

Panasonic Group
Green Procurement Standards
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Corporate Procurement Division
Panasonic Corporation

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I. Panasonic's Basic Approach to Environmental Preservation

■ Environmental Statement

Fully aware that humankind has a special responsibility to respect and preserve the delicate balance of nature, we at Panasonic acknowledge our obligation to maintain and nurture the ecology of this planet. Accordingly, we pledge ourselves to the prudent, sustainable use of the earth's resources and the protection of the natural environment while we strive to fulfill our corporate mission of contributing to enhanced prosperity for all.

■ Environmental Vision

Panasonic Group contributes to "Coexistence with the Global Environment" through Environmental Technology and Ecological Thinking.

1. New challenges for "Green" Products

- Make all Panasonic products "Green"*¹
(*1 Environmentally friendly products and services made with environment-conscious materials through efficient use of energy and resources.)

2. New challenges for Clean Factories

- Strive to achieve Zero Emissions*² in the true sense
(*2 Minimize CO₂ emissions and waste generation)
- Strive to develop environment-conscious production methods and systems

3. Strengthening of product recycling

- Expand product categories for recycling

4. Environment and energy business initiatives

- Make endeavors to develop sustainable energy such as fuel cells

5. "Green" marketing and distribution

- Make commitment to conserve energy and resources

6. Environmental communication

- Use various means to communicate Panasonic's environmental activities worldwide
- Take up future challenges by collaborating with internal members and external parties

7. Environmental management and human resource development

- Establish organizational structure to facilitate speedy and autonomous decision-making procedure
- Establish indicators and evaluation systems for environmental management
- Cultivate environmental awareness in employees

II. Basic Guidelines for Green Procurement

Basic Guidelines for Green Procurement

Chapter 1 General Rules

Objectives	Article 1 These guidelines are to be promulgated in the interests of global environmental preservation for Panasonic Corporation as a globally operating enterprise with the aim of ensuring its corporate activities are friendly to the global environment. Panasonic Corporation shall follow the Basic Environmental Policy to fulfil the corporate social commitments of pursuing global environmental preservation. Furthermore, it shall increase the purchase of materials less impact to the global environment, or shall carry out more "Green Procurement" to manufacture more environmentally-friendly products. It shall endeavour to move towards environmentally-responsible management based on principles of sustainability in cooperation with suppliers who are active in environmental protection.
Application	Article 2 These guidelines shall apply to all divisions for the Panasonic Group for their procurement of materials, parts and products. 'Materials' hereunder shall collectively refer to raw materials, auxiliary materials, tools for consumption, commercially available parts and subcontracted parts which are consumed for product manufacturing. 1. Applicable Product Scope (1) Products whose design and manufacturing were consigned to a third party by the Panasonic Group, and will be sold with a Panasonic Group trademark. Cases shall be included where final products will be sold with built-in products purchased from other companies. (2) Products used for sales promotion (products handed out to general consumers such as premiums) (3) Packaging materials for products and those used for transport 2. Applicable Material and Component Scope Components, materials and other goods used for the products described below (1) Products designed, manufactured and sold by the Panasonic Group (2) Products whose design and manufacturing were consigned by a third party (exclude the components and materials designated by the applicable third party) (3) Products listed in 2.1 Applicable Product Scope

- Components/materials (include electrical components, mechanical components, electro-mechanical components, semiconductors, printed circuit boards, enclosure components, packaging materials/components)
 - Assembled components such as functional unit/module/board assemblies
 - Accessories (for using products such as remote controls, AC adaptors, etc.)
 - Auxiliary materials, etc. (tape, solder material, adhesive, etc.)
 - Operating instructions, warranty certificates, other printed matters enclosed in products
 - Repair or service parts
 - Packaging materials used for transport/protection by component suppliers (the packaging materials with no possibility of transfer or contamination of the subject substance to the components even after direct contact such as returnable packages to be collected and reused by the supplier are not subject to these guidelines.)
- * If there is a possibility of adhesion or transfer of the subject substance to a product from molds, jigs and tools, mechanical equipment, etc. that have direct contact with the product, the section that has direct contact with the products shall be included.
3. Exemptions
- Chemical substances used in research and development (exclude products developed based on the research and development results)

Chapter 2 Procurement Selection Standards

Selection Standards

Article 3 The Green Procurement of 'materials' shall be based on the following two selection standards.

