

Panasonic

Panasonic Position on Use of “Conflict Minerals”

Panasonic is deeply concerned that revenues derived from “conflict minerals” (tin, tantalum, tungsten, gold, or 3TGs) sourced from the Democratic Republic of the Congo (DRC) and neighboring countries not be used by armed groups to finance human rights abuses, environmental destruction, bribery, and other unlawful activities. To maintain a responsibly-sourced supply chain, Panasonic has adopted procurement practices that, in principle, will produce a supply chain free of the use of conflict-affected minerals as raw materials.

Our conflict minerals policy is consistent with Panasonic’s Corporate Social Responsibility standards, in place since 2005, that require our suppliers comply with policies that include “environmental consciousness,” “respect for human rights,” assuring safety and health” and “compliance with laws, regulations and social ethics.”

To implement this corporate policy, Panasonic sent a communication to all members of the Panasonic Group in December 2010, requiring them to ensure conflict-free sourcing. In February 2011, Panasonic escalated its efforts to ensure a conflict-free supply chain by requesting our primary component and material suppliers to verify the sources of minerals used in their supplies.

In the unlikely event that Panasonic discovers it is inadvertently using conflict-affected minerals, the Company will immediately take steps to end their use.

Among Panasonic’s proactive steps to address the issue was participation in a September 2011 pilot project of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas. Panasonic joined the OECD pilot project to cooperate with various stakeholders including governments, corporations, industry associations, and NGOs, toward the creation of a validated, traceable minerals supply chain.

Details of the OECD project may be found at OECD website:

<http://www.oecd.org/daf/internationalinvestment/investmentfordevelopment/implementingtheocdduediligenceguidance.htm>

Panasonic’s press release:

<http://panasonic.co.jp/corp/news/official.data/data.dir/en110930-3/en110930-3.html>

There is general recognition that further steps are necessary in order to promote the rapid transition to a supply chain free from conflict minerals use. The first step is to identify 3TG smelters and refineries and encourage them to undergo a Conflict Free Smelter (CFS) audit. The next step is to require suppliers to source from CFS compliant smelters

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when a sufficient number become available. Panasonic is making progress on both of these activities.

It should be noted, however, there remain companies and individuals who are engaged in legitimate business in conflict areas within the Democratic Republic of the Congo and neighboring Central African countries. Accordingly, Panasonic will make every effort to ensure that its decisions to avoid the use of conflict minerals do not disadvantage the business activities of these legitimate operators.

This is why it is important for Panasonic to maintain an ongoing dialogue with the various stakeholders in the legitimate mineral supply chain in conflict-affected areas, including governments, corporations, and NGOs. By participating in the OECD pilot project, and by adopting a management process that is in accordance with OECD-recognized global standards, Panasonic is contributing to international efforts that seek to overcome the conflict minerals problem.