



# Sustainability Report

## 2023

**Panasonic**  
**CONNECT**

# Sustainability Report 2023 Index

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## Sustainability Management System

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### Foresight Notices / Disclaimers

Forward-looking statements in this report are based on information and reasonable projections held by the Company as of the date of publication, but are not guaranteed to be achieved.

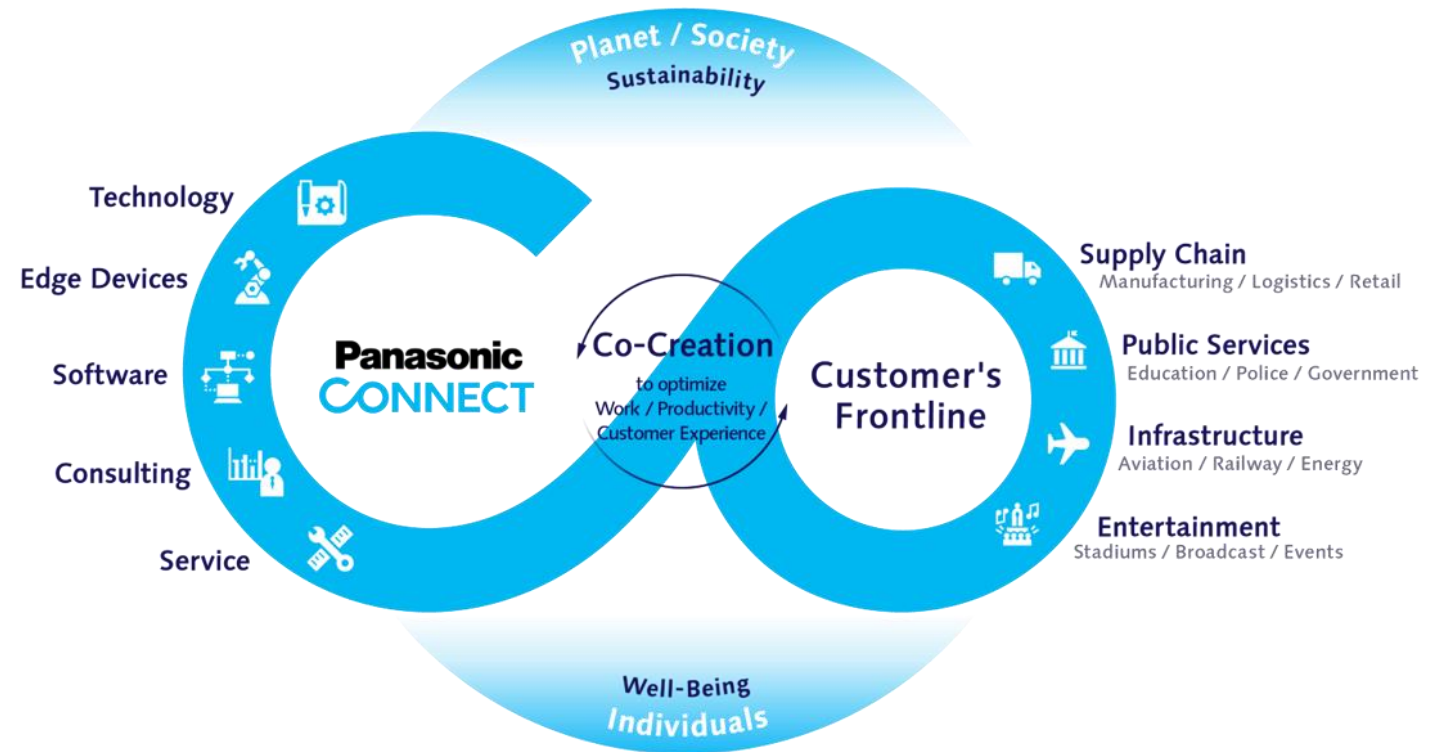
# About Panasonic Connect





## Our Purpose

Change Work,  
Advance Society,  
Connect to Tomorrow.



## Our Story

Our hardware, software and solutions — everything we create is used at our customers' sites — bringing innovation to operations and connecting them to the future, with the ultimate goal of creating efficiency, a better society and a sustainable future.





# Our 5 Core Values



By connecting the power of people and technology, we bring innovation to our customers' operations and create a better future.



