the terminology and the calculation criteria vary by country.
LA2	Employee turnover			–	Same as above
Labor/Management Relations					
LA4	Percentage of employees covered by collective bargaining agreements.			–	Same as above
LA5	Minimum notice periods			–	Same as above
Occupational Health and Safety					
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees	S	16	Establishment of Occupational Health and Safety Committees	Same as above
LA7	Rates of injury, occupational diseases, lost days, and absenteeism	S	16	Work-related Accidents and Injuries	Same as above
LA8	Education to assist workforce regarding serious diseases	S	17	Preventing HIV/AIDS, Protecting the Rights of Those with HIV/AIDS, Assistance for the Families	
LA9	Health and safety topics covered in formal agreements with trade unions	S	16	Establishment of Occupational Health and Safety Committees	
Training and Education					
LA10	Average hours of training per employee			–	Our employee training program consists of a common global program for the entire organization as well as the unique programs of the domain companies and regional headquarters. We do not tabulate the summed figures on a global level.
LA11	Programs for support the continued employability	S S	14 18	Career Design Training Retirement Planning Seminar	
LA12	Percentage of employees receiving regular performance and career development reviews	S	13	Skill Evaluations to Speed Global Skill Refinement and Switch Activities	

GRI Guideline Indexes

The scope of the following GRI Guideline Indexes ranges over Sustainability Report (S), eco ideas Report (E) and Annual Report (A).

GRI Indicator		Report page		Report Chapter	Our Information Disclosure
Diversity and Equal Opportunity					
LA13	Breakdown of employee(diversity)	S	7	Initiatives to Appoint More Women to Positions of Responsibility	We exercise employment and labor management on a global basis while taking into account the laws, labor practices, and labor-management relations in each country. We also take a corporate-wide approach by complying with the basic principles of labor and global diversity policies. However, we do not tabulate the summed figures on a global level as the definitions of the terminology and the calculation criteria vary by country.
LA14	Remuneration by gender			–	We have historically adopted the “wage by job” system. Our reward structure does not discriminate by gender.
Human Rights					
HR	Management Approach	S	15	Respect for Human Rights	
Performance Indicators					
Investment and Procurement Practices					
HR1	Human rights clauses in investment			–	We are conducting all of our business activities including investment with due respect for human rights based on our management philosophy and our code of conduct as its guidelines. Our standard basic agreements include a clause that stipulates compliance with human rights.
HR2	Supplier screening on human rights	S	22	Approach to CSR Procurement	
Non-Discrimination					
HR4	Discrimination	S	17	Internal:Implementing the Overseas HR & Labor Assessment	In doing business globally, we attach importance to ensuring compliance with labor and human rights and strengthening labor risk management especially in overseas.
		S	22	Supply chain:Approach to CSR Procurement	
Freedom of Association and Collective Bargaining					
HR5	Operations identified at significant risk of association and collective bargaining	S	17	Internal:Implementing the Overseas HR & Labor Assessment	Same as above
Child Labor					
HR6	Child labor	S	17	Internal:Implementing the Overseas HR & Labor Assessment	Same as above
		S	22	Supply chain:Approach to CSR Procurement	
Forced and Compulsory Labor					
HR7	Forced labor	S	17	Internal:Implementing the Overseas HR & Labor Assessment	Same as above
		S	22	Supply chain:Approach to CSR Procurement	
Society					
SO	Management Approach	S	51	Global Compliance	
Performance Indicators					
Community					
SO1	Impact on communities			–	Our code of conduct stipulates to conduct business activities with the recognition of our close ties with and impact on the communities.

GRI Guideline Indexes

The scope of the following GRI Guideline Indexes ranges over Sustainability Report (S), eco ideas Report (E) and Annual Report (A).

GRI Indicator		Report page		Report Chapter	Our Information Disclosure
Corruption					
SO2	Number of business units analyzed corruption risks	S	51	Global Compliance Promoting through Compliance Globally	
SO3	Percentage of employees trained for anti-corruption			—	We strive to increase each employee's awareness and knowledge of compliance by strengthening our education and awareness-building activities utilizing e-learning for instance. A Compliance Awareness Survey is conducted globally to evaluate the effectiveness of the activities and take actions for extracted issues. While we strengthen the business activities in emerging countries, our activities also reflect compliance in accordance with the situation in each country.
SO4	Actions against corruption			—	Our code of conduct clearly stipulates strict disciplinary measures for rule violations by directors, executive officers, and employees. Rules also stipulate disciplinary measures, including suspension of business transactions, for suppliers who commit serious violations.
Public P Public Policy					
SO5	Lobbying			—	By exercising leadership in the Nippon Keidanren, JEITA, CSR Europe, JBCE, etc., we develop solutions for the world's increasingly diverse sustainability issues.
Compliance					
SO8	Regulatory non-compliance sanctions			—	Violations are reported in detail through sustainability reports, eco ideas reports, press releases, etc.
Product Responsibility					
PR	Management Approach			—	This year, our digest report focused on our systems and activities for identifying and commercializing the consumer needs in each market. Underlying those efforts are our life-cycle activities for assuring safety. For details, please refer to page 54 of e-report 2009 .
Performance Indicators					
Customer Health and Safety					
PR1	Life cycle stages in which health and safety impacts of products assessed			—	This year, our digest report focused on our systems and activities for identifying and commercializing the consumer needs in each market. Underlying those efforts are our life-cycle activities for assuring safety. For details, please refer to page 54 of e-report 2009 .
Product and Service Labeling					
PR3	Product information	E	14	Compliance with Environmental Laws and Regulations on Products and Labeling	Information on the safety guidance for products throughout their life-cycles, from purchasing to usage and disposal, are provided via the operating instructions, websites, and call centers, as well as by labels on the products and packages.
Marketing Communications					
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications	S	58	Compliance with Advertising Laws and Regulations	
Compliance					
PR9	Monetary value of significant fines for product non-compliance			Not applicable	

Panasonic

ideas for life

Global recognition for Panasonic's CSR activities



Panasonic is also responding to the concerns of investors by providing them with information and actively engaging them in dialog. As a result, Panasonic has again been selected for two premier socially responsible investing indexes: the Dow Jones Sustainability Indexes (DJSE) and the FTSE4Good Indexes..

Scope of this report

Reporting period: The performance data are primarily from fiscal 2010 (April 1, 2009 to March 31, 2010). However, some activities from fiscal 2011 are included. The years shown in graphs are fiscal years.

Organization: Panasonic Corporation and its affiliated companies in Japan and other countries.

Data: The data are primarily from consolidated group companies; however, some part of data cover specific key group companies only, and reports concerning environmental activities cover all manufacturing sites that make up the environmental management system.

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