



Independent Assurance Report

To the Board of Directors of Panasonic Corporation

We were engaged by Panasonic Corporation (the "Company") to undertake a limited assurance engagement of the environmental performance indicators listed in the table below for the period from April 1, 2016 to March 31, 2017 (the "Indicators") included in its Sustainability Data Book 2017 (the "Data book") for the fiscal year ended March 31, 2017.

Table: The Indicators subject to the independent assurance and corresponding page numbers in the Data book

Indicators	Pages	Indicators	Pages
Size of indirect contribution in reducing CO ₂ emissions	34	Emissions (CO ₂ -equivalent) of GHGs Other than CO ₂ from Energy Use in Production Activities	43
Size of direct contribution in reducing CO ₂ emissions	34	Total GHG Emissions (CO ₂ -equivalent) in Production Activities (Scope 1 emissions)	43
CO ₂ emissions from the use of our major products	36	Total GHG Emissions (CO ₂ -equivalent) in Production Activities (Scope 2 emissions)	43
Size of Contribution in Reducing CO ₂ Emissions through Energy-saving Products	36	CO ₂ Emissions from domestic transportation within Japan	44
Size of Contribution in Reducing CO ₂ Emissions through Energy-creating Products	37	Amount of Total Wastes Including Revenue-generating Waste	57
CO ₂ Emissions in Production Activities and CO ₂ emission Per Basic Unit	40	Water Consumption in Production Activities	60
Energy Consumption in Production Activities	41	Release/Transfer of Substances Requiring Management (Total)	68
In-house renewable energy adoption	42		

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Company's website.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information', 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines for the Assurance of Sustainability Information' of the Japanese Association of Assurance Organizations for Sustainability Information. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Data book, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Data book and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical reviews of the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and also recalculating the Indicators.
- Visiting to three of the Company's production sites selected on the basis of a risk analysis.
- Evaluating the overall statement in which the Indicators are expressed.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Data book are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Company's website.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

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Osaka, Japan

July 31, 2017

Panasonic Group Sustainability Data Book 2017
Standards for Calculating Main Environmental Performance Indicators

Reporting period

April 1, 2016 - March 31, 2017

Scope of this report

Product-related: All products developed during the reporting period.

Factory-related: Manufacturing sites in and outside Japan that have established Environmental Management Systems.

Others: Scope according to individual initiatives.

