



Founder's Message



"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."

- Konosuke Matsushita
Founder of Panasonic Corporation
Basic Management Objective, 1929



About the Report

This is the first sustainability report issued by Panasonic India as per Global Reporting Initiative (GRI) guideline and compliments the global sustainability report of Panasonic Corporation. This report emphasizes Panasonic commitment to sustainability and business in India, and reflects the importance of our Indian operations. The intended audience for the report is both external as well as internal stakeholders – employees, vendors, shareholders, customers, business partners, regulatory authorities as well as the community we operate in – who we will continue to collaborate with in the future as well.

We are proud of what we have achieved so far in our journey to become a more sustainable and more responsible organization. Panasonic India continues a tradition of excellence and transparency in reporting on internal operations related to sustainability and corporate citizenship. In our first annual Sustainability Report, we have used the theme “Panasonic: A Responsible Corporate Citizen at each Step” as this resonates with the attempt by Panasonic India to improve sustainability at each step of the product life cycle from production to end of life of the product. This attempt at ensuring sustainability of each step of the product life cycle further reinforces our brand slogan “A Better Life, A Better World”.

This report has been compiled in line with the Global Reporting Initiative's most recent version of sustainability reporting guidelines i.e. G4 Guidelines (In accordance core), which is the latest framework launched by the GRI. This Sustainability Report 2013-14 outlines the performance and developments during the past year and our operating plan for the future, both from management's viewpoint as well as considering issues from our stakeholders. The report contains data and information on the various aspects of Panasonic India operations and performance for the 12-month period from April 2013 to March 2014. The boundary for the report is limited to Panasonic India operations covering the manufacturing plant at Jhajjar, Haryana and our corporate office in Gurgaon, Haryana.

Sustainability is a broad concept that covers a host of different topics, however they can be broadly classified into certain themes i.e. environmental, social, and economic elements. In an effort to make this report more tangible, understandable and measureable for our stakeholders we have undertaken a comprehensive materiality analysis to specify areas of activity which we intend to focus on. The details of the approach adopted for evaluating materiality of various issues has been detailed in the section 'Stakeholder's engagement and materiality'. The material aspects thus identified have been explained in more detail in the section Panasonic: A Responsible Corporate Citizen at each Step. Further, the material issues are then presented according to their position in the value chain of Panasonic products to allow stakeholders to understand the sustainability of each step in the operations of Panasonic India.



Panasonic at a Glance

DIVISIONAL FACTORIES

Factory for manufacture of kitchen appliances & small domestic appliances

Appliances Company India

Panasonic Welding Systems India

For manufacture of arc welding equipment and related products

GROUP COMPANIES

Panasonic Appliances (PAPIN)

Established in 1988 to manufacture, import, market, and sell kitchen appliances & small domestic appliances. PAPIN is based in Chennai, Tamil Nadu.

Established in 1996 to manufacture CRT TVs and Flat Panel TV's. PAVCI is based in Noida, UP.

Panasonic AVC India (PAVCI)

Panasonic Energy India (PECIN)

Established in 1972 to manufacture and sell dry cell batteries.

Established in 1982 to manufacture & sell carbon rods. PCIN is based in Chennai, Tamil Nadu.

Panasonic Carbon India (PCIN)

Anchor Electricals

Established in 2007 (as a wholly owned subsidiary of Panasonic Corporation) to manufacture over 3,000 products.

Was acquired in 2011, to provide complete security solutions.

Firepro Software Pvt. Ltd

Panasonic India's aim has been to create businesses and products that would contribute to economic development along with preserving the natural environment thereby ensuring our customers can achieve a better quality of life. Our sustainability initiatives are designed to reduce potentially adverse environmental impacts from our business through measures such as mitigation of global warming, proper management of chemical substances, reduction of waste and having a focused approach on the efficient use of limited resources throughout our business operations. All of our Business milestones are integrated into our brand and we constantly thrive to create valuable ideas which is exemplified in our brand slogan, "A Better Life, A Better World"

Since the company's initial entry into India in 1972, it has grown tremendously into new areas. We have also demonstrated significant growth over the past five years through our multiple sister companies, divisions and manufacturing units. Panasonic India Private Limited consists of 13,000 employees over its 31 branches with its head office in Gurgaon, Haryana. The sales in FY 2012-13 amounted to USD 1.3 billion and have grown in the year 2013-14 to USD 1.65 billion.

To continue this growth we have outlined three core strategies for sustainable growth. The first strategy is to create new product categories in both consumer and business segments. This will be done by forging strategic partnerships with local partners. Secondly, we have decided to promote the localization of management as well as suppliers in India and leverage our operations in India to serve our business footprint in the region. Accordingly, Panasonic India is realigning its business structure with the new direction that the company is taking. The third strategy is that we intend to create an autonomous management structure in India and develop this as a secondary regional headquarters to serve the ISAMEA (India, South Asia, Middle East and Africa) region. This will be followed in product development as well as in new business incubation activities in the establishment of strategic partnerships.



Risk Management Approach

Risk management strategies at Panasonic India aim to insulate business goals from external and internal risks such as fluctuating economic conditions, business risks, geopolitical risks and natural disasters. We cannot expect stable growth of our company, without taking into account the impacts from climate change, resource depletion and the destruction of ecosystems. We strongly endorse the disclosure of risk related information in the public domain as a suitable method to improve the transparency of our business processes and also promote practices that would instill confidence in our customers and stakeholders. Our policy on product quality and safety consistently strives to deliver the Best Quality products across our complete range of products and our quality management system aims to achieve the highest possible level of customer satisfaction around the globe.

Our policy on responsible sourcing guides our business operations to ensure that every sourced or extracted material used in the manufacturing process comes only from shortlisted suppliers who have met all the relevant compliances and regulations. This practice of responsible sourcing enables us to work closely with our suppliers and helps build trust with our customers as they become confident that the products they use come from a responsible source. These policies are some of the methods adopted by us as part of our risk management strategy. Some of the other potential risks that could affect our business are:

1. Risks associated with Economic Conditions:

The demand for products sold by Panasonic India is subject to economic downturns and geopolitical risks that would also have an effect on our overall business in terms of risks and opportunity. This has been seen in the recent global economic crisis that had an impact on the economy of India, resulting in a slowdown in the Indian economy as well that was compounded by various bottlenecks in the Indian economy as well.

This economic slowdown also had a result on the growth of the consumer durables industry that Panasonic India is a part of. In the year 2011 and 2012 the annual GDP growth in India had slowed to less than 7% from the growth rate in the previous years of over 9%. This had resulted in a slowdown in the growth of the consumer durables industry which stagnated at US\$7.3 billion in sales for two consecutive years in FY 11 and 12. Such slowdowns could pose significant risks for Panasonic India and in order to mitigate these risks, Panasonic India continues to broaden their product range as well as continue to maintain high levels of quality and safety to keep consumer confidence in their products.

Additionally, as we sell our products in the biggest economy in the South / South-East Asia region, Panasonic India expects a stable economic growth of India driven by increased private investments and a boost in competitiveness in the private sector. Thus, even though there has been a recent slowdown in the consumer durables industry, the strong economic growth projected for India combined with the various risk management strategies adopted by Panasonic India should result in sustained growth for the company in India.

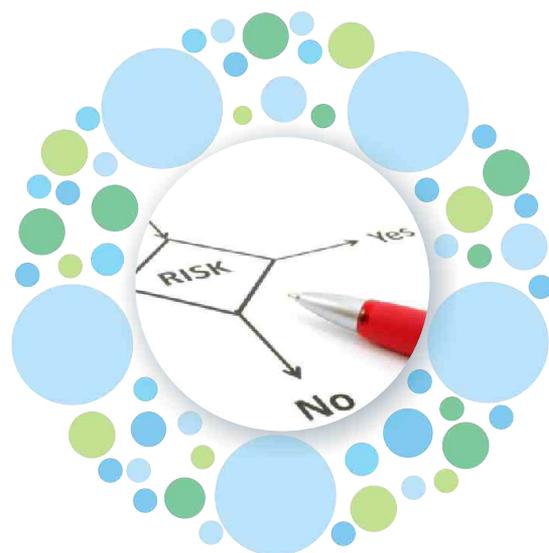


2. Risks associated with Business

The consumer electronics segment is one of the biggest and most innovative sectors of the Indian economy, thus resulting in huge competition between players. Panasonic India assumes that our competitors in this sector are financially strong, technologically capable and have good marketing resources at their disposal. Thus we assume that any product with a fair price offering an improvement over the existing technology has the capability to outsell their competitors and capture market share. Panasonic India therefore has to identify strategies to maintain their competitive edge and continue to gain market share.

Behind those technological advances that provide a competitive edge to companies are the practices related to recruiting and retaining the most skilled employees in the market. Our success as a business organization depends on the people who work with us including professionals in the fields of research, development, sales, logistics and management. The competition for acquiring highly skilled people is intense and Panasonic India has identified many strategies to attract or retain people of the highest skill including performance evaluations, employee feedback systems and trainings.

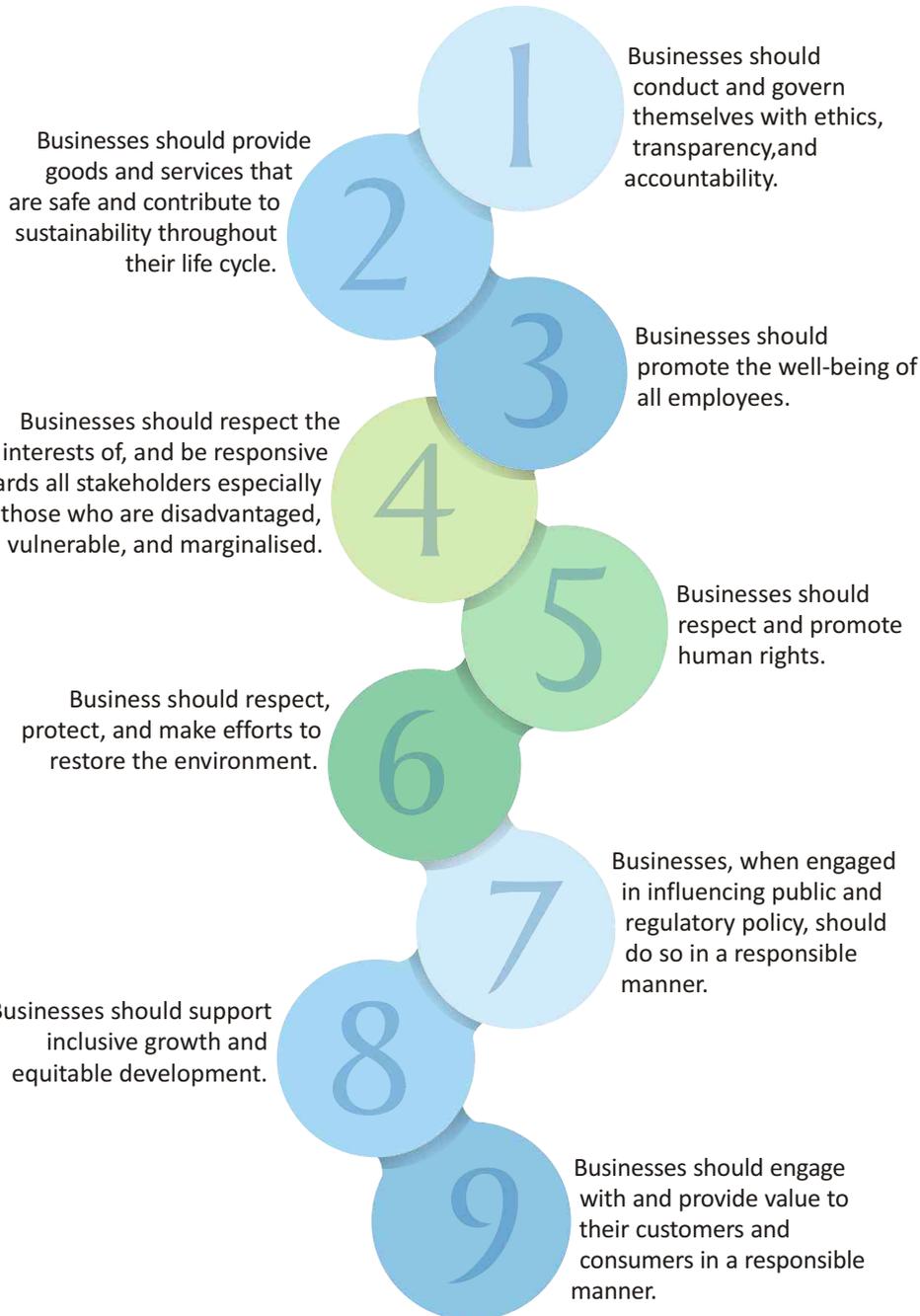
In order to mitigate risks associated with our market presence, we have actively been broadening our range of products for the India market including introduction of smartphones designed specifically for the Indian market. A major move to expand our market presence has been the acquisition of Anchor Electricals Pvt. Lt. that is a well-known brand in India with a wide range of electrical products such as switches, wires, lighting, fans and many other products. This major acquisition in India aligns with our strategy of introducing new products and is part of our risk management strategy for addressing risks associated with our business.





Risk Management Approach

Our Sustainability Report for 2012-13 was aligned with the Government of India's National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business. Issued in July 2011, these guidelines urge all businesses to become responsible towards society, so that their every action leads to sustainable growth and economic development. The National Voluntary Guidelines on Social, Environmental & Economic Responsibilities have shaped the structure and content of this report. The guidelines are based on





Journey so far and the way forward:

Panasonic's journey in India: A story of resilience and evolution

Panasonic, since its first entry in 1972 till date, has been pioneering innovation across – products, management, practices and outreach. Since it first came to India in 1972, when it brought a limited range of products such as televisions, radios and window Air Conditioners (AC) to India, the company has evolved in its approach of doing business in India. Its initial strategy in India did not prove to be successful, forcing Panasonic to exit the India market from several product categories and eventually shrink its operations in the year 2002-03.

In 2008 the company re-entered India with a new approach and product range focused around a customized product range for the Indian market. Panasonic also brought in a renewed focus to establish itself as a preferred choice amongst stakeholders in order to become India's largest electronics and durables brand by catering to the diverse cultures and market characteristics in India. As it was extremely imperative to know these market characteristics of India, Mr. Daizo Ito was appointed as head of operation for India in 2008 and tasked with conducting an extensive market research study under the aegis of volume zone market research center. This study concluded that the company needed a dedicated strategy to win India and this led to the creation of the

PANASONIC INDIA TIMELINE

1972

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1972-2002

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2002-03

Panasonic was eventually forced to shrink its operations in the year 2002-03.

2007

Building on the strategy of localization and collaboration, Panasonic acquired Anchor Electricals in 2007 thereby acquiring Anchor's world class manufacturing facilities spanning across India with strength of around 10,000 employees and a wide distribution network of 10,000 dealers.





Journey so far and the way forward:

Panasonic's journey in India: A story of resilience and evolution

India project where researchers visited consumer households to gather feedback about products and identify the requirement gaps that could help in developing the tailor-made product for Indian market. They focused this on market research on consumer requirements, especially in tier II/III markets, to understand the needs and aspirations of consumers.

Based on the conclusions of this survey, Panasonic entered the Indian market again in 2008 when operations were mainly carried out from South India with 77 service centers and 40 brand-shops across the country and marketing activities were limited to localized promotion tactics for regions. Since then, Panasonic has been steadily growing in the country with more innovative product offerings, increased investments on business and various promotional initiatives. Panasonic was focused on increasing visibility through brand shops in the cluttered consumer durable industry and reached a total of 75 brand-shops in 2009. The company introduced its range of washing machines, refrigerators and air-conditioners in the Indian market in 2009 and it was in this year that Mr. Manish Sharma was appointed the Marketing Head of Panasonic India to drive the business growth through aggressive marketing initiatives.