Empathy



Results



Relentless



Teamwork

# B2B solutions that contribute to customers' frontline operations

## 01

### Supply Chain

Manufacturing / Logistics / Retail

- Utilize sensing, AI and robotics technologies
- Combine advanced hardware with Blue Yonder's Luminare™ software platform



## 02

### Public

Education / Police / Government

- State-of-the-art video and lecture capture solutions for education
- Advanced technology and ICT systems to improve police work (traffic safety, etc.)
- Regional disaster prevention systems for local governments



## 03

### Infrastructure

Aviation / Railway / Energy

- New passenger experiences through facial recognition-based immigration processing
- State-of-the-art inflight entertainment systems and connectivity solutions
- Safety management systems to streamline railway operations
- Security enhancement measures for stable energy supply



## 04

### Entertainment

Stadiums / Broadcast / Events

- Creation of extraordinary experiences at large-scale entertainment venues
- Wide range of broadcast and professional video products and systems
- Total solutions that support everything from program production to management in the ever-evolving broadcasting and CATV industry



# Vision for FY2028

**EBITDA of ¥200.0 billion**

**Aiming for ¥100 billion in Avionics & Blue Yonder, and ¥100 billion in other businesses**



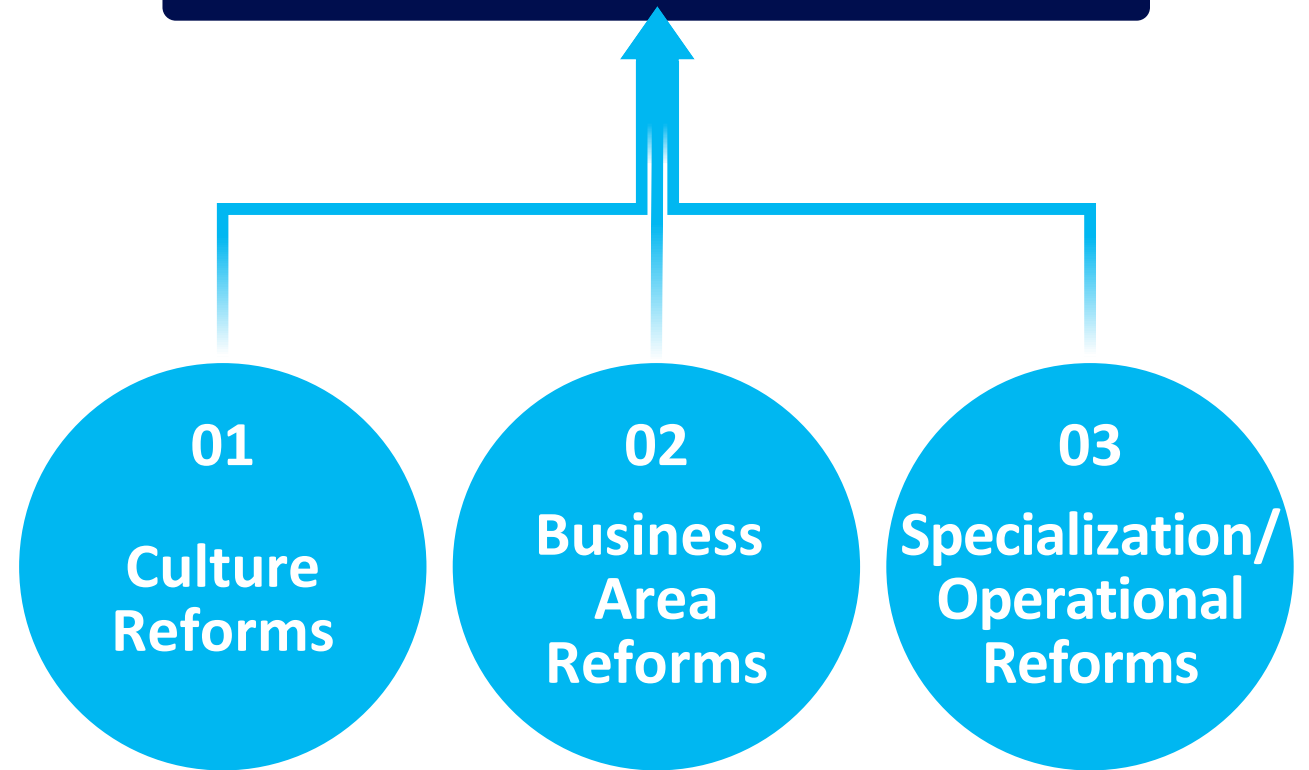


**Corporate culture that  
drives organizational  
capabilities and strategy**

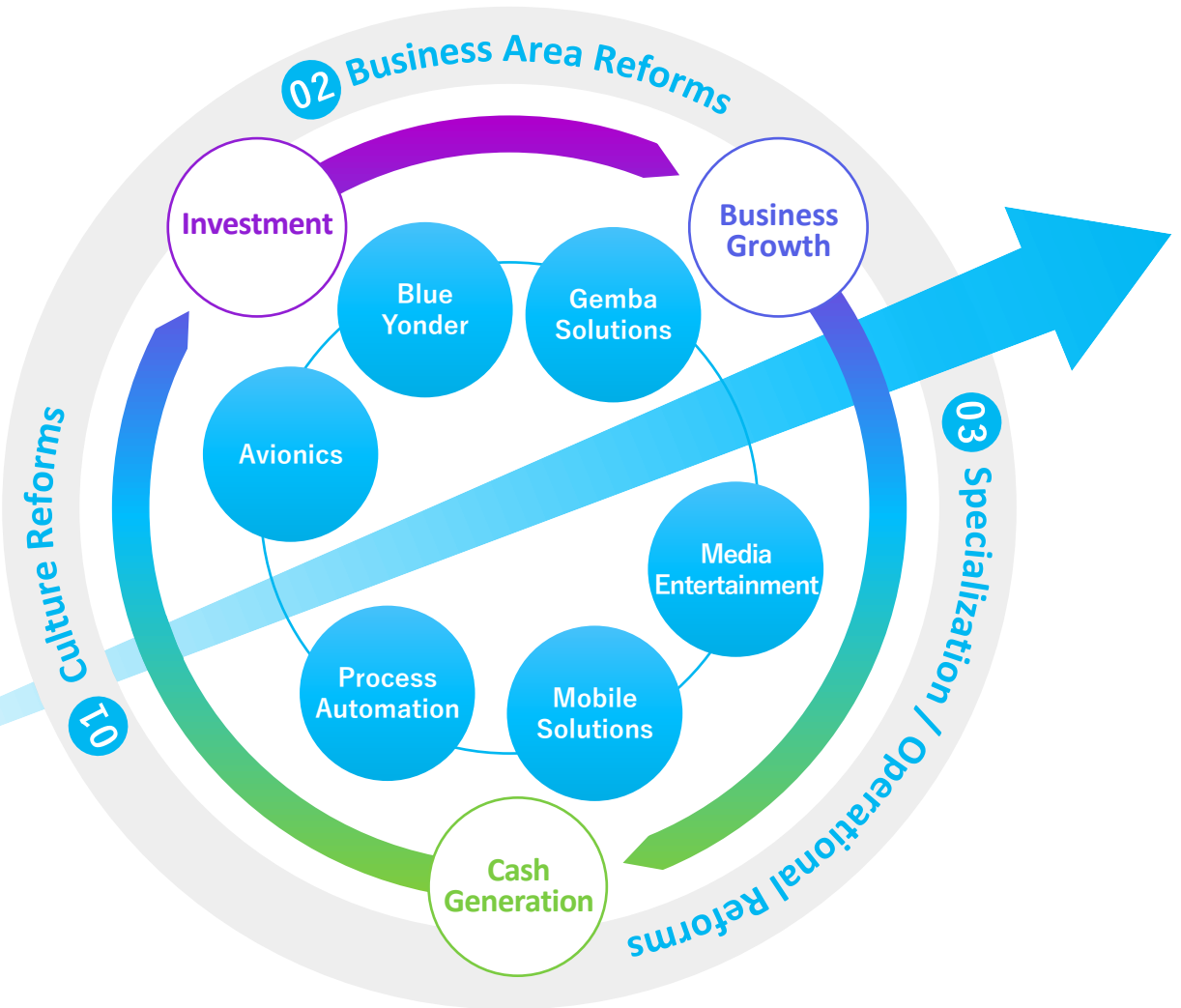


**Gain a competitive edge  
through three main areas  
of reform**

**Strengthening the competitiveness  
of Panasonic Connect**



# Sustainable improvement of corporate value through three reforms





# Panasonic Connect Sustainability

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## Overview





# Panasonic Connect Sustainability

By reforming frontline operational processes, we will reduce CO2 emissions and make effective use of resources.