- 1) Supplier selection standards
- 2) Materials selection standards

Supplier Selection Standards

Article 4 In the selection of suppliers, we shall seek greater equality in business opportunities, both domestically and overseas, and fair judgement based on product quality, prices, deliveries, services, technical development capabilities, etc.

Furthermore, priority shall be given to those suppliers who are positively practising the following environmental preservation strategies.

The information obtained when selecting suppliers shall be used within the Panasonic Group, and shall never be disclosed to external parties.

- 1) Submission of non-use warranties for the chemical substances used in products (Reference: Panasonic Group Chemical Substances Management Rank Guidelines (for Products) (valid period: from the date of issuance until the suspension of the use or production of the applicable product)
"Non-use warranty" warrants that the content of the chemical substances used in a product is below the regulated value specified in the Panasonic Group Chemical Substances Management Rank Guidelines (for Products). (You shall not be required to warrant that the content is below the controlled value.) Division companies or affiliated companies may independently set lower regulated values or controlled values according to their individual situations (e.g., customer requirements).
- 2) Provision of chemical substance content data and data entry into the Product Chemical Substance Management System (GP-Web) (Reference: Chemical Substance Survey Operation Manual of the Chemical Substance Management System)
- 3) Establishment of a chemical substance management system
 - Establishment and operation of the chemical substance management system based on ISO 9001 or ISO 14001
We shall check the chemical substance management system as necessary (environmental quality assurance system audits).
- 4) Establishment of an environmental management system (EMS)
 - Acquisition of the ISO 14001 certification
 - Suppliers who have both a corporate philosophy and policy aimed at global environmental preservation activities and have communicated it to the general public as well as to all the divisions and employees including those in affiliated companies.
 - Suppliers who have organizations dedicated to the pursuit of environmental conservation activities and have an environmental management program in place.
 - Suppliers who have established a system for evaluating and managing product assessment and other environmental aspects of operations and pursue their improvement.
 - Suppliers who have educational and informative programs regarding environmental preservation in place for their employees and those engaging in related activities.
 - Suppliers who address the streamlining of physical distribution for the purpose of resource conservation, energy conservation and reducing exhaust emissions.

**Materials
Selection
Standards**

- Article 5** In the selection of materials, priority shall be given to those materials which meet the following requirements for the reduction of environmental impact, in addition to securing quality, functions and economical rationality required therefor.
- 1) Materials which meet the requirements of laws and regulations concerning recycled resources and energy efficiency.
 - 2) Materials do not contain the Prohibited substances specified in the Panasonic Group Chemical Substances Management Rank Guidelines (for Products).
 - 3) Materials whose contents of the substances specified in the Panasonic Group Chemical Substances Management Rank Guidelines (for Products) have been identified
 - 4) Materials which have a low environmental impact in terms of chemical substance releases, air, water or soil pollution, etc. in the manufacturing process
 - 5) Materials which aim at resource conservation and energy conservation through reduced size or the use of recycled materials and parts.
 - 6) Materials which are recyclable.
 - 7) Materials whose environmental information (chemical substance, etc.) is disclosed.
 - 8) Packing materials shall be designed with resource conservation, recycling, and minimized volume in mind and shall contain lower levels or be free of chemical substances with environmental impact.

The Panasonic Group Chemical Substances Management Rank Guidelines (for Products) are downloadable from the following URL.
http://panasonic.net/eco/topics/suppliers/standards_and_guidelines.html

Chapter 3 Applying the Guidelines

Basic Application

Article 6 In the application of these guidelines, each division is required to prepare standards and rules for Green Procurement operations that conform to laws, regulations and rules of the country in which it operates based on the selection criteria specified in Articles 4 and 5 according to the "Green Procurement Operation Manual." Each division shall instantly disclose any relevant information to suppliers.

Supplementary Clause

1. The guidelines shall also be applicable to the affiliated companies which should be specified separately.
2. The guidelines shall be revised when required due to changes in social situations.

Revision of the Green Procurement Standards

Revision Record

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