2008

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Journey so far and the way forward:

Panasonic's journey in India: A story of resilience and evolution

Focused on increasing the reach of Panasonic products by increasing the distribution networks, expanding into Tier II and III markets, the company introduced a first-of-its-kind, India specific Cube AC which is split in the form of a window to suit the requirement of Indian households. In 2010, the company also introduced a unique concept of an experience center by launching its 'Lifescape' in Gurgaon, Haryana spread over 22,000 sq. ft. where consumers could come and experience the products and technology before making a purchase. The concept was later taken to Mumbai in 2011 to showcase the entire product portfolio of Panasonic ranging from consumer goods to B2B segment offerings. From 2010-11 the employee headcount of Panasonic touched 11,000 and Mr. Manish Sharma was elevated to Director Marketing of Panasonic India. The company registered sales revenue of approximate USD 600 Million for FY2010-11.

2011 marked an important year for Panasonic India with the establishment of its first Research & Development Centre India (PRDCI) in Gurgaon, Haryana. Another milestone was the opening up of the new manufacturing unit - Technopark in Jhajjar, Haryana in 2012. With an investment of USD 200 million from the year 2010-2015, setting up of Panasonic Technopark is a big step towards showcasing how committed the company is towards India.

Other than this, Panasonic introduced Econavi technology in India with intelligent sensors in its range of air-conditioners and launched technology products based on advanced features like 3D Smart TVs with VIERA Connect to allow the users to interact via internet while watching television. To ensure maximum outreach of its products to the consumers, Panasonic also strengthened its network of exclusive brand shops across the country and reached a total of 167 exclusive (including 35 eCon AC shops) brand shops pan-India this year and 1,115 unique service centers to provide one-stop solutions. Growing from strength to strength, the company expanded from 11,000 in 2010-11 to 12,650 in 2011-12 and grown to 13,000 for the year 2013-14. In 2011, Panasonic also initiated green activities to increase awareness on energy conservation and environment protection through various educational initiatives involving Indian school students as nurturing the young talent paves the way to a better society.

TIMELINE (contd)



2010

The unique experience center 'Lifescape' was introduced in Gurgaon, Haryana, where consumers could come and experience the products and technology before making a purchase.

The employee headcount touched 11,000.



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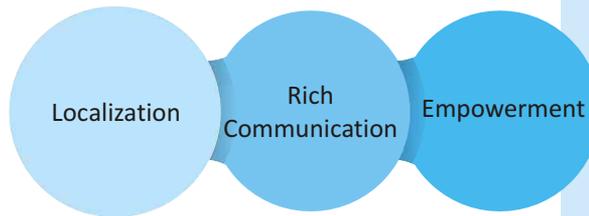




Journey so far and the way forward:

Panasonic's journey in India: A story of resilience and evolution

The three pillar strategy behind the brand's success is based on



One of Panasonic's key strategies for India is 'indovation' - based on the philosophy that products should be specially conceptualized and customized for the Indian consumers keeping the local needs and conditions in mind such as the Panasonic Cube AC. Panasonic has also invested in its manufacturing Unit at Jhajjar (Haryana) which was inaugurated in December 2012 to manufacture air-conditioners, washing machines, welding and cutting machines.

In order to build a stronger youth connect, Panasonic made associations with various celebrities Ranbir Kapoor, Katrina Kaif, Dia Mirza, Varun Dhawan, Jacqueline Fernandes, as well as endorsement of sports - Delhi Dare Devils, Panasonic Open India Golf Tournament. Building on the strategy of localization and collaboration, Panasonic acquired Anchor Electricals in 2007 thereby acquiring Anchor's world class manufacturing facilities spanning across India with strength of around 10,000 employees and a wide distribution network of 10,000 dealers

Panasonic has now been in India for over a decade, since its re-entry, and is continuously looking at making investments in India as the company views the market as a region with high potential and the country has been recognized as a 'strategic country' for Panasonic's global growth and evolution. In the next 10 years, Electronic sector in India will witness major changes, especially in evolution of technology and customer base and the core idea behind Panasonic's strategic focus for India is to create a very clear and successful business model.

2012



Another milestone was the opening up of the new manufacturing unit - Technopark in Jhajjar, Haryana in 2012

The employee headcount touched 12,500.



2013

Reached a total of 167 exclusive (including 35 eCon AC shops) brand shops pan-India this year and 1,115 unique service centers to provide one-stop solutions.

The employee headcount touched 13,000.





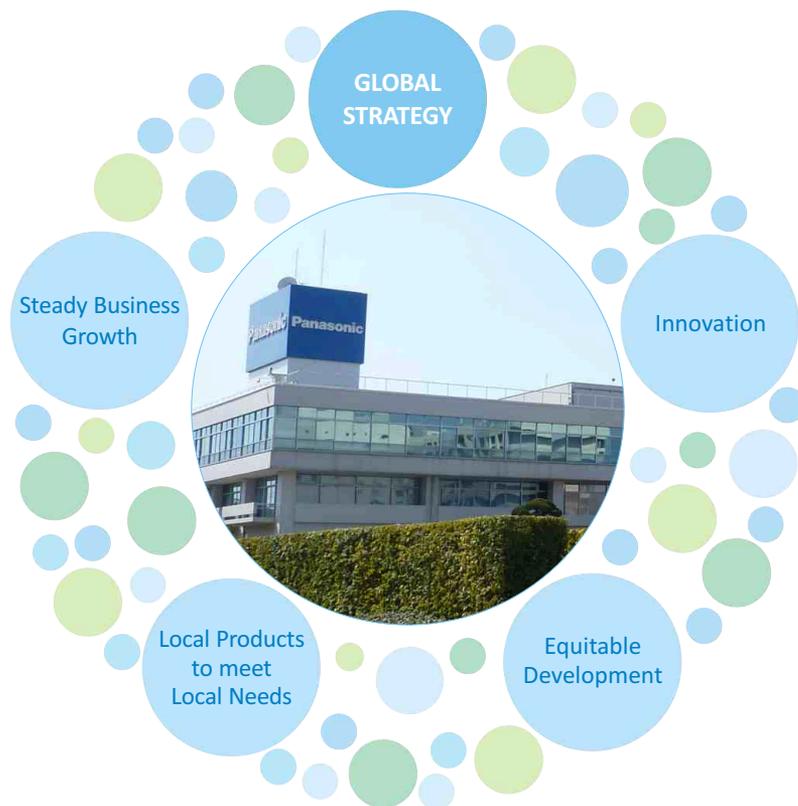
Profile, Vision and Strategy

Panasonic Headquarters

Headquartered in Osaka, Japan, Panasonic Corporation is a leading global manufacturer of electronic products and solutions for consumer, business, and industrial needs based on innovative and energy-efficient technologies. Panasonic strongly believes in designing products and solutions to keep the environment in mind. To achieve this vision, the company develops energy-efficient, state-of-the-art products and encourages customers to live eco-conscious lifestyles with an aim to reduce carbon emissions in households and manufacturing units.

Panasonic's global strategies are driven by the core business philosophy of being a responsible—and successful—corporate citizen and contributing to the progress and development of society at all levels. We are working to expand our business by creating products that meet local needs, a goal that requires the insights and skills of a local workforce. By designing and manufacturing products locally, we can leverage Panasonic's know-how to solve local social and environmental challenges.

Our Sustainability Policy outlines how we will contribute to the development of a sustainable future through our business, while being in harmony with society and the global environment. Emphasizing on steady business growth, innovation, local products to meet local needs, and equitable development, we will establish a foundation for Panasonic to become a successful and socially responsible global enterprise.





Profile, Vision and Strategy

Panasonic India

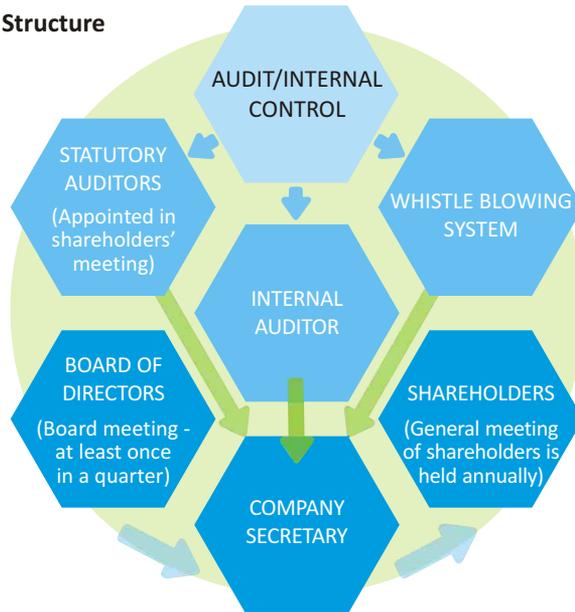
Commencing operations in the country in 1972, we have driven remarkable growth in the business, and continue to make strong strides towards the goal of becoming India's most trusted electronics and durables brand. Today, the company owns 31 branches and 250 outlets, which includes 167 exclusive Brand Shops in tier-I cities and 83 P4 (Panasonic Premium Partner Programme) outlets in tier-II and tier-III cities. Panasonic India also has 1,115 service centers for its consumer and business divisions providing one-stop solutions.

In the coming times, we plan to grow by integrating Indian expertise into product design and manufacturing processes, and increasing focus on rural development to ensure that Panasonic India performs as a responsible corporate entity contributing to the equitable growth of the entire Indian society. India is a high growth market for Panasonic globally and we are stepping up our commitments vis-a-vis investment in this region on products, talent, marketing and manufacturing. Focusing on local manufacturing and expansion of production processes, the company will continue to develop India-specific product innovations as well as smart solutions catering to domestic needs. Under our Localisation strategy, we are creating systems, processes, products and content that should satisfy both the language and cultural differences of the targeted market. While working on providing localised products, there is a huge emphasis on local manufacturing going forward to meet up with the competitive Indian market.





Governance Structure



List of Organizations to which Panasonic India subscribes

With ever increasing complexities of the business world, one can face many obstacles in performing smooth business operations. We believe that having relevant association with government bodies would help in advocating the policies which will help our company to grow in a sustainable way.

Panasonic India has engaged with FICCI through our Environment, Corporate Social Responsibility (CSR), and Energy committees. We further collaborated with apex bodies such as Confederation of India Industry (CII) and Associated Chambers of Commerce and Industry of India (ASSOCHAM) which have a relatively high influence in initiating government policies and are capable of creating and sustaining an environment conducive to the development of India- by engaging industries, governments and civil societies through advisory and consultation process.

As a Multinational Corporation (MNC), we have in place an extensive IT infrastructure that plays a vital role in facilitating business processes at national level. We have dealt with IT related issues in the past such as Hardware training, research and development (R&D) and e-waste management. Therefore we formed association with Manufacturer's Association for Information Technology (MAIT) to facilitate hardware training, R&D, hardware design and other associated service segments of the Indian IT industry. Panasonic India engages with MAIT through E-waste and IT committees. We further associated with the Indian Cellular Association (ICA) handled by our trade relations committee this particular alliance is aimed to provide value and service to the mobile cellular handset industry in India. Consumer electronic goods being our core business sales operations, encouraged us to form associations with Consumer Electronics and Appliances Manufacturers Association (CEAMA) and Electronics Industries Association (ELCINA). These associations act as an interface with the government and give us a platform for meaningful interaction and dialogue. Both these apex bodies are engaged by our Trade relations committee.

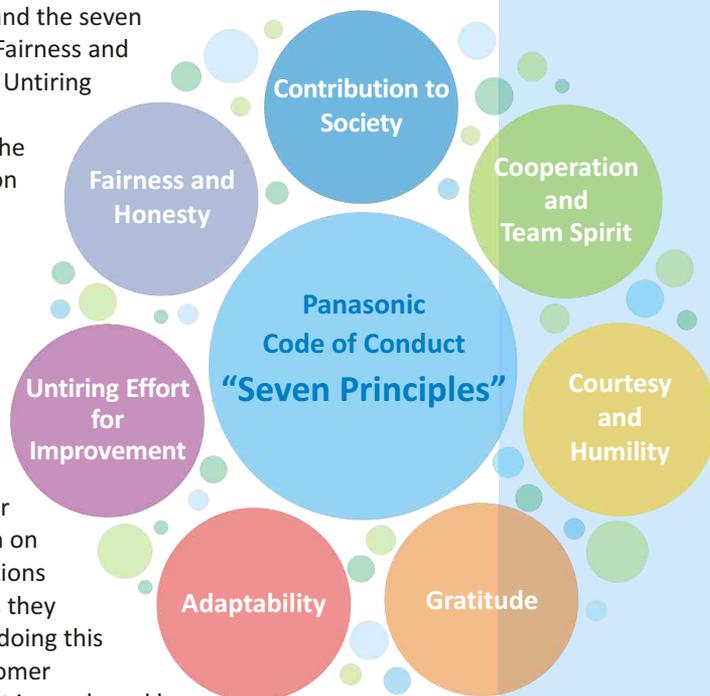


Ethics and Transparency

Good corporate governance encompasses a commitment from a company to run its business in a legal, ethical and transparent way - a commitment that essentially comes from the very top and permeates throughout the organization. That is why our principles on Ethics and Transparency is so important to us. Cases of bribery and corruption are not only a critical aspect of sustainability but can also threaten the very survival of a company as it distorts competition, incentivizes unethical behavior and most importantly disrupts social and economic growth. While corruption continues to have a negative effect on the global economy, it is estimated that corruption costs at least 5% of the global GDP.

Panasonic India takes a strong stand on the issue of corruption and makes sure that its employees are aware of corruption related issues and their internal and external implications on the organization. The Compliance Awareness program at Panasonic India has been developed so that every employee gets an opportunity to combat corruption through increased awareness. The recent compliance awareness program registered 100% participation of the employees, where everyone on the rolls of the company participated in the online quiz in September, 2013. We ensure that we share the same perspective as our business partners on anti-corruption policies and procedures. While opening the trade partner account, Panasonic Code of Conduct is shared with business partners and the contract also contains anticorruption clause. Panasonic Code of Conduct applies to all directors, executive officers and employees of Panasonic Corporation and all of its operating divisions and controlled subsidiaries.

The code talks about our Core Values and the seven principles i.e. Contribution to Society, Fairness and Honesty, Cooperation and Team Spirit, Untiring Effort for Improvement, Courtesy and Humility, Adaptability and Gratitude. The Code of Conduct guides every operation at Panasonic India including research and development for a better future, Respect for Intellectual Property Rights, Procurement which consists of selection of suppliers and fair transaction on an equal basis, Manufacturing of products which contributes to added value to the society, Safety and quality of products and improve customer satisfaction. Our Code of Conduct also provide direction on how we can exceed customer expectations by supplying the products and services they want and need in a timely manner. By doing this and appropriately addressing any customer complaints we aim to increase the trust in our brand by communicating in a transparent and accurate way.





Case Study: Anchor's Sustainability Agenda

Anchor Electricals is a 51 year old Company and it became a fully owned subsidiary of Panasonic Corporation in 2007. Since then, it has taken many proactive steps, in line with its Corporate Philosophy, to reduce the impact on Environment. It has designed Products that enable Power saving & consume lesser materials and resources, it has incorporated manufacturing equipment and process that enable lower power consumption and lower emission and has ensure zero violation of any environment norms in all of its manufacturing facilities. Anchor consciously discontinued the production of its profitable business of Incandescent lamps in 2008, in line with its philosophy to encourage the use of CFL by Indian market. It also stopped the use of liquid mercury in its manufacture of CFL to avoid any contamination risk during the production process.