Standards

Item	Indicator	Calculation method
Reducing CO ₂ Emissions	Size of contribution in reducing CO ₂ emissions through energy-creating products	Solar panel: Total power-generating capacity of panels shipped during the current fiscal year (kW) x 20 (years) x Power generation of model per unit (1,204 kWh/kW) x CO ₂ emission factor (0.360 kg-CO ₂ /kWh) Fuel cell: Power generation of the current fiscal year model per unit (1,870 kWh/year) x 10 (years) x Total shipping quantity of the current fiscal year x CO ₂ emission factor (0.410 kg-CO ₂ /kWh)
	Size of direct contribution in reducing CO ₂ emissions through energy-saving	(Annual power consumption of FY2006 base model - Annual power consumption of the current fiscal year model) x Product life x Shipping quantity of the current fiscal year x CO ₂ emission factor
	Size of indirect contribution in reducing CO ₂ emissions through products	Size of contribution in reducing CO ₂ emissions through "air conditioning load reduction effects from improved insulation performance in Panasonic housing," "energy-saving effects from products by other companies equipped with Panasonic energy-saving compressors and motors*1," and "improved fuel economy effects from electric vehicles (EVs), plug-in hybrid vehicles (PHVs)*2, and hybrid vehicles (HVs) equipped with Panasonic automotive batteries," "energy-saving effect of products by other manufacturers that use Panasonic vacuum insulation material," and "CO ₂ reduction effects as a result of energy saving such as less travelling made possible through the use of HD Visual Communication Systems*3." *1 (Annual power consumption of FY2006 base model compressors and motors - Annual power consumption of the current fiscal year model compressors and motors) x Estimated life of products by other companies x Shipping quantity of the current fiscal year x CO ₂ emission factor *2 Estimated quantity of EVs, PHVs, and HVs equipped with Panasonic automotive batteries x Product life x Estimated annual running distance x improved fuel economy effects. Improved fuel economy effects are estimated based on Japan Automobile Research Institute and information released by car manufacturers. *3 Shown in a separate table.
	CO ₂ emissions from the use of major products	Lifetime CO ₂ emissions from major products*1 with large amounts of energy use. Lifetime CO ₂ emissions = Annual power consumption of a model sold*2 x Sales quantity x product life*3 x CO ₂ emission factor *1 Household air conditioners, commercial air conditioners, fluorescent lamps, LED lamps, household refrigerators, commercial refrigerators, LCD TVs, washing/drying machines, fully-automatic washing machines, clothes dryers, dish washer and dryers, IH cooking heaters, EcoCute, bathroom ventilator-driers, humidifiers, dehumidifiers, air purifiers, extractor fans, vending machines, electronic rice cookers, microwave ovens, warm-water washing toilets, clothing irons, hair dryers, under-rug heaters, vacuum cleaners, electric thermal pots, extractor hoods, telephones, security cameras, projectors, etc. *2 For each product category, the model that was sold in the largest quantity in the region was selected. *3 Number of years during which spare parts for the product are available (defined by Panasonic).
	Size of contribution in reducing CO ₂ emissions through production activities	(FY2006 CO ₂ emissions per basic unit - CO ₂ emissions per basic unit of the current fiscal year) x Production of the current fiscal year
	CO ₂ emissions in production activities	CO ₂ emissions from the use of fuel + CO ₂ emissions associated with purchased electricity and heat
	CO ₂ emissions per basic unit in production activities	CO ₂ emissions per basic unit in production activities (improvement rate of basic unit compared to FY2014) was calculated as follows: Basic unit improvement rate (%) for FY2017 = A2015 x A2016 x A2017 $A_n = \sum \left\{ \frac{\text{FYn basic unit improvement rate in each factory (FYn-1 YOY comparison) (\%)} \times \text{FYn-1 basic unit improvement rate in each factory} \times \text{FYn output etc.}}{\sum (\text{FYn-1 basic unit improvement rate in each factory} \times \text{FYn output etc.})} \right\}$ n = 2015, 2016, 2017
	Energy consumption in production activities	The total energy usage (including electricity, town gas, and LPG) of each factory. For the calorific value, the conversion factor based on the Order for Enforcement of the Act on the Rational Use, etc. of Energy (Japan) was used globally. For town gas, however, the conversion factor published by the gas service provider was used.
	In-house renewable energy adoption	Total renewable energy generated and used in the site, including photovoltaic, wind, and biomass power.
	Emissions of GHGs other than CO ₂ in production activities	GHGs specified in the Fourth Assessment Report (2007) of the Intergovernmental Panel on Climate Change (IPCC) were calculated and converted into CO ₂ emissions using the Global Warming Potentials referred to in this Report.
	Scope 1 CO ₂ emissions	CO ₂ emissions from the use of fuel + Emissions of GHGs other than CO ₂
	Scope 2 CO ₂ emissions	CO ₂ emissions associated with purchased electricity and heat
	CO ₂ emissions from the use of fuel	Used CO ₂ emission factors provided in the Guideline for Calculation of Greenhouse Gas Emissions (version 2.2) published by the Japanese Ministry of the Environment.
	CO ₂ emission associated with purchased electricity and heat	<Japan> CO ₂ emission factor for electricity purchased every fiscal year in Japan is fixed at 0.410 (kg-CO ₂ /kWh). <Outside Japan> Used numerical values for respective countries listed in the Calculation Tools in the GHG Protocol website by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). The 2002 numerical values listed in the "Electricity-Heat SteamPurchase_tool1.0_final" are used as fixed values for all fiscal years.