Anchor has fostered this idea further by making sure that its factories minimize the emission of carbon dioxide, and promote the conservation of resources such as water and electricity. The newly commissioned Daman Unit 5 factory is our first green factory and makes use of new methods such as recycling sewage water, small solar power plant for lighting our admin building and modern machinery that reduces wastage of raw materials used for manufacturing products at the factory.

Our business philosophy embeds the principles of Corporate Social Responsibility (CSR) in our operations, which includes the selling of socially responsible products, practicing internal employee engagement and community engagement. These activities are initiated by the CSR committee who co-ordinates with the board to ensure we have an effective CSR policy in place. Our CSR activities are designed to benefit local communities and our 7000+ factory workers who come from the hinterlands of India by conducting medical checkups and providing medical aid in line with our CSR principles.





Sustainable Product Design at Anchor

Restriction of Hazardous Substances Directive (RoHS) is a directive passed from the European Union in 2006, which is applicable to companies operating under the global electronics industry, restricting them for the use of high concern substances such as cadmium, lead and mercury. In India, RoHS came into effect from May 12, 2013, however according to industry experts; a majority of products in India are non-compliant. India had 1.75 lakh millionaire households in 2013 which ranks it as the 15th in the world, according to a recent study. The growing number of households and widening consumer base has driven the growth of the Indian electronics industry where Anchor has a significant presence. We are the first company in India who sells RoHS compliant Wiring Devices and Switchgear, as a conscious effort to keep our consumers and employees safe, as toxic materials used in the electronic products could cause health problems for our consumers and are dangerous in terms of occupational exposure during manufacturing and disposal.

At Anchor, we don't believe in taking reactive measures when it comes to ensuring product safety. Instead as a part of our precautionary measures, we have made sure that we receive the right nature of raw materials from responsible suppliers. Using RoHS compliant suppliers for sourcing our minerals and metals form the foundation of the safety and quality of our products. In order to continue such practices, we have made it a mandatory requirement for our suppliers to provide material declaration certificate that would ensure their compliance with RoHS sourcing requirements. As a measure of extra precaution, our suppliers are asked to comply with Anchor's general requirements by sharing a complete disclosure on materials which are targeted for exclusion. The Wires and Cables business vertical has taken a proactive interest (first in the Industry) by developing the 'Green Guard Cable' that is 'RoHS complaint'. Another product called the 'Telephone Switch Board Cable' is able to attune to zero cross and block out all disturbances. The Company will promote these products aggressively amongst the Infrastructure developers and increase its awareness amongst the Electrical consultants, Architects, Contractors and Individual consumers to enable higher adoption of this "green" product.





Profile, Vision and Strategy

Anchor takes our certifications and standards seriously, from our ISO9001 certification for our manufacturing facilities to our RoHS compliant products, we pride ourselves in taking an interest in our clients and delivering high quality products and services while being environmentally conscious. We have set-up our manufacturing facilities across four locations in India, i.e. Daman, Kutch, Haridwar and Roorkee which is considered as one of the most advanced Research and development centers in the country. Our facilities are equipped with latest equipment which is purchased from the best manufacturers in the world that operates on a state of the art technology. It covers an area of approximately 1.6 million sq. feet.

The factories at Daman, Haridwar, Roorkee and Kutch have been modernized and these factories accommodate equipment and technology that facilitates several processes such as molding, assembly and inspection facilities. Our factories are also installed with facilities for quality monitoring and control which helps us in complying with stringent benchmarks laid down by the Bureau of Indian Standards (BIS). Technology and Innovation are two sides of the same coin, thus we have ensured to invest in several innovative measures such as the Energy Management Systems which optimizes production and reduces electricity consumption. The switchgear and protection products are manufactured in our facilities at Haridwar and these products are designed to enhance Electrical safety and reduction of Power loss.



Profile, Vision and Strategy



The Lighting and Luminaries business at its facility in Roorkee is the first in the country to have an in-house spiral CFL unit, which manufactures Spiral CFL straight from the glass shell; reducing a lot of process wastage. The Business unit has also introduced the LED lighting and fixtures and is committed to increase the adoption of LED in India to enable more Power saving and lessen the environment impact. Similarly, the Fan BU at its Dhamdachi facility in Gujarat has made endeavors to reduce process waste and power consumption. It has re-designed most of its Products to meet the BEE norms and is in the process of launching a new range of Fans that will consume much lower Power during operation than the

existing type of Fans generally available in India.

Not stopping at the above, the new applications and products Anchor is introducing in the Indian Market and also the products are 100% RoHS compliant. The recent introduction to this is the high efficiency Solar Modules from Panasonic from our Malaysian factory. Anchor is committed to reducing its carbon foot print by going GREEN and proposing to set up large captive Solar Power Generation Plants in its Daman and Haridwar Factories which will cater to 20 to 25% of the power requirement of the factories. This is a step towards our long term sustainability goals and climate change program.





President's message



Welcome to the first edition of the Sustainability Report as per the GRI G4 guidelines by Panasonic India. I am delighted to inform our stakeholders that this report is based on latest version of Global Reporting Initiative framework (GRI - G4) which acts as a report card to measure our sustainability targets and endorses our strength in sustainability disclosures. In the last one year, we have seen a lot of affirmative changes in the country, favouring our presence here. But one thing remains constant: Sustainability, an integral part of Panasonic's brand philosophy. The Indian economy has seen a significant shift in the last decade and continues to develop at a rapid pace. With

the potential to emerge as a strong manufacturing base and with a growing services sector, India is emerging as a business destination for companies across the world. For Panasonic Corporation, India is an integral part of ISAMEA region which consist of India-South Asia-Middle East & Africa. Panasonic India will serve as manufacturing hub for the ISAMEA region and will drive sales growth in this high potential market. Owing to this prospect, India has been identified as a priority market globally for Panasonic and has been identified as a strategic country for its global growth roadmap. Over the last several years, amidst intense competition, changing regulatory conditions, and dynamic market forces, Panasonic has been able to create a mind share amongst consumers and stakeholders alike and has established a strong corporate and consumer connect across product categories.

To build on the success that we have achieved in India till now, in the coming years we will continue customizing our products based on the needs and desires of the Indian consumers. This customization forms one of our key strategies in India – Localization – and focus on 'Indovation' which translates into promoting India-based product innovation. It is this localization pillar that has helped us to wear an India lens, understand the need-gap of the market, and create products that provides best-fit solutions to our consumers. It branches out of the concept of innovation stating that the value to the customer and need assessment is to be integrated into product creation and design. The setting up of our Eco factory at Jhajjar, providing employment opportunities to locals across our operations in India and offering them growth within the organization year on year are some examples of how deep rooted the theme of Indovation and Localization is in our DNA. India is on the path of becoming a manufacturing hub and this is completely aligned with our plans for our operation in the country. With the changing economic landscape and the evolving needs of a developing country, India is very well positioned to become an Asian hub for the renewable energy industry. With our special focus on manufacturing and developing our road map for sustainability and natural resource conservation, India will remain a high growth market for Panasonic globally, and we are stepping up our commitments

President's message

vis-a-vis investments in products, talent, marketing and manufacturing operations in this region. Focusing on local manufacturing and expansion of production processes, we will continue to develop India-specific product innovations as well as smart solutions catering to domestic needs.

Panasonic intends to pioneer new standards in successful government – private sector collaborations as we make our journey forward on this path. We also intend to partner with the Government to create sustainable towns and cities, ecologically rich and supported by local production and consumption.

I believe that while the company engages in business activities using the resources entrusted by society, it also develops along with society, so the company's activities must be transparent, fair and just. The entire Panasonic Group takes care to ensure that our management and business activities are appropriate for "a public entity of society," and we will continue to implement this management philosophy through manufacturing as our primary business. This is also the very essence of the Panasonic Group's sustainability and is reflected in our sustainability report.

Daizo Ito

President Panasonic India, Regional Head - ISAMEA

Panasonic India Pvt. Ltd.





Managing Director's message



Panasonic has always been a values-driven company and accordingly we endeavour to continue our journey towards building a smart and sustainable future. The need of the hour is to comprehend this evolving need a little better in the context of its impact on our life and the future. Businesses today are increasing their focus on integrating sustainability into their long term approach by leveraging sustainability to improve processes, pursue progress, and add societal significance to their companies rather than focusing on reputation alone. Panasonic's vision towards achieving a sustainable future involves using the resources entrusted to us by the society - in the form of people,

land, buildings, funds, knowledge information and time – in the most efficient manner. Sustainability for us, includes not just initiatives for the environment and the community, but also encompasses business practices, products, process, solutions created, the people involved, and the overall strategy for making the organization a growth-oriented, successful entity.

We are proud of what we have achieved so far in our journey in India. As an industry leader, we are amongst the first in our sector in India to publish a sustainability report based on GRI G4 guidelines, and we continue a tradition of excellence and transparency in reporting on internal operations related to sustainability and corporate citizenship. This report has been compiled in line with the Global Reporting Initiative's (GRI) most recent version of sustainability reporting guidelines and outlines the progression during the past year and our operating plan for the future, both from management's viewpoint as well as considering issues from our stakeholders. Our sustainability initiatives are designed to reduce potentially adverse environmental impacts from our business through measures such as mitigation of global warming, proper management of chemical substances, reduction of waste and having a focused approach on the efficient use of limited resources throughout our business operations. All of our Business milestones are integrated into our brand and we constantly strive to create valuable ideas which is exemplified in our brand slogan, "A Better Life, A Better World"

Given the highly competitive market in India, a key point of differentiation for Panasonic is to build on the trust that the consumers have on us. In a time of increased outsourcing and responsibility with regard to Environment, Health and Safety, it's crucial that companies find the right supply chain, enabling them to create a network that is sustainable and effective in meeting customer expectations. Panasonic India believes in implementing a responsible supply chain that helps to connect people beyond our network and design strategies that contribute to a better world. Our supply chain is based on the concept of "Responsible Corporate Citizen at each Step" and it is designed to manage

Managing Director's message

highly material issues identified by us which in turn will lead to lowering of risks, costs, and promotion of social and environmental responsibility. I am happy to share that in this report we have started from sourcing of products to end of life of product. The structure of the present sustainability report reflects this effort to ensure sustainability at each step of our value chain. The report depicts our performance against each of the material issues and our efforts to manage the same at Panasonic India. Our aim is to become the Most trusted brand in India through Smart Solutions, and we are already making progress in this area. What we have achieved at our Technopark in Jhajjar is testimony to this holistic approach to sustainability. Our focus on consumer trust also means that the satisfaction level of the customer will always be at the center of our operational strategy. Panasonic designs and develops its products with the customers' needs and best interest at heart, and we will continue to do so. In the financial year gone by and going forward, we have clear business priorities. As an enterprise, our foremost business priority is expansion of sales and a continuous drive to achieve high revenue. This is something that impacts all our stakeholders and is a critical component of business sustainability.

Panasonic India is a responsible corporate and we work diligently through our robust initiatives to help our communities enhance their life conditions as well as become more self-sufficient. In the coming years we will grow this footprint even more, with initiatives at various levels. Over the next few years, Panasonic India aims to grow from being a philanthropic contributor for social development to become an organisation that takes ownership of issues and helps create shared value. I look forward to the coming years to create more initiatives across all business, environment and community sustainability platforms, and hope to have each one of you along with us in this journey.

Manish Sharma

Managing Director- India & South Asia

Panasonic India Pvt. Ltd.





Our Policy for a Sustainable future

The foundation of our corporate citizenship pledge is the Panasonic Sustainability Policy. The policy highlights how we aim to contribute to the development of a sustainable future through our business. In our opinion, the evolution to a safer and more sustainable future should not be predominantly determined by the risk of disaster. We have realized this and have worked with a focus on our triple bottom line – People, Planet and Profit, through 'Our Policy for a Sustainable Future'. The policy is a critical component of our structure and business approach.

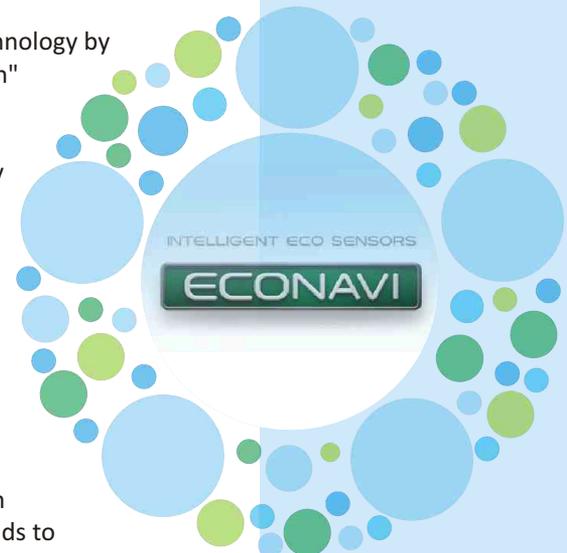


What's New?

The expected growth of the global population to nine billion by 2050 coupled with the increase in usage of natural resources at an unprecedented rate would require a total of one and a half earths to support the rising demand. Although technology has accelerated industrialization throughout the globe and has contributed to the current pressures on the resources of the planet, it is no surprise that technology may be the only way to mitigate negative environmental impacts of human activities and demand. This can be aided by encouraging people to give consideration to reducing wasted energy, while enjoying the benefits of convenience and comfort in their daily lives. Living an eco-lifestyle doesn't mean people need to compromise on comfort and this is the belief guides Panasonic in India and across the world.

Intelligent Eco Sensors termed as "ECO NAVI" is the new technology by Panasonic, standing for "Ecology (= Energy Saving) Navigation" which automatically operates itself in the most efficient and energy saving way. By improving the previous Intelligent Inverter's already impressive benefits, ECONAVI conveniently optimizes the performance of appliances while greatly reducing electricity and water consumption. Products based on ECO NAVI technology i.e. air conditioners, refrigerators and washing machines will allow our customers to live their lives without contributing to unnecessary pollution and waste and also save them money in the long run. We believe such innovations would drive the market and purchasing behavior of customers towards eco-minded products. The technology uses intelligent sensors such as Human Activity sensors and Sunlight sensors which is able to monitor human location, movements, absence and sunlight intensity that leads to energy savings up to 38%.

In a tropical country like India, where the summers can be extremely hot, people have to rely on air-conditioning for longer durations of time. Consequently air conditioning is used on a significant scale in India and such usage creates a significant negative impact on the environment due to increased energy consumption. This energy consumption and usage of air conditioning makes the environment even hotter by contributing to global warming through the discharge of gasses such as carbon dioxide (CO₂), chlorofluorocarbons (CFC's) and hydro chlorofluorocarbons (HFC's). The CO₂ is emitted due to electricity generation and CFC's and HFC's are used as refrigerants in air conditioning units. These gases have a negative impact on the environment as they are part of the greenhouse gases that trap heat and lead to depletion of the ozone layer. This problem is multiplied due to the fact that the hotter our environment gets, the more reliant we become on air conditioning systems. Therefore, our engineers have worked on a technology that would reduce these negative impacts without compromising the efficiency in cooling.



INTELLIGENT SENSORS
REDUCE WASTE

Human Activity
Sensors

Sunlight Sensors

Energy Savings up to

38%



What's New?

Our 'New Temperature wave' technology uses rhythmic temperature-controlled pattern that works on the concept of Thermal Physiology where the human body adapts to the marginal changes in the temperatures. Temperature wave technology allows air-conditioners to change the set temperature from +0.33 degree Celsius to +1.33 degree Celsius which results in significant energy savings without compromising the comfort level. Air conditioners running for longer durations under less sunny conditions lead to significant energy wastage.

ECONAVI Sunlight sensors takes into account the current weather conditions and adjusts the set temperature accordingly. For example, if conditions are sunnier, the sensors would decrease the set temperature by 1 degree Celsius and if there are less sunny conditions the sensors would increase the set temperature by 1 degree Celsius.



Human Activity Sensor

Sunlight Sensor

ECONAVI DETECTS AND REDUCES WASTE IN ALL THE RIGHT WAYS



What's New?

Refrigerators are the biggest energy guzzlers in a typical household, where it can account for one-fifth of your annual electricity costs. India being one of the largest consumer markets it is showing an increased demand of household products, including refrigerators that drive energy demand and in turn put more pressure on coal-fired plants contributing to devastation caused by coal extraction and burning. There exists a difference in lifestyle patterns of every family. The ECONAVI sensors are designed to gain an insight in the usage patterns of the refrigerators such as when the doors are opened the most and detecting the brightness of the room. All the refrigerators sold by us are equipped with four sensors which automatically detects and cuts excessive cooling for maximum power savings. (We have identified four areas where the sensors aims to identify energy consumption patterns). The light sensor detects the surrounding brightness and determines when a refrigerator is in use or not and another sensor in surrounding temperature. An internal temperature sensor detects the temperature inside the refrigerator to determine the required cooling power and a door sensor which records how often the door is opened and closed to determine the lifestyle pattern of the family and adjust the refrigerator temperature accordingly.



1. Door Sensor

Detects the frequency of door opening/closing

2. Light Sensor

Detects surrounding brightness. When lights are switched off, the sensor determines that the refrigerator is not being used.

3. Room Temperature Sensor

Detects surrounding temperature.

4. Internal Temperature Sensor

Detects temperature inside refrigerator to determine the required cooling power.

Panasonic Smartphones

Although mobile internet connectivity has existed on a small scale for over 10 years in India, it was often considered a luxury rather than a necessity. Since then much progress has been made with India entering a new digital age and the usage of internet of gone up dramatically from the citizens of this country with at least 200 million internet users which is more than the United States and second only to China. Studies suggest that 84% of internet users access websites through mobile phones. We have recently launched android smartphones T41, P41 and P61 that are available at relatively low prices, which would allow users to gain access to products and services in the field of travel, education, retail and even agriculture that were otherwise not available to most users. We believe the scope for internet devices in India is ever expanding like in the case of travel bookings. While booking a rail or plane ticket once took hours of queuing or paying an agent now the process can be done through a smartphone making the government's railway ticketing website the biggest e-commerce portal in the country.



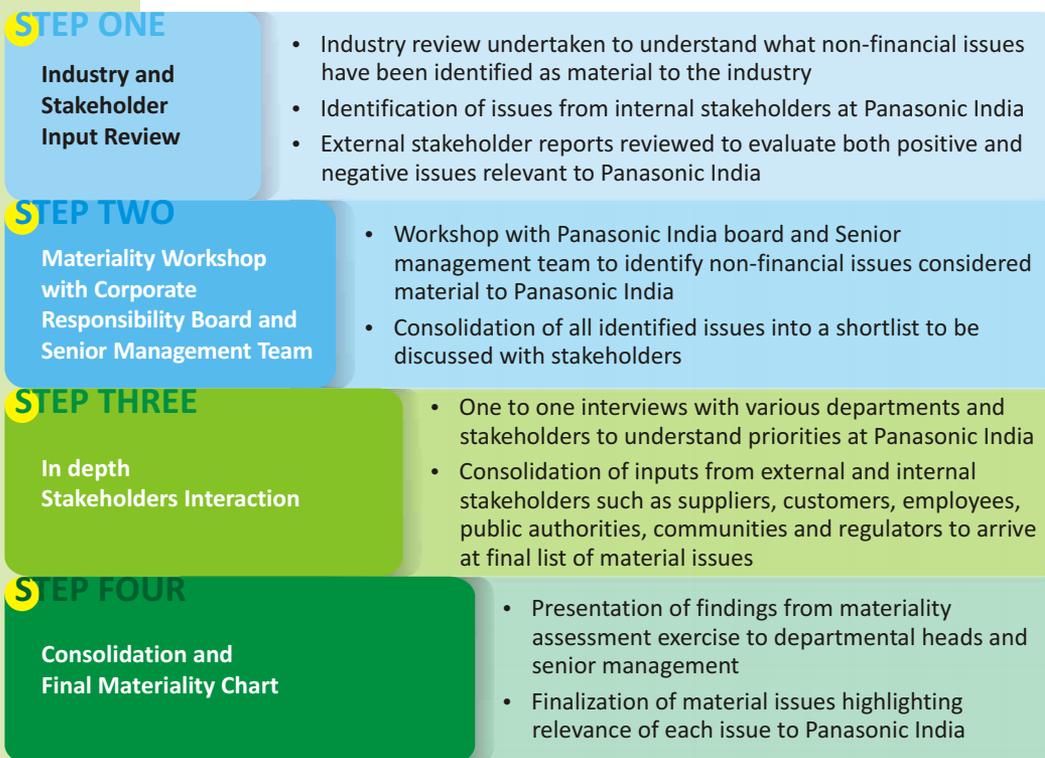


Stakeholder's engagement and materiality

Panasonic India gives high priority to productive and proactive dialogue with both external and internal stakeholders. The reason for this is that we consider ourselves a part of society and an active participant in it. The inputs during these interactions with various stakeholders such as suppliers, customers, industry forums, employees, public authorities, communities and regulators were considered during the process of identifying the material aspects for the company in line with the requirements of GRI G4 guidelines, to arrive at a shortlist of material aspects. A workshop to sensitize the internal stakeholders to the materiality process was conducted and the relevant issues identified by each department during this workshop were also added to this shortlist. From this shortlist, the final selection of material aspects for this report was validated by a conducting one to one interactions with all major departments in Panasonic India, including interactions with representatives from Finance, Marketing, Communications, Finance, Human Resources, Legal, Procurement, Quality, Logistics and Environmental Health and Safety and prioritization of the identified material issues was done. Following this, the final list of material aspects was arrived at and again evaluated against the priorities of Panasonic India through specific interactions with the senior management of the company resulting in the final material issues.

The boundary of the material aspects identified through the materiality assessment process is limited to the operations of Panasonic India, with the exception of supply chain impacts, whose impact are mostly outside the organization. For us none of the identified issue is unimportant; the position of each in the matrix simply represents our understanding of its relative importance to the Company and its stakeholders.

The process followed for materiality assessment and stakeholder dialogue is as follows:





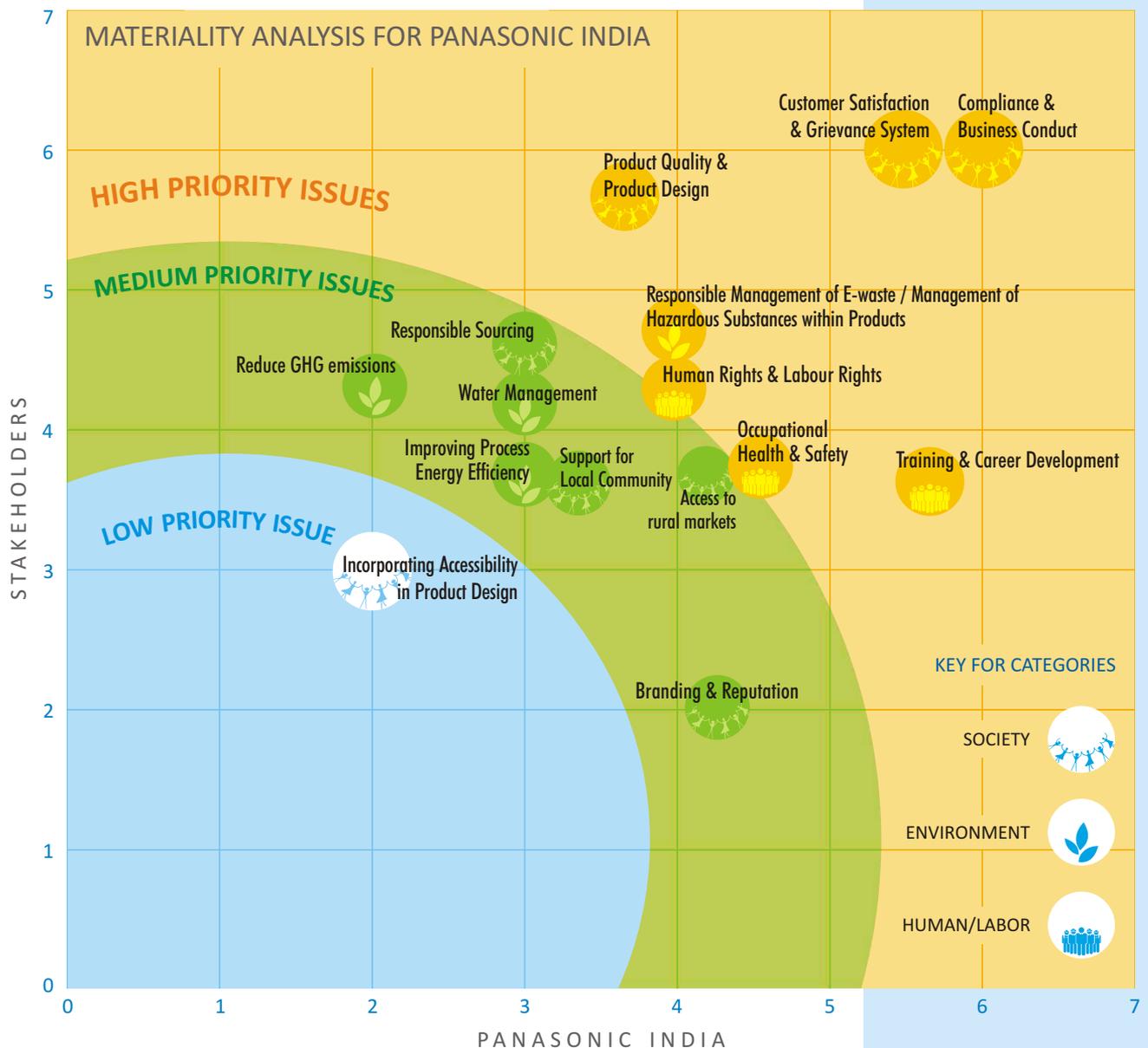
Stakeholder's engagement and materiality

The list of material aspects identified by us have been further grouped in three buckets:

High Priority Issues: These are the issues which impact us and our stakeholders the most. The issues identified here are critical to the success of the business strategy at Panasonic India. For these issues we have outlined detailed information on the approach that we follow for managing them.

Medium Priority Issues: These are the issues which may impact us or our stakeholders in the near future. These are the issues where we may have regulatory requirements or there is rising stakeholder concern.

Low Priority issues: These are the issues where the impacts on stakeholders and Panasonic India may be delayed or relatively minor. However the issues mentioned here will be regularly monitored and reviewed.

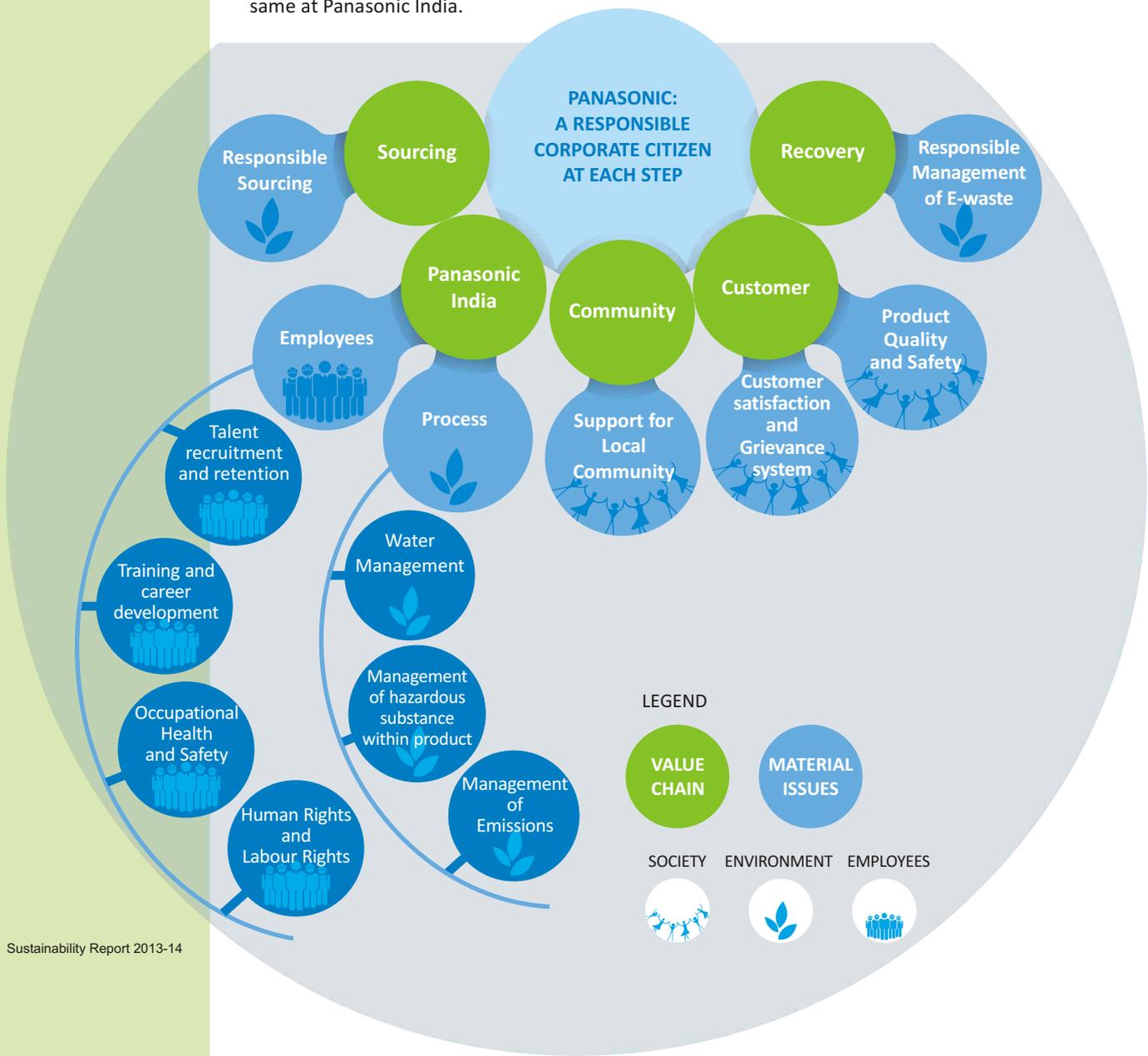




Panasonic: A Responsible Corporate Citizen at each Step

Panasonic India

In a time of increased outsourcing and responsibility with regard to Environment, Health and Safety, it's crucial that companies find the right supply chain configuration enabling them to create a network that is sustainable and effective in meeting customer expectations. Panasonic India believes in implementing a responsible supply chain that helps to connect people beyond our network and go home with design strategies that contribute to a better world. Our supply chain is based on the concept of "Responsible Corporate Citizen at each Step" and it is designed to manage highly material issues identified by us which in turn will lead to lowering of risks, costs, and promotion of social and environmental responsibility. We wish to inform our stakeholders about the processes that we have starting from sourcing of products to end of life of the product. The structure of the present sustainability report reflects this effort to ensure sustainability at each step of our value chain. This value chain has been presented below and the subsequent sections map the material issues to each step in this chain. The report depicts our performance against each of the material issues and our efforts to manage the same at Panasonic India.