Item	Indicator	Calculation method
Reducing CO2 Emissions	Energy consumption in transportation	Applied the concept specified in the Energy Conservation Law Guidebook for Consigners edited by the Agency for Natural Resources and Energy, Japan. (Applicable scope: transportation during which cargo is owned by the Panasonic Group) Energy consumption in international logistics is also tabulated by adopting the concept specified in the guidebook.
	CO2 emissions in transportation	Based on the energy consumption and other data calculated in the process specified above, the corresponding value was calculated in accordance with the Guideline for Calculation of Greenhouse Gas Emissions (version 2.2) published by the Japanese Ministry of the Environment.
	CO2 emissions per basic unit in transportation in Japan (compared to FY2014)	CO2 emissions per basic unit in transportation in Japan (improvement rate of basic unit compared to FY2014) was calculated as follows: Basic unit improvement rate (%) for FY2017 = 100% - B2015 x B2016 x B2017 Bn = CO2 basic unit in logistics in FYn / CO2 basic unit in logistics in FYn - 1* n = 2015, 2016, 2017 * If the calculation method of energy usage in transportation in an FYn is changed, the newly adopted method is retroactively applied to the CO2 basic unit calculation by FYn - 1.
Resources Recycling	Total resources used	Amount of resources directly used in production activities of a product. Total resources used is calculated in the following two methods: (1) Method of calculating by identifying the amount of purchased materials (including sub-materials). (2) Method of calculating by identifying amount of: shipped products + sub-materials + waste*. *The figure used for amount of waste is that disclosed in the Sustainability Data Book 2017 as waste or valuable items.
	Usage of recycled resin	Mass weight of recycled material used in recycled resin, excluding new resin and newly mixed additives or fillers.
	Recycled weight of four kinds of home appliances in Japan	Applies to the recycling defined in the Home Appliance Recycling Law in Japan, and refers to the weight of components and materials of separated products which can be used by oneself, or made into a state available for sale or free of charge.
	Amount of used products covered by the WEEE Directive collected in Europe	Weight of collected products per collection system x Panasonic's weight-based share of products put on the market within the applicable collection system.
	Amount of used electronic products collected in the USA	Amount of equipment collected in accordance with state laws and through voluntary measures.
	Amount of total wastes including revenue-generating waste from factories	Total amount of generated industrial and general waste and revenue-generating waste.
	Revenue-generating waste	Waste that can be sold to recycling or disposal companies for profit.
	Factory waste recycling rate	Amount of resources recycled / (Amount of resources recycled + Amount of final disposal) (The recycled amount does not include thermal recycling. The final disposal amount takes account of residue left after incineration).
Water	Amount of water consumption in production activities	Total water consumed for production (total amount of consumed municipal water, industrial water, river/lake water, and groundwater).
	Progress rate of water risk assessment	Progress of water risk assessments specified by Panasonic ((1) Water risk assessments in all regions where Panasonic manufacturing sites are located, conducted with assessment tools and database of each country; and (2) Identification of impact on Panasonic business activities, collected through specific public local information and local information through interviews with relevant organizations, as well as through analyses of information on water usage conducted by local sites).
Chemical Substances	Substances requiring management	Based on the Chemical Substances Management Rank Guidelines (for factories). Including the substances in the Japanese Law of the Pollutant Release and Transfer Registers (PRTR Law).
	Release of substances requiring management	Release amount includes emissions to air, public water areas, and soil.
	Transfer of substances requiring management	Transfer amount includes transfer as waste and discharge into the sewage system. Recycling that is free of charge or recycling where Panasonic pays a fee for treatment under the Waste Management Law is included in "Transfer." (Different from the transferred amount reported under the PRTR Law.)
	Substances subject to calculation of Human Environmental Impact from	Chemical substances specified in the Chemical Substances Management Rank Guidelines (for factories).
	Human Environmental Impact	Human Environmental Impact = Hazard factor* x (Amount of covered substances released + Amount of covered substances transferred) *Hazard factors: Given by Panasonic, after classification according to the impact on human health and the environment. Factors are set as A: 10,000, B: 1,000, C: 100, D: 10, and E:1, according to the hazardous level. - Emission amount of covered substances: Includes emissions to the atmosphere, public waters, and soil. - Transfer amount of covered substances: Includes transfer as waste and discharge to the sewage system (not including those recycled free of charge or charged under the Waste Management and Public Cleansing Law).
Compliance	Number of violations	Number of violations of laws and regulations caused by our factories and products
Eco-conscious products	Definition of Strategic GPs	Products/services that accelerate the transition to a sustainable society: (1) Products/services that reduce environmental impact with top-level environmental performance in the industry (2) Products/services whose promotion and dissemination lead to reducing environmental impact (3) Products/services that reduce environmental impact on a specific region, or support measures to address environmental impact
	Percentage of sales for Strategic GPs	Sales of Strategic GPs / Panasonic consolidated sales
	Improvement rate of energy-saving performance of major consumer electronics products	Improvement rate calculated by comparing the assumed total power consumption if no energy saving performance improvement has been made in representative products (product categories of air conditioners, refrigerators, TVs, washing machines, etc.) since the base year (FY2006) and the actual total of power consumption for the same products. The highest selling models in each region were chosen as the representative model for each target category.
	Total power generation from household fuel cells	Total annual power generation from household fuel cells shipped between FY2011 and the specified year.