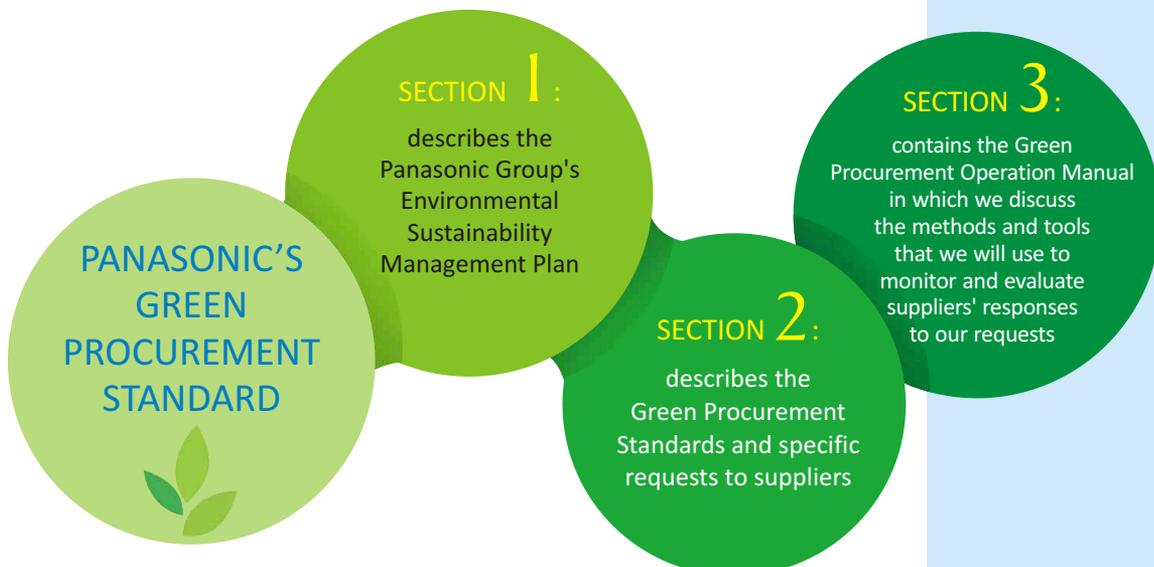
Responsible Sourcing

Panasonic India takes pride in selling products of highest quality, longer durability and at a fair price, but we also do it responsibly. We take into account how our business effects the environment and our stakeholders at large. Selling products without ensuring traceability of the components and unsustainable manufacturing would not only set a bad example in the electronics industry but also have an adverse impact on the environment and society.

Our policy on responsible sourcing guides our business operations to ensure that every material whether, sourced or extracted used in the manufacturing process comes only from shortlisted suppliers who have met all the relevant compliances and regulations. This practice of responsible sourcing enables us to work closely with our suppliers and helps build trust with our customers as they become confident that the products they use come from a responsible source.

Every supplier is required to follow to a standard purchase agreement, which includes the requirement of compliance to our Green Procurement Standard that ensures all our suppliers and vendors are appropriately screened and selected through a transparent and unbiased process. Each potential supplier is assessed on parameters such as safety, environmental impacts, quality, competitive pricing and meeting agreed delivery dates. In the year 1999, our company first issued Green procurement standard which state our company's preference to procure from suppliers who are proactive in reducing their environmental impact. Our Green Procurement Standard requests our suppliers to establish an environmental management system and ensure comprehensive chemical substance management, as well as to expedite resource recycling, biodiversity conservation and the reduction of greenhouse gas emissions. Being aware of the need to spread these initiatives across our supply chain, we also request our suppliers to encourage their upstream business partners to reduce their environmental impacts.

OUR GREEN PROCUREMENT STANDARD CONSISTS OF THREE SECTIONS





Panasonic: A Responsible Corporate Citizen at each Step

The standard highlights how preference will be given to those suppliers who are positively implementing environmental impact reduction initiatives. The various important aspects of our Green procurement standard are as follows:



By promoting eco-conscious procurement based on these Green Procurement Standards, we hope to contribute to the protection of the global environment with our suppliers. We would like to request our suppliers to continue to support and cooperate with our Green Procurement initiatives and thereby minimize adverse impacts of any of our products.



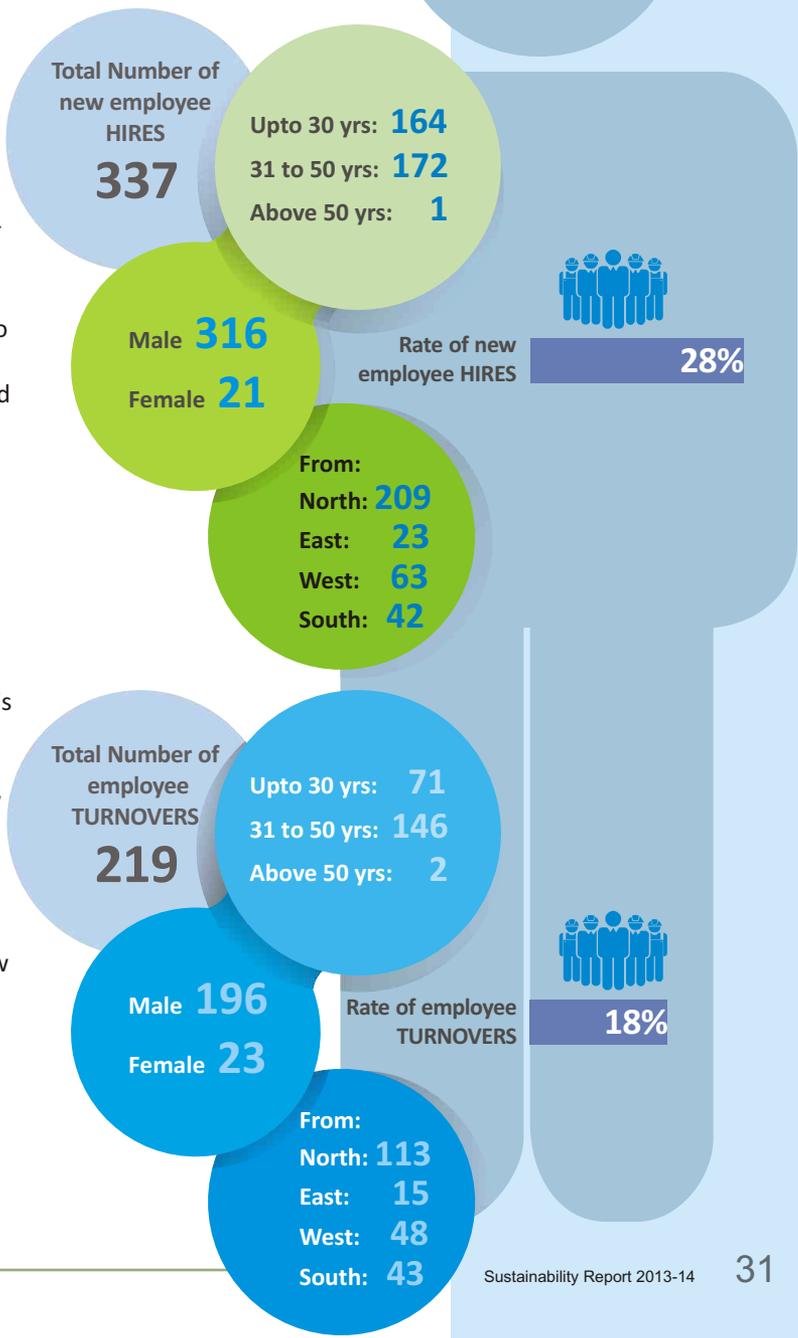
Employees - Talent Recruitment and Retention

Panasonic India aims to be the organization of choice for a diverse and inclusive workforce as can be seen through the significant representation of women and local communities in our employee group. Panasonic India's philosophy is to provide the best possible benefits for its employees along with the flexibility to employees to select programs that best meet their developmental needs. As of March 31, 2014, Panasonic India employs 1244 employees including 1186 Indian staff and 58 expatriates.

OUR WORK FORCE COMPOSITION DURING REPORTING PERIOD IS AS FOLLOWS:

The issue of high unemployment prevails in several regions of the world and has been exacerbated by the recent financial and economic crises in the global economy. Our efforts to contribute to reducing these challenges ensure that we take appropriate steps to continue to provide employment to our workforce regardless of their gender, race or ethnicity. We must acknowledge and address the needs of the future workforce that would allow us to keep attracting the kind of employees we desire.

People who are born between 1980 and 2000, also known as 'The Millennial generation' are now entering the global workforce in large numbers and are expected to have a huge impact on the global workforce in the upcoming years. It is essential for us to attract the best of these millennial workers for the success of our business. We have kept a focus on this new workforce because over half of the population in India is scheduled to retire and by 2020, the millennials will constitute 50% of the global workforce. We strongly encourage our employees capitalize on new initiatives, think creatively and hone their unique talents which would be highly beneficial for business growth and development. We have therefore incorporated a talent acquisition program which aims to attract the most suitable workforce with the skills relevant to our organization's needs.





Panasonic: A Responsible Corporate Citizen at each Step



Talent Acquisition: Our program comprises of six important stages:



Performance Management System: Our Performance management system allows us to measure the job performance of an employee and exposes our employees to appraisal opportunities subject to regular reviews of employee performance within organizations. The performance appraisal cycle at Panasonic India follows the financial year (1st April – 31st March) with a bi-annual evaluation being conducted for the employees. The whole performance management appraisal process is managed by the corporate HR teams at Panasonic India.

Panasonic: A Responsible Corporate Citizen at each Step



Every employee deserves a performance review as it aids their personal and professional development. This development leads to increased employee satisfaction which co-relates with better organizational performance in a longer run.



Employee Benefits: We strive to continue improving the benefits for our employees based on their feedback and needs. The notable improvements in our employee benefits include a nearly 10 per cent increase in the paid maternity leave we offer, as well as the addition of an additional 90 days of unpaid leave time, giving our employees as much as six months of time at home before returning to work. We have also instituted a drop-off program that gives an employee who is working late the chance to get a free ride home, no matter how far he or she lives from office. Also parental leave is offered to employees both at corporate offices and at plant level to provide employees freedom to contribute to the care of their children. In the reporting period, 32 male employees and 9 female employees availed parental leave. The impact of these initiatives is seen in the fact that we have a return rate of 100 per cent for employees returning from parental leave, reinforcing our belief that such benefits allow us to retain our talented employee workforce.

Percentage of employees who received a regular performance and career development review

100% for eligible male employees

100% for eligible female employees



Flexible Office Timing: Our policy on Flexible office timing encourages employees to maintain a work-life balance and promote the culture of self-discipline. Conventionally, employees are expected to work for eight hour shift but flexi-timings will give our employees more freedom with regard to their in and out time, without compromising their presence in their core office timings. Core office timings approximately constitute of 50% of the total working hours and the remaining hours can be chosen by employees as per their convenience. Flexi-timings has been beneficial to Panasonic India in terms of increased efficiency and motivation. Ever since the introduction of flexi-timing policy we have encountered reduced turnover rate, absenteeism and also have experienced untroubled process in attracting and retaining talent

Flexi-timing have enabled our employees to practice a healthy work and life balance as they get available time to effectively meet their family and personal commitment. We have observed increased productivity from our employees as they are in a position avoid rush hours in their long commute, making it a win-win situation for both employer and employee.



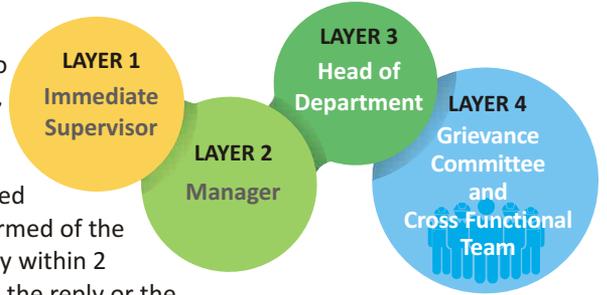
Grievance Mechanism: Every organization, including Panasonic India, is exposed to the potential risk of objections and disputes with our stakeholders inside or outside the organization from employees, suppliers, consumers, local communities and others. Hence having in place an effective grievance mechanism helps in addressing issues raised in disputes and helps maintain the faith of our stakeholders in the company. Any dispute needs to be tackled with the right approach or it can lead to major issues that could have a negative impact on the company both in short and long term.



Panasonic: A Responsible Corporate Citizen at each Step

In order to avoid such situations, we have in place a robust grievance procedure where a grievance of an employee is screened at four layers -

However the nature of the grievance determines the layers that are required to engage to solve the dispute. For example, an employee will inform their immediate supervisor about the current grievance and in turn the complaint will be forwarded to his manager. Once the manager is informed of the situation, the employee can expect a reply within 2 days. If the employee is not satisfied with the reply or the taken corrective action to address their complaint, then the issue is conveyed to the head of the department (HOD). The HOD's in turn have a period of seven days to come up with a solution and if the HOD also fails to resolve the issue, it is then forwarded to the Grievance committee.



As a part of the grievance mechanism, we also conduct grievance and counseling session where we engage with employees to discuss on-going issues. Our findings identify the nature of the grievances and these range from hospitalization issues, health problems to health insurance claim. All the issues were duly dealt with leaving our employees satisfied and happy.

In the first quarter of FY: 2014, a canteen committee meeting was held where the grievances related to food quality was discussed and a total of 14 issues were brought up by the employees related to food quality, hygiene, improved menu, and the general decorum and cleanliness of the canteen. We successfully managed to resolve all the issues. In a similar event, a transport committee meeting was held and a total of 10 issues were brought up and 70% of them were resolved while 30% are in process.



Training and Career Development:

We acknowledge that all our business plans and ambitions will be realized through the people who work for us, therefore it is in our best interest that we conduct frequent activities to effectively address the agenda of training and career development of our workforce.

We have managed to create learning interventions that are inclusive and engaging, allowing our employees to maximize the value addition from these initiatives. The basic elements of our training consist of extensive workshops, seminars and targeted trainings with an objective of enhancing particular skills of employees at their respective levels, including our tailor made courses such as Business Leadership Development Programs. We realize that it is through training and promotion, a company can successfully keep their employees motivated. We have initiated programs that sends our high potential candidates to overseas development training, with employees operating in critically important positions receiving internal and external coaches. Our programs such as Panasonic Young Leaders and Technical leaders aims to provide mentorship to the younger generation of Panasonic employees.

We have trained our managers to demonstrate strong leadership skills which would create an organizational culture that encourages our employees to live



Panasonic: A Responsible Corporate Citizen at each Step

up to their full potential. Our work culture not only help employees to develop themselves but also expose them to opportunities that allows our employees to tackle new challenges and accomplish their goals.

A significant amount of our efforts goes in the employee development programs which provides a great platform to Panasonic India and our employees to engage in a productive manner and identify opportunities for development of new skills. The success of these programs depends largely on the frequency of our organization's engagement with our employees.

We have several departments in our organization, and it is important that each department plays its role for our company to thrive in a competitive market. The functional training program is undertaken by learning and engagement team (L&E) with an objective to develop technical skills in employees that would allow them to perform their respective roles with increased efficiency, making a positive impact on the overall productivity of the company. Functional training is conceptualized under a robust system with adequate procedures to identify the training needs of a department and the identified training needs are forwarded to the learning and engagement team who design the final training interventions. In order to cater to specific needs of each department, the L&E team in consent with the head of department can design a customized intervention to make sure the needs of all the employees are met without compromising efficiency. The cost of the training is ascertained from the consensual agreement between the L&E team and the head of department. The finalization of training dates is followed by the engagement of a training facilitator/agency who will conduct the trainings. The implementation of the functional training program is an important stage as it consists of finalization of the training venue, arranging the necessary infrastructure, ensuring support from the admin, measuring the effectiveness of the program and a feedback analysis.



Panasonic India also lays an emphasis on training of our employees, both permanent and contractual, at the plant level also. The Factory HR team often organizes training programs as per the needs and requirements of the management staff and direct workmen of the 'Technopark' production facility to facilitate updates in knowledge and skills in order to change the behavior and attitudes of the workforce. This training helps participants look at safety in a new way, so they can help themselves and their co-workers work safely. The training is conducted for the entire year and the Factory HR is follows a process to identify and finalize external training agencies 30 days prior to the training dates.



Performance Management System (PMS) for Direct Workmen:

The performance management system is a strategic process that aims to improve coordination among different management practices in order to achieve improved levels of individual and organizational performance. This is done by establishing a culture where individuals and teams take responsibility for continuous improvement of service delivery as well as their own skills, behavior and contributions to the company. It is a tool used to implement effective management to ensure that the individuals and team are aware that what is expected of them. The individuals and teams are given training to develop their capacity, so they can continue to meeting what is expected of them and to meet the aims and objectives set by the team.



Panasonic: A Responsible Corporate Citizen at each Step



The PMS consists of six elements which are essential to its success:



HR Business Ambassador Program:

Our HR Business Ambassador (HBA) program is specially designed for Panasonic employees in India, where the HR business ambassador who is a member of the HR team connects with a branch/business function to support them in their day to day operations. The HBA speaks to each employee in his/her respective branches/business functions at least twice a month.

Panasonic: A Responsible Corporate Citizen at each Step



Procedure for HBA programme:



Responsibilities of HR Business Ambassador:

- Attend HBA Workshop- The first step taken by the ambassador is to attend the HBA workshop and ensure that everything is in order.
- Call Frequency - 15 days- The ambassador then needs to maintain an engaging rapport with the employees with at least getting in touch with them every 15 days.
- Cover focus areas- It is the responsibility of the ambassador to observe the progress of the workshop and document and cover focus areas.
- Compile key points- At the end of the workshop, the ambassador is required to document all the highlights of the workshop.
- Report Head HR on a monthly basis
- Unresolved issues – communicate back
- Quick resolution of urgent issues.



Evaluation of Training Effectiveness: Pre-Training Assessment

As a part of our training program, we conduct an evaluation of training effectiveness. The Pre & Post training assessment allows us to identify gaps in the skills of our employees and update the same. We also use Training Needs Identification (TNI) as a process to identify gaps between the training our employees receive and the kinds of training they need. We assess the general knowledge and subject matter knowledge of our employees through self-assessment and external assessment. During the past year, we offered



Panasonic: A Responsible Corporate Citizen at each Step

workshops to direct workmen on process training, team building, interpersonal skills, first aid and personality development along with environmental awareness training to the general workforce. Our training programs are divided across two categories functional and behavioral.

Functional Training

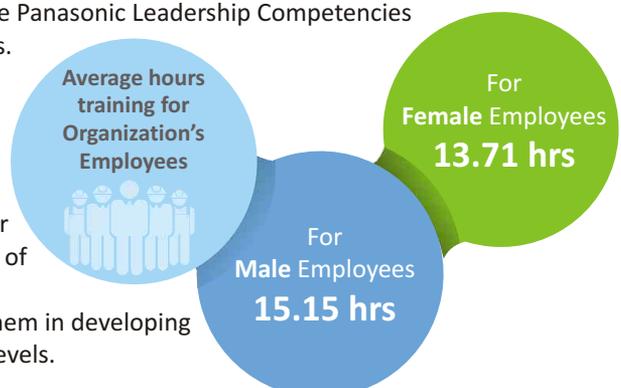
The planning of the sales team plays a vital role in executing the vision of our sales strategy. It often happens that a certain flaw in the planning process can be responsible for a failed strategy. One of our most challenging tasks is not evaluating a sound strategy but it is acquiring the kind of people who can execute such strategy. An attempt to improve everything at once is often the cause of weak focus, therefore we provide training to our sales team to determine and prioritize goals and focus on one goal at once. Prioritizing goals is a critical aspect for long term success, therefore we often conduct training on the concept of 'Wildly Important Goals' (WIGs), where our employees gain a thorough understanding on identifying a priority goal that holds a considerable significance, consequence and value. Training sessions on 'Wildly Important Goals' provides an opportunity to our employees to improve revenue, profit, market share, and customer satisfaction, also known as 'lag measures'. 'Lead measures' plays a delicate role in pursuing a priority goal as it significantly improves the behavioral aspect of our employees that drives the success on the lag measures.

A valid scorecard is maintained to track the progress of WIGs that is used to identify areas for improvement in lag and lead indicators. These training sessions are conducted for 2 days in every week during the month of June, July and August in all 12 regions and are introduced as Regional Sales Program.

Behavioral Training

To demonstrate our regard towards the continual improvement in productivity, we have formed a Learning and Engagement (L&E) team who undertake Behavioral Trainings on a Quarterly, Bi-annually and yearly basis. Behavioral Trainings is an approach to develop technical competence and traits in employees which support them to perform their respective roles and responsibilities more effectively thus increasing productivity. The successful implementation of such trainings largely depends on the needs the employees, where the L&E team determines the gap in skills and accordingly design the training program. The process is initiated by assessing the performance appraisal data that is used to analyze Panasonic Leadership Competencies (PLCs) to ascertain competency gaps.

In fiscal 2012-13, our employee turnover rate was 12 per cent, as compared to 20 per cent in 2011-2012. This relatively low turnover is rare in the electronics and consumer durables industry and is a reflection of Panasonic India's effort to meet employee expectations and assist them in developing on both personal and professional levels.





Occupational Health and Safety

Our objective regarding the health and safety of our employees is to achieve a comfortable and a hazard free workplace. We believe that creating such a work environment is these factors that pave the way for development of our business.

We take the issues concerning Health and Safety as a priority throughout our operations in India and globally. Our health and safety objectives share the same level of attention, as our primary business objectives. The primary aim of health and safety programs is zero major industrial accidents and we believe our practices are in full compliance with the legislative requirements of the Indian Factory Act 1948. The objectives of the policy include ensuring a safe and healthy working place, preventing all occupational disease and promoting health of our employees, avoiding all industrial accidents and developing individual personal responsibility for occupational safety and health.

Factories can be referred to as power-houses of most businesses since many of the major activities of the core business are performed there. However, it is also a place which harbors a risk of potentially dangerous incidents. Considering the nature of operations in our premises we provide our employees with various health and safety equipment including basic safety and protective gear in our factories and lifting belts, gloves and protective glasses in our warehouses. We are pleased to report that our disciplined approach on major health and safety has resulted in Panasonic India achieving zero safety violations in the last fiscal year at our facilities. Consequently, there have been no injuries, lost days, absenteeism or work related fatalities during the 2013-14 financial year. We take a pledge to continue taking such necessary preventive measures that would ensure this high standard of safety is maintained.

Our health and safety policy comes with three important aspects i.e.



Our commitment to Environment, Health and Safety (EHS) issues is demonstrated through business operations that are in line with the objectives of environmental preservation and at the same time contributing to sustainable economic development. Panasonic India is willing to go an extra mile to achieve best practice in EHS management practices on top of the continuous compliance with EHS standards. The EHS policy at Panasonic India has been developed to address several important aspects such as mitigating effects of global warming, proper management of chemical substances, and reduction of waste, effective use of limited resources, and safety and health-related issues.



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Our safety committee consists of fourteen experienced members and is headed by DGM-HR plant and through our safety committee meeting happens on a fortnightly basis. We identify shortcomings at our premises regarding safety hazards and take corrective action accordingly.



Human Dignity and HIV Aids Policy

Panasonic India has a comprehensive policy on human rights in place. We consider human rights to be as one of our core values and this has inspired our Code of Conduct described in this report. The success of any business is correlated with the atmosphere in the workplace. As an organization it is our responsibility to make sure that each employee is treated equally and is presented with opportunities at par with any other member of the Panasonic India work force. We work to ensure equal employment opportunities and our policy on human dignity states that no discrimination based on sex, nationality, race, ethnicity, creed, religion, social status, physical or mental disability or any other legally protected status towards employees or others shall be tolerated in speech or conduct. The workplace at Panasonic India is designed to respect each employee's personality, privacy, motivation, and in appropriate circumstances, try to offer opportunities matching those available in other regions where the Panasonic group is present.

Sometimes there occur unfortunate incidents involving violent acts or sexual harassment that can drastically decrease the morale of the employees. Therefore, we have strived to create a safe and pleasant workplace by adopting stringent processes of dealing with violation of compliances, sexual harassment, violent acts and others.

One of the most important attributes of an efficient workforce is the wellbeing of employees. This includes measures to maintain the efficiency of the workforce includes a HIV/AIDS Non Discrimination Policy. Interactive sessions are conducted to raise awareness on this particular disease that is associated with a lot of social stigmas. We are committed to assist our employees infected with or affected by HIV/AIDS through ensuring any suspected employee diagnosed with HIV/AIDS is not discriminated in any form or manner. If any member of the organization is found guilty for encouraging such behavior, he/she will be subject to disciplinary action. The information of any employee infected by HIV/AIDS is kept confidential.

Accommodating the full extent of human rights in an organization can be a challenging area to address in the field corporate sustainability. The reason that makes it even more challenging is that there have been human rights directives issued on a regional as well as on a global level which adds to the complexity of this issue. It has been unanimously agreed on a global scale that organizations have an obligation to respect human rights. We have respect for all categories of human rights and we welcome all our potential employees irrespective of diverse cultures, religions, mindsets, laws and regulations at local, regional and national level.

It is very important for us that our suppliers have a similar perspective on human rights. Therefore we only conduct business with suppliers who have respect for human rights and demonstrate such views in their businesses operations as well. We are pleased to announce that all of our sellers and

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subcontractors ensure equal employment opportunities, reject all kinds of discrimination towards employees such as gender, age, nationality, race, ethnicity, creed, religion, social status, physical or mental disability or any other legally protected status.

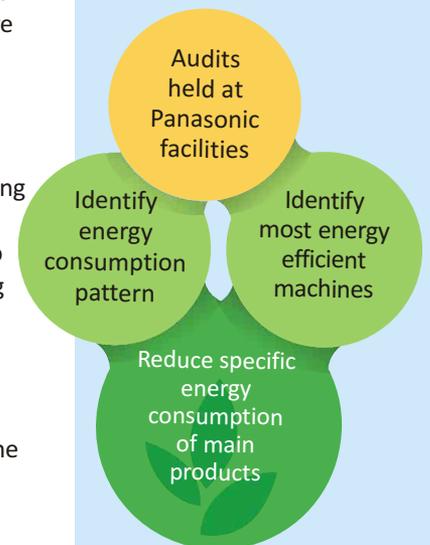
Our suppliers and subcontractors comply with the applicable laws and regulations with respect to wages and working hours, in the countries and regions where they conduct their business. The privacy of each employee is respected at our supplier's premises and they are given full recognition in terms of having different values and individuality. We ask for a strict assurance from the suppliers that their workplaces create a safe and pleasant environment and avoids speech or conduct that violates human rights such as defamation suits, insults, sexual harassment or violent acts to create an equal and just work environment in all parts of the value chain of Panasonic India.



Process Management

Management of Emissions and Energy Efficiency

The presence of greenhouse gas (GHG) emissions in the atmosphere have now reached an unprecedented level. Several scientific reports have confirmed that mankind as a species have single handedly altered Earth's natural cycles and is the predominant cause for global warming. India as an emerging economy along with other developing nations would have responsibility in reducing carbon emissions in order to keep global warming within the 2 degrees Celsius (1.8 degree Fahrenheit) cap. This means GHG emissions across the global energy sector need to drop by one-third by 2030 and just over one-half by 2050 to keep global mean temperature within the 2 degrees Celsius cap, else mankind would have to face irreversible changes in the climate. We take this matter of great concern and we realize that major businesses can play a tremendous role in managing and mitigating their emissions. Carbon dioxide (CO₂) is the primary greenhouse gas emitted through human activities. Carbon dioxide is naturally present in the atmosphere as part of the Earth's carbon cycle (the natural circulation of carbon among the atmosphere, oceans, soil, plants, and animals). Human activities are altering the carbon cycle—both by adding more CO₂ to the atmosphere and by influencing the ability of natural sinks, like forests, to remove CO₂ from the atmosphere. While CO₂ emissions come from a variety of natural sources, human-related emissions are responsible for the increase that has occurred in the atmosphere since the industrial revolution. We also have processes that are energy efficient which further act as a source for achieving carbon emissions reductions. Reduction of energy consumption while maintaining or improving human comfort, health and safety are of primary concern. Audits held at our facilities does not only identify energy consumption pattern but also identifies the most energy efficient machines. The Jhajjar Plant is manufacturing Air conditioners, Washing Machine and Welding machines and is working for 8 hours per day that depicts a considerable amount of emissions. We take in account the recommendations given after audits performed at the Jhajjar plant and it is implemented so we can reduce specific energy consumption of main products i.e. for air conditioners, washing machines and welding sets at the same level of production. The plant management is quite active and can implement these recommendations. Panasonic India has also given best energy savings





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consumer products such as Ceiling fan. Panasonic India aims to keep its practices regarding reduction in emissions in line with Panasonic global who has set a goal to maximize the size of contribution in reducing CO₂ emissions from production activities and product use (Size of contribution in reducing CO₂ emissions: 47 million tons in in fiscal 2016). We have conducted several energy saving activities such as the testing the reliability of our power source at the AC factory. These activities allows us to determine the scope for improvement in our machineries. For example, our findings from reliability testing on the DG set machine helped improve its functionality in various aspects such as reducing its electricity consumption from 750 kilovolt-amps (KVA) to 160 kilovolt-amps, diesel usage from 90 litres per hour to 20 litres per hour that had an overall cost effect of 2,213,000 per year. We also have in place a solar system at the premises of our headquarters. The reliability tests conducted on the solar system indicated that the air conditioners running in the server room gets its power from three sources i.e. DG, government and solar where solar power was mostly used for lighting in the building. As per the analysis of the tests, subsequent changes were made the solar system. Solar power was rerouted to the air conditioner of the server room. We experienced an energy savings of 1890 Kwh/month and the total cost saving of Rs 22,680/month. Monitoring and reducing our operational costs enables us to deduct our environmental footprint. The total consumption of electricity within our organization has been 2327744 KWh joules. Our total fuel consumption from renewable sources, i.e. solar energy is 3465 KWH. In fiscal year: 2014, our total fuel consumption from non-renewable sources i.e. Diesel was 565806 litres, whereas total fuel consumption from LPG has been 31081 kg. During the FY: 2013-14, our scope 1 GHG emissions was 2157 metric tons of CO₂ equivalent, whereas scope 2 emissions has been recorded as 190875 metric tons of CO₂ equivalent. Methodologies used in determining scope 1 figures starts by determining the total number of product manufacture for FY-2013-14 and per product energy consumption is calculated. After using KWh CO₂ emission factor is used (0.927 KgCO₂/KWh), the total emission for base year in ton unit is calculated. For fiscal year: 2013-14, the global warming potential (GWP) rate was 0.927 kgCO₂/kWh, where the total value of emission was 2326999.5 metric tons of CO₂ equivalent.

We have identified the significant air pollution emitted by our organization as mono nitrogen oxide (NO_x) and sulfur oxide (SO_x), whose recorded values were 25.81 µg/m³ and 13.32 µg/m³ respectively during fiscal year 2013-14. Particulate matter (PM) as PM-10 was recorded as 74.55 µg/m³ and other air emissions identified in relevant regulations was recorded as 36.53 µg/m³.



Water Management

Water constitute about 71% of our planet's surface, however accessible fresh water constitute only 0.01% of the Earth's total water resources. It is estimated that two-thirds of the global population will experience water shortages by 2025. We as mankind have reached a tipping point where we have to assign a monetary value to a natural resource like water, without which we cannot survive. The industries consumes a total of 22% of the global water supply after the agriculture sector. There has been growing sense of acknowledgement among major businesses that water scarcity is a far more pressing issue than

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managing greenhouse gas emissions (GHG), as it does not only have a negative impact on the business strategy but can also affect the Corporate Social Responsibility (CSR) rating of an organization. The depleting water sources is a matter of great concern for Panasonic India and it is our objective to reduce the consumption of water through introducing our water-efficient consumer products, our 'zero discharge' practice and so on. Running our business operation in India is subject to scrutiny with regard to the usage of water. For instance, a major plant was shut down due to a large number of protests as it was extracting too much ground water that sent a strong wave of message across the industry.