Item	Indicator	Calculation method
Eco-conscious products	Sales ratio for LED lighting	Percentage of sales figures for LED lighting among the entire lighting business in the specified year.
	Total power generation from solar cells	Total annual power generation from-solar cells shipped between FY2013 and the specified year.
	Amount of air with improved quality	Total number of rooms of whose air quality was improved by indoor air quality-related products, such as ventilators with air purifying function or filters exceeding a certain level of performance, shipped between FY2016 and the specified year. The number of rooms was calculated by the number of products x the coverage area. The coverage area was calculated using the number of tatami mats in a room based on the Japanese standard.
	ZEH ratio to all detached houses	Percentage of ZEHs and Nearly ZEHs in detached houses ordered to PanaHome in the specified year.
	Development of smart cities	Number of Smart Cities for which PanaHome was involved in the development and the number of lots sold.
	Automotive battery supply meeting the demand	Comparison of supply of EV, PHV, and HV automotive batteries between FY2015 and the specified year.
	Sales of eco-conscious B2B Strategic GPs	Comparison of the amount of shipment of target products, such as audio-visual solutions and mobility solutions equipment (such as laptop PCs etc.), between FY2016 and the specified year.
Collaboration with Stakeholders	Number of environmental education program participants	Total number of participants of education programs provided at schools and through extracurricular activities, visits to showrooms and factories, eco picture diary programs, etc. (Cumulative figure from fiscal 2010)
	CO2 emissions from suppliers	As for fuels, CO2 emission factors provided in the Guideline for Calculation of Greenhouse Gas Emissions (version 2.2) published by the Japanese Ministry of the Environment were used. CO2 emission factor for electricity purchased in Japan is fixed at 0.410 (kg-CO2/kWh) for electricity purchased every fiscal year.

■ Standard to calculate the size of contribution in reducing CO2 emissions through remote conference systems (HD Visual Communication Systems)

Calculation standard	
1. Hypothesis: Installing remote conference systems by Panasonic can reduce CO2 emissions by eliminating the necessity of traveling to attend meetings. 2. Calculation formula of the size of contribution in reducing CO2 emissions (size of CO2 emissions reduced by eliminating travel)	
$\sum_{i=1}^n (a_i \times b_i \times c_i \times d_i - e) \times f$	
n: The number of remote conference systems sold (Sets)	Remote conference systems sold within a fiscal year (The unit is a set of two devices – as a conference can be held by having a minimum of two devices)
a: The number of trips reduced in a year (Times/Year)	46 times /year inside Japan*1 24 times /year outside Japan*2 *1 Figure set by Panasonic based on <i>Carbon Footprint Program – Program Category Reference (CFP-PCR) (Certified CFP-PCR No.: PA-BI-04) Remote Conference Systems</i> , published by Japan Environmental Management Association for Industry on March 25, 2014. *2 Figure set based on case studies in specified departments in Panasonic.
b: Distance of travel (Km/Times)	Japan: Distance between Tokyo Station and Shin-Osaka Station Outside Japan: Distance between Tokyo Haneda Airport and major world airports (Major airports in representative countries within target regions were chosen according to the sales results of the remote conference systems in the region.)
c: CO2 emissions factor per means of travel (t-CO2/Person x Km)	Shinkansen in Japan and airplanes for outside Japan. Source of CO2 emissions factor: <i>Study Group Report for ICT Policy to Reduce Global Warming Problems</i> , April 2008, Ministry of Internal Affairs and Communications.
d: Number of travelers (Persons/Times)	Three people/time in Japan; Two people /time for outside Japan
e: CO2 emissions from remote conference system usage (t-CO2)	Power used by remote conference system kWh x CO2 emissions factor (t-CO2 / kWh)
f: Product life	Seven years