As the availability fresh water is becoming increasingly scarce, we have employed rainwater harvesting facilities to reduce our dependency on ground water. During FY: 2013-14, we stored approximately 82960 meter cube of rainwater, through our rainwater harvesting facilities, whereas we extracted approximately 21422 meter cube from two bore well, rather than extracting it from restricted water bodies or protected areas. Flow meters have been installed at both the bore well to measure daily water use. The total volume of water recycled and reused by Panasonic India in FY: 2013-14 was 6140 meter cube. The principle of 'zero discharge' is recycling of all

industrial wastewater. This means that wastewater will be treated and used again in the process. This practice of the water reuse wastewater will not be released on the sewer system or surface water.

At Panasonic Technopark, we are recycling 100% waste water, before sending it in the sewage treatment plant (STP) and effluent treatment plant (ETP)

We have installed sewage treatment facilities at Technopark that is capable to treat upto 92.5 kiloliters of sewage per day and the effluent treatment plant is capable to treat 27 kiloliters of sewage per day. Domestic sewage generate on daily basis are sent to be treated in STP and industrial process and cooling system effluent water are sent for treatment in ETP. Further, ETP treated water use for gardening purpose to develop green belt in Technopark. STP treated water use for toilet flushing and green belt development as well. There is no any domestic and effluent waste water discharge from Technopark.

Panasonic India has made efforts to conserve water resources in the production process but also in the technology used in our products. For example, the 'Econavi' technology used in our washing machines are equipped with Load sensor that detects the amount of clothing and sets the water level, and a water temperature sensor that uses water temperature to determine the required operation time. When the water temperature is high, detergent dissolves quickly, so a short washing time is enough to clean clothes. The primary function of the 'Cloth Load Sensor' is to determine the weight of the clothes put in the washing machine. When the load is small, the water level is lowered to save water. The optimum volume of water for the load is selected, so no water is wasted. The water temperature sensor functions to save time and energy. When the water temperature is high, detergent dissolves quickly so washing time is reduced. 'Econavi' determines how easily detergent dissolves and selects the optimum operation time. All of our washing machines with 'Econavi' sensors increases water efficiency and reduces water consumption by at least 23%.

INTELLIGENT SENSORS IN
WASHING MACHINES
REDUCE WASTE

Cloth Load
Sensor

Water Temperature
Sensor

Reduces water
consumption by
at least

23%





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Community: Support for Local Community Development

A Journey to Grow Together: Philanthropy to Organizational Ownership

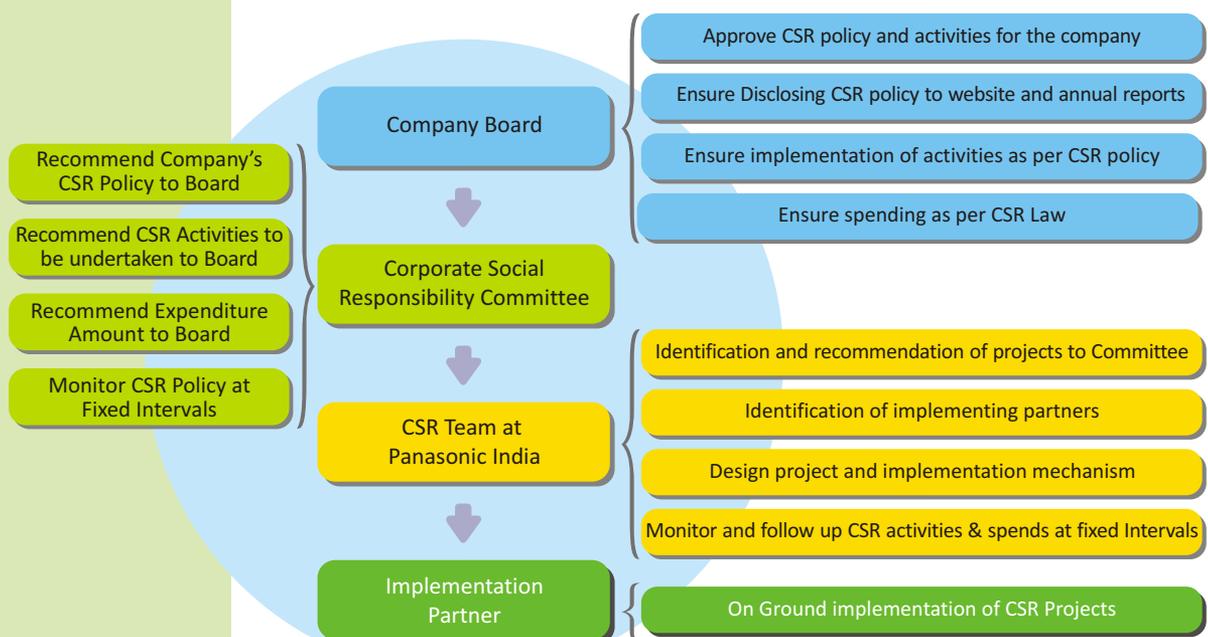
“A Better Life, A Better World”

In line with our vision, at Panasonic India we believe in inclusive development, the development of the community along with the growth of the organization. We are committed to give society a better life through our business activities.



CSR Governance Structure

The governance structure followed by us ensures that we integrate CSR in our operations. The CR department helps in translating strategy and policies into executable plans, CSR is part of Group Management Board responsibilities.



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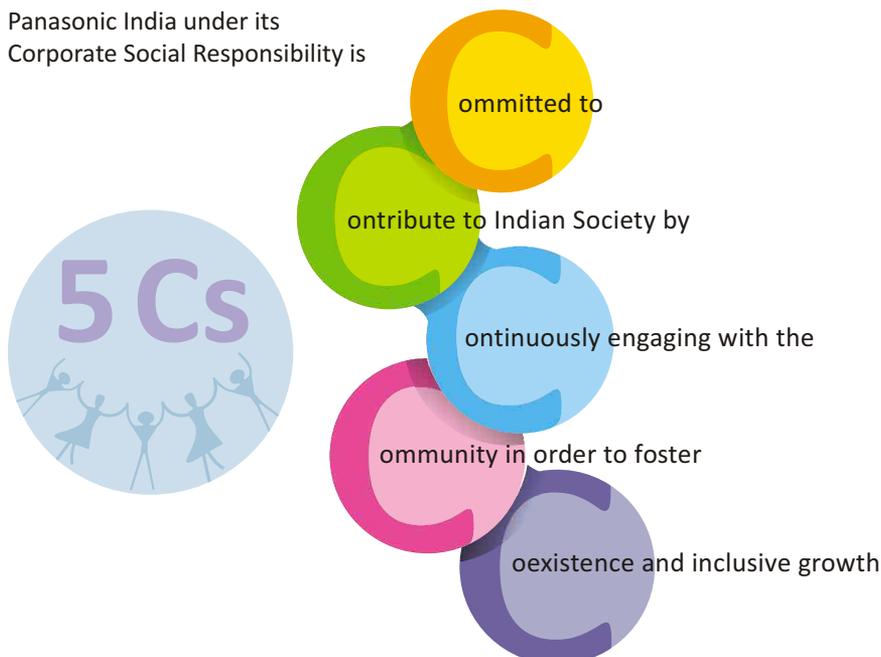
Corporate Social Responsibility is seen in India as a philanthropic activity. To change the perception we have devised a 4 year strategy thereby giving it a new direction. We see it as a tool for "Value Creation". Our CSR Program echoes our strategy of Localization. It is designed considering the needs of the Indian community. Being a responsible corporate citizen we have aligned our initiatives along with the Millennium Development Goals which are constituted by the United Nations which address the most pressing problems that the world is facing. Recognizing that it takes concerted and combined effort by the government and private sector to achieve these goals, Panasonic India has aligned its community initiatives with MDGs. Starting from 4 sectors in FY 12, we now cover and address all eight MDGs. Panasonic India has a long-term perspective on social engagement. While the organization has already established initiatives aligned to the MDGs, our commitment is set to grow every year. Starting from philanthropy, the ultimate goal is to have organizational ownership of community development issues. Panasonic India has imbibed social engagement in its culture. It has a long term perspective on CSR. The organization has made considerable progress to empower the communities through various initiatives in the FY 2013-2014. Our commitment is set to grow every year. This is not the end of the road but the inception of a world where we strive to provide quality of life to the people.



5 Cs of our CSR Policy

At Panasonic we strongly believe that unless and until the fruits of development are shared equally with all our stakeholders, the vision of inclusive and sustainable growth is hard to achieve. We strive in working towards inclusive growth as part of our commitment towards society. Combining this with our organizational imperatives, we have devised a 5C Policy to bring alive our corporate social responsibility (CSR) vision.

Panasonic India under its Corporate Social Responsibility is



1
The Millennium Development Goals (MDGs)





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Our CSR Verticals

Aligning our CSR activations to the MDGs, Panasonic India has carved out its CSR intervention areas in a planned, focused and time bound manner. Our CSR projects are designed on the basis of need assessment study of the geographical area where we plan to implement our social initiatives. Panasonic India has steadily moved to a well-structured and all-encompassing CSR model. Further embarking this year's journey the company continues to reach to communities through its various social initiatives programs.



ECOSKOOL: Education and Environment

The young minds are the proponents of change that is needed in the society. Aligning with this thought Panasonic launched its Ecoskool Programme with an aim to sensitize the students about the Environmental issues, in addition using this medium we aspire to foster India's dream of Universal primary education. The Objective of the programme are as follows:

- To support in achieving objectives of universal primary education.
- To encourage and engage young minds to ensure environment sustainability.



Till FY 12-13, Panasonic India had been operating its Ecoskool Program as a nationwide environment sensitization program reaching out to 215 schools in 24 cities across India in an effort to enlighten the participants (students of grade 6th to 12th and audience) to take collective steps towards saving the environment and imparting knowledge on issues of global warming and climate change.

Further in consideration of the recent CSR Act, the project was modified in 2013-14 giving it a more focused and result based approach. In Nov'13 Panasonic India collaborated with SARD and initiated school support program in 15 Govt. Primary and Upper primary schools around Technopark Jhajjar. The project aims to provide quality education and strengthen Govt. Rural Primary Education System in the Project schools through a three pronged approach:

- Infrastructure support
- Capacity Building & BCC
- Soft Skills



- **Nature Empowerment Programme:** To Create awareness regarding Climate Change and global warming.
- **Eco Picture Diary:** It involved creating pictures, illustrations, and photographs on serious approaches towards eco activities undertaken by children, their family and friends.
- **Kids Witness News:** Commenced in 2011 with an aim to develop creativity and communication skills in elementary and junior high school children.
- **Eco Relay Programme:** Eco awareness activity such as tree plantation at the government school were conducted at the PCIN factory.



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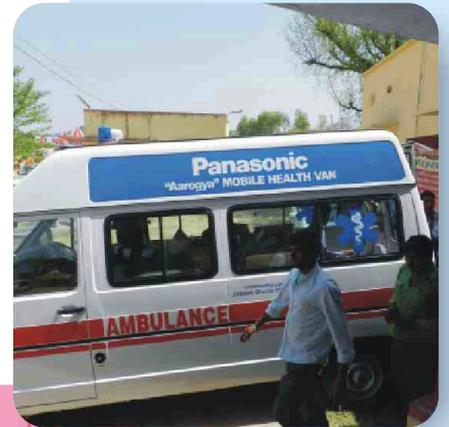
AAROGYA: Health AAROGYA: Health

In India where 72% of population lives in rural areas. There is a chronic lack of proper medical facilities for them and a large section of our population in rural and underserved areas still does not have access to affordable and decent primary healthcare facilities. Considering the same and Building further on its philosophy of contributing to the community it operates in, Panasonic India, in We at Panasonic works towards providing people with basic health care facilities. To promote health seeking behavior in the communities in our areas of operation we came up with AAROGYA.

The Objective of the programme are as follows:

- To ensure health seeking behavior of the communities.
- To provide inputs and opportunities for accessible and affordable health services.
- To provide referral services for primary and secondary level treatment.

Collaboration with Jubilant Bhartia Foundation, recently kicked-started its community health initiative "Aarogya", aimed at providing accessible and affordable health services to 30,000 individuals annually in and around the area of the Panasonic Technopark in Jhajjar. The Mobile Health van operates 6 days in a week covering 12 villages around Technopark area with frequency of two camps in a day. Besides providing curative health care we also regularly monitor the disease and seasonality trend in our project areas. Accordingly, we organize necessary counseling cum health awareness camps for the community, school health camps and training sessions for ASHA workers etc.



SWABHIMAAN: Livelihood and Skill Enhancement

In line with the Millennium Development Goals of Eradicating Extreme Hunger & Poverty, Panasonic India has set up three Vocational Training Institutes at Jhajjar and Delhi/NCR region in association with Labournet & NIIT Foundation. The objective of the programme are as follows:

- To provide livelihood opportunities through skill enhancement and vocational training.
- To add value by way of soft skills and preparedness for the job markets.

For the convenience of training, all our trades have been classified into two segments basis the local industry requirement and demand in the areas where the centre operates:-

Career Courses

Career courses have been primarily designed to provide immediate employability solutions to the youth by way of skill development and vocational training on trades which have high demand and local requirement like fast food retail, showroom retail, BPO, Data entry, REEA (Repairing of Electrical & Electronic items.) etc.





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Non Career Courses

This segment includes trades which are not immediately linked to employment generation but instead enhance chances of employability of the youth in the coming future through soft skill training like Computer literacy, Spoken English, social networking, personality development and WPS. We mostly enroll students between 16 to 23 years of age, who are in college and are preparing themselves for a corporate job. During 6 months of FY 13-14, we trained a total of 526 youths in both the segments and a total of 73% students enrolled in career courses were provided with job offers. By March 2016, we aim to train another 2300 students in career and non-career courses and target to place at least 70% of the students enrolled in career courses.



SHAKTI: Women Empowerment

Our aim is to provide women with sustainable livelihood opportunities and also to address the issue of gender equality, SHAKTI was conceived to empower women in trades such as tailoring, beauty culture etc.

Working towards this important social as well as economic growth pillar, Panasonic India took the responsibility of empowering women force by supporting them to become self-reliant by way of education and vocational training. The three Panasonic vocational training centers offer women specific courses like tailoring, beautician & hair care, embroidery etc. We have tried to ensure that almost 50% of the youths trained at our centers are females. We aim to train and empower close to 1400 women by March'16.



SAHYOG: Contribution to Indian Society

India is facing a number of developmental challenges and by SAHYOG we try to address some of the pertinent and pressing developmental issues. The objective of the programme are as follows:

- To contribute to Indian society thereby developing mutual trust and cordial relationship.
- To promote sports and games to encourage and recognize talent.
- To promote best sustainable practices in agriculture.

100 thousand Solar Lamp Project

Panasonic Corporation has launched the 100 Thousand Solar Lanterns Project, aiming to contribute 100,000 solar LED lanterns to people without access to electricity by 2018, the year of our 100th anniversary. As our first step in this initiative, we donated 8,000 compact solar lights to non-profit, non-governmental and humanitarian organizations working to solve social challenges in Myanmar (3,000 units) and India (5,000 units), along with 2,000 lights to refugee camps in Africa in 2013.





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Haryana Football academy

To empower the youth of Haryana and spread the love for the sport in the country, Panasonic India has set up a state-of-the-art Football Academy in Haryana, in association with Haryana Football Association. The academy is conceived as a residential training facility for three years, to begin with, from 3rd December 2012 to 30th November 2015. The academy has 30 students in the age group of 17 to 21 years. The students are housed at Nehru Stadium and are being trained to become professional players.



Agri Support

Panasonic India on the occasion of World Environment Day inaugurated its agricultural support project at Jhajjar with the objective of benefiting farmers to produce more by helping them adopt a sustainably intensified agricultural production process. Panasonic is aiming at setting up 15 demonstration sites by FY 15-16, each comprising of three focus areas i.e. Bio gas for cooking and lighting, Vermi Compost for soil improvement and Naand to provide continuous drinking water facilities to the cattle without human interface.



RATTCHHATR: Scholarship Program

Panasonic India believes in fostering the talent by providing financial aid in the form of scholarships to meritorious students.

This scholarship programme was established in 1998 to commemorate the Company's 80th anniversary, as a way for the company to express its appreciation to society. This programme was initiated in India in 2009 with an aim towards education and skill development, while promoting friendship and cooperation between India and Japan. Since its start in India in 2009, 14 scholars have been selected and enrolled for this Masters Program in Japan. Three scholars from the 2009 batch graduated this year and have been hired by leading multinational brands within Japan.





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Way Forward

Panasonic India has taken a planned and phased approach for social engagement programmes starting FY 13 -14 till FY 15 - 16. Increasing the scale of its interventions every year, it is the company's aim to contribute towards pertinent and pressing developmental issues. Our commitment towards creating A Better Life, A Better World will be the guiding light in this endeavor.

Project	Ecoskool	Swabhimaan	Shakti	Aarogya	Ratti Chhatr	Sahyog
What	Education & Environment	Vocational Training Skill Enhancement	Women Empowerment	Health	Scholarship	Contribution to Society
Who	Children 6 - 18 years	Adolescent & Youth 16 - 30 years	Girls & Women 16 - 30 years	Children 0 - 6 years Pregnant Women Lactating Mothers Community at large	Engg. Aspirants	Community at large
When	Start Date: Nov'13 End Date: March'16	Start Date: Nov'13 End Date: March'16	Start Date: Nov'13 End Date: March'16	Start Date: Nov'13 End Date: March'16	2009 2018	Regular Regular
Where	Jhajjar, Haryana	Jhajjar/Delhi/NCR	Jhajjar/Delhi/NCR	Jhajjar, Haryana	Pan India	Pan India
How Monitoring Indicators	<ul style="list-style-type: none"> ↑ Attendance % ↓ Drop Outs % ↑ Girl Child Enrollment % School Grading Environment Initiatives taken 	<ul style="list-style-type: none"> Training Nos. Placement Nos. Entrepreneurs ↑ Income Level 	<ul style="list-style-type: none"> Training Nos. Placement Nos. Entrepreneurs ↑ Income Level 	<ul style="list-style-type: none"> Families Registered Patients Treated Disease Trend ↓ MMR/IMR Awareness/BCC sessions 	<ul style="list-style-type: none"> Students Enrolled Scholarship provided 	<ul style="list-style-type: none"> Individuals benefited Projects undertaken
Reach Out Rate (Individuals)	24,000	1,400	1,400	150,000	64	60,000
2013-14	6,000	250	250	30,000	4	15,000
2014-15	8,000	563	562	60,000	30	20,000
2015-16	10,000	587	588	60,000	30	25,000



Customer

Product Quality and Safety

The on-going agenda of corporate sustainability is insisting companies to think and innovate a new approach to tackle the increasing expectations of the stakeholders. The world have witnessed unprecedented advances in technology and rising consumption and is also facing the twin challenges of climate change and resource depletion. Consumer products contribute significantly to environmental waste and degradation, and we believe our practice in product quality will encourage our competitors to play a proactive part as well. External pressure from regulators and governments and an increasingly knowledgeable customer base have motivated us to disclose the performance tests of our products which is performed in our laboratories followed by a result confirmation performed by a third party laboratory.

Our emphasis on product quality and safety is not only met through compliance with applicable laws and regulation but also ensuring that our products are more efficient in terms of durability, energy consumption and water consumption. The electrical components of our Air Conditioners such as compressor, Fan Motor, Capacitor, PCB and Electrical Cables are UL (Underwriters Laboratories) approved and IEC (International Electrotechnical Commission) certified which are in compliance with the safety standards. The metals and materials used in our products are RoHS compliant. We take pride in our engineers and designers as they constantly thrive to innovate and develop products better than its predecessors. For example, our high-sale model '1.5 Ton 3 star split model (UC Series)' has become relatively energy efficient by reducing its energy consumption by 90 Watts from its last year version. We believe such efforts towards the improvement of our products would help in maintaining relationships with our customers.

Our objective is to create a framework which seeks to create production techniques that are not just efficient but are essentially waste free. We recognize that a cradle to cradle production encompasses all material inputs and outputs as technical or biological nutrients. Technical nutrients can be recycled or reused with no loss of quality and biological nutrients composted or consumed. A cradle to grave approach refers to a company taking responsibility for the disposal of goods it has produced, but not necessarily putting products' constituent components back into service.

The components of our products largely consists of metals and minerals and their sourcing is a delicate task as it, any defective component adds to both environmental risk and health risk. The Quality Assurance (QA) team plays an important role in determining reliable sources as it poses a thorough understanding of the Panasonic Standards through conducting procedures to shortlist supplier who meet the Panasonic Standards. Restriction of Hazardous Substances Directive (RoHS) is a directive passed from the European Union in 2006, which is applicable to companies operating under the global electronics industry, restricting them for the use of high concern substances such as cadmium, lead, and mercury. Panasonic India takes in account the parts and substances that might produce an environmental or social impact, therefore the QA team ensures that all products and parts must comply as per the RoHS regulation and Panasonic Safety Standards.





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Customer Satisfaction and Grievance System

Running business operations in an emerging economy such as India offers many challenges and opportunities with regard to identifying and satisfying the needs of the customers as this country harbors a variety of cultures, religions, castes and lifestyles. The needs and preferences of the customers can vary on a large scale due to such diversity factors. It is through our products that we get to commence our relationship with our customers and we intend to develop new relations and maintain the existing ones by offering them the highest quality of our products at an affordable price.

Customer satisfaction is a vital aspect as it defines the organization's perspective towards its one of the most important external stakeholders. Engaging successfully with this particular aspect would provide an opportunity to our company to become industry leaders by building loyal relationships with our customers. In order to measure the loyalty between our customers and our company, we have undertaken a customer satisfaction survey that depicts our Net Promoter Score (NPS) as 21%, which indicates a positive implication on the quality of our products. Panasonic India makes a broad range of products for the Indian market, we do not sell or market products that are banned within markets that have such restrictions.

It is essential for Panasonic India to take in account the feedbacks from our valued customers to ensure that the quality of our products remains at an optimal level of acceptance. In order to facilitate an uninterrupted back and forth communication with our customers, we have in place many types of mechanism that caters to the grievance of our customers. The 'One Stop Service' offered by Panasonic India lives fully and strengthens the "Customer Comes First" motto. This service provides uninterrupted access to after sales service for our customers by our well qualified service engineers. Our online portals allows our customers to make appointments whenever necessary by filling an online form where they get to communicate the nature of the problem they are incurring associated with our products as well as have instant access to the status of their grievance.



Resident Service Engineers (RSE)

The sites at upcountry areas are equipped with Resident Service Engineers (RSE) who are responsible to supervise activities of a project and ensure compliance to all plans and specifications, and identify errors in plans and ensure optimal working of construction personnel. We have employed 377 RSEs stationed at 313 locations in 25 branches across the country, whose role is to reduce service delivery time, and manage and maintain accurate field notes and maintain flow of technical information and prepare comprehensive assessment reports for the equipment used at the site. Our qualified RSEs resolve all customer questions within required time frame and provide assistance to all customers and monitor all proactive activities and installation of equipment.



Responsible Management of E-waste

The developing countries in the east are home to the world's largest e-waste dumping ground with approximately 50m tonnes of unwanted electronic devices dumped every year. Though some of the devices are repaired and sold, the majority of the waste are broken down into their components at the cost of the environment, and health and wellbeing of the people. A considerable amount of e-waste is left as heaps of toxic waste. With the current trend of increasing demands for electronics by the middle-class consumers in China and India, it is estimated that by 2017, the annual amount of e-waste generated would be 65m tonnes. It is also estimated that by 2015, the National Capital Region (NCR) of India would generate approximately 50,000 tonnes per annum by 2015. The city generates over 11,000 tonnes of e-waste annually, where only 10% is recycled.

We realize that it is a growing problem and we have made a significant amount of efforts to ensure that our facilities are well-equipped to implement e-waste recycling process. The objective is to develop effective, transparent and scientific categorization system for e-waste generation, its transportation to recycling units and finally to ensure effective/safe and complete cannibalization of e-wastes at recyclers unit. It is ensured that the recycling units take in e-wastes of different nature such as out of warranty products, spare parts and components, damaged and discarded products, End of life products within system and take back program products. Initiating the e-waste process requires the recycling units to pick up materials from the mother warehouses and assessing the salvage value that is performed every month.



At Panasonic we understand that our responsibility doesn't end by selling of our products. Under our global policy as well the legislation passed by the Ministry of Environment and Forests (MoEF), called E-waste (Management & Handling) Rules, 2011, which came into effect from 1st May 2012 led to starting of "I-Recycle" program . "I-Recycle" program reinforces Panasonic's commitment to protect the environment and makes it very easy for consumers to recycle their electronic waste. Under this program Panasonic India:

- Seeks shared responsibility and cooperation from customers in reducing the environmental impact of their products.
- Complies with all the applicable laws related to e-waste management.

The program aims to recycle all types of e-waste including e-waste generated from services and repair of products and those that have run out their utility.

How 'I Recycle' works

All the Panasonic products in India comes with a product information booklet. The booklet carries instructions on how to dispose the product when it reaches end of its life. EOL products can be sent to a nearby authorized Collection Centre, registered Dismantler or Panasonic Service Centre for disposing of the product. We have identified 70 centers across India as collection points. For ease of identification of the products that needs to dispose properly, we have marked them with wheeler bin symbol.

At Plant level, the logistics and documentation aspect of the recycling process is coordinated over a span of 30 days, involving inputs from several departments such as the Corporate Social Responsibility (CSR), Accounting and Service. The activities include compilation of material to be picked up, estimating tentative salvage value, pick up of material from the warehouse and initiate the process for settlement of receipts and payments.



Recognition

Panasonic India takes pride in demonstrating its leadership in the consumer durables sector through effective and efficient business practices as well as making a determined attempt in contributing to the well-being of the society we operate in. Our efforts in maintaining the high level of our performance has been recognized by our stakeholders that further motivates us to continue to improve.

Panasonic India Awards

- National Conservation Energy Award (NECA 2012) organised by the Bureau of Energy Efficiency (BEE) for the Non-inverter 5 Star Air Conditioners
- India's Top 100 Brand Ranking as per Consumer Choice
- Panasonic India Pvt. Ltd. presented with the Best Green Business
- CMO Asia Best Marketing Campaign of the Year Award for One Touch to Change the Future for Econavi Air Conditioners
- CMO Asia Award for Brand Excellence in Consumer Durables for Smart Viera
- Electronics for You Award – “Electronics Organisation of the Year”
- Mr. Daizo Ito - CEAMA Man of Electronics Award
- Mr. Manish Sharma was felicitated with the Star of the Industry
- Awards - Sales Director of the Year Award



GRI Index



General Standard Disclosure	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-1	18	President message	Fully reported	No
G4-2	2	Panasonic at a glance	Fully reported	No
G4-3	2	Panasonic at a glance	Fully reported	No
G4-4	2	Panasonic at a glance	Fully reported	No
G4-5	10	Profile, Vision and Strategy	Fully reported	No
G4-6	10	Profile, Vision and Strategy	Fully reported	No
G4-7	10	Profile, Vision and Strategy	Fully reported	No
G4-8	2	Panasonic at a glance	Fully reported	No
G4-9	6	Journey so far and the way forward	Fully reported	No
G4-10	31	Employees - Talent recruitment and retention	Fully reported	No
G4-12	29	Panasonic: A responsible corporate citizen at each step	Fully reported	No
G4-13	10	Profile, Vision and strategy	Fully reported	No
G4-14	23, 41, 43, 53	What's new, process management, responsible management of e-waste	Fully reported	No
G4-15	2	Panasonic at a glance	Fully reported	No
G4-16	12	List of organizations to which Panasonic India Subscribes	Fully reported	No
G4-17	2	Panasonic at a glance	Fully reported	No
G4-18	1, 26	About the Report, Stakeholder's engagement and materiality	Fully reported	No
G4-19	26	Stakeholder's engagement & materiality	Fully reported	No
G4-20	26	Stakeholder's engagement & materiality	Fully reported	No
G4-21	26	Stakeholder's engagement & materiality	Fully reported	No
G4-23	1	About the Report	Fully reported	No
G4-24	26	Stakeholder's engagement & materiality	Fully reported	No
G4-25	26	Stakeholder's engagement & materiality	Fully reported	No
G4-26	26	Stakeholder's engagement & materiality	Fully reported	No
G4-27	26	Stakeholder's engagement & materiality	Fully reported	No
G4-28	1	About the Report	Fully reported	No
G4-29	1	About the Report	Fully reported	No
G4-30	1	About the Report	Fully reported	No
G4-31	56	Point of Contact	Fully reported	No
G4-32	1	About the Report	Fully reported	No
G4-33	N/A	External Assurance on the Report has not been sought	N/A	No
G4-34	12	Governance Structure	Partially reported	No
G4-56	13	Ethics and Transparency	Fully reported	No



GRI Index

Specific Standard Disclosure	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4: LA 1	24	Employees - Talent recruitment and Retention	Fully reported	No
G4: LA 2	27	Employee Benefits	Fully reported	No
G4: LA 3	27	Employee Benefits	Fully reported	No
G4: LA 5	33	Occupational Health and Safety	Partial	No
G4: LA 8	32	Occupational Health and Safety	Fully reported	No
G4: LA 9	31	Behavioral Training	Fully reported	No
G4: LA 10	28	Training and Career Development	Fully reported	No
G4: LA 11	30, 31	Performance Management system (PMS) for Direct Workmen	Fully reported	No
G4: LA 16	27, 28	Grievance Mechanism	Fully reported	No
G4: PR 1	45	Product Quality and Safety	Fully reported	No
G4: PR 3	23, 24	Responsible Sourcing	Fully reported	No
G4: PR 5	46	Customer Satisfaction and Grievance System	Fully reported	No
G4: PR 6	46	Customer Satisfaction and Grievance System	Fully reported	No
G4: EN 3	35	Management of Emissions and Energy Efficiency	Fully reported	No
G4: EN 8	36	Water Management	Fully reported	No
G4: EN 10	36	Water Management	Fully reported	No
G4: EN 15	35	Management of Emissions and Energy Efficiency	Fully reported	No
G4: EN 16	35	Management of Emissions and Energy Efficiency	Fully reported	No
G4: EN 19	35	Management of Emissions and Energy Efficiency	Fully reported	No
G4: EN 21	35	Management of Emissions and Energy Efficiency	Fully reported	No
G4: EN 31	34, 35	Water Management	Fully reported	No
G4: SO 4	13	Ethics and Transparency	Fully reported	No
G4: SO 9	13	Ethics and Transparency	Fully reported	No
G4: SO 10	28	Responsible Sourcing	Fully reported	No
G4: SO 11	32	Grievance Mechanism	Fully reported	No
G4: HR 2	40	Human Dignity and HIV AIDS Policy	Fully reported	No
G4: HR 3	40	Human Dignity and HIV AIDS Policy	Fully reported	No
G4: HR 10	41	Human Dignity and HIV AIDS Policy	Fully reported	No



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