We propose optimal work styles for all workplaces and create a society where people can live with a sense of well-being.

By connecting with customers and providing innovation in their operations, we will realize sustainability for the global environment and well-being of each individual.

**Change Work,  
Advance Society,  
Connect to Tomorrow.**



## Priority Area Policies

# Sustainability through the provision of services to customers



Frontline operations are the places where issues arise, solutions are co-developed, and new value is created as a result.

Our hardware, software and solutions — everything we create is used at our customers' sites — bringing innovation to operations. Furthermore, as a leading company in the supply chain management field, we are taking the supply chain that supports the lifeblood of society to the next stage.

We aim to realize a society and global environment where people and nature can coexist, and ensure well-being where each individual can live a vibrant life.

Panasonic Connect continues to take these frontline operations into the future together with our customers.



## Priority Area Policies

# Well-being in our workplaces



**Because they are few, or because they are in a weak position:**

**Whatever the reason, we will not overlook any situation where individuals are not respected.**

**We will take a firm stance on human rights issues which cannot be compromised under any circumstance.**

**Each and every one of us with diverse perspectives, experiences, and values will work vigorously while putting our core values into practice. This will lead to the sustainable improvement of corporate value and the realization of our purpose.**

**Each employee makes the most of their individuality and maximizes their abilities.**

**Creating a healthy environment, making connections, and creating the future.**

**We will listen to the voices of those where we work and realize well-being for all.**



## Priority Area Policies

# Environmental activities in our workplaces



In order to achieve both a better life and a sustainable global environment, the Panasonic Group works together with society to reduce its own CO2 emissions and expand the impact of various business activities that contribute to reducing CO2 in people's lives and businesses.

We are promoting "Panasonic GREEN IMPACT," which aims for carbon neutrality.

Based on the Group Environmental Policy, Panasonic Connect aims to reduce the environmental impact of the entire company's value chain by continuously reducing CO2 emissions at its own factories and providing environmentally friendly products and solutions to our customer.

[Panasonic Group Sustainability Data Book](#)





## Priority Area Policies

# Compliance & Governance



**We will conduct all business activities in a fair and honest manner.**

**Compliance with domestic and international laws and regulations and the practice of corporate ethics are a matter of course, and for a better future, all employees must think autonomously about “what is the right thing to do as a good citizen” and practice integrity.**

**This is the only way for us, as members of society, to gain the trust of society.**

**In order to unify this desire across Panasonic Connect and engage in sustainability activities reliably and continuously, we will strive to take on challenges while incorporating the knowledge of external advisors.**



Supporting all Corporate Activities

# Flexible and healthy corporate culture



From a vertically divided and heavy organization to a flat and agile organization.

Interact freely and openly to speed up decision-making.

Empathize with others and take on the challenge of creating new value.

Regardless of past successes, always drive change.

Everyone can raise their voice to problems and solve them as an organization.

The source of the growth potential and sustainability of the company is the power of our people.

A flexible and healthy corporate culture that respects diversity is the foundation for enhancing organizational capabilities and executing strategies.

## Decarbonization

The entire Panasonic Group will achieve its own carbon neutrality and Panasonic Connect will actively work to reduce the environmental impact of its manufacturing.

2030 target

In-house CO2 emissions **Zero**

## Visualization of Sustainability Contributions

By utilizing connected products and solutions in customers' businesses, we will further contribute to decarbonization and well-being in our customers' operations.

2025 target

Upcoming Releases **All Goods**

## Procurement Due Diligence

In order to confirm compliance with the guidelines formulated by the Panasonic Group, while assessing risks, we complete audits of procurement partners.

2023-2025 Targets

Procurement partner audits completed **30**

# Panasonic Connect's Sustainability Challenge

## Employee Success

We aim for employee success to transform and grow and work energetically while practicing our core values to realize our purpose, and increase employee engagement and individual productivity.

2027 target

Employee Engagement\*

**77**

FY2023 Results 67

FY2024 Plan

EBITDA

**3.7M** yen/person

## Diversity, Equity & Inclusion

In a culture where no discrimination is tolerated, diversity is recognized, and psychological safety is ensured, we aim to create an environment where everyone can play an active role.

2035 target

Ratio of female managers **30%**

As of April 1, 2023 6.9%

## Legal Compliance

In addition to taking strict and speedy measures against harassment, we will promote a speak-up culture and build an environment where all employees can work with peace of mind.

Declaration

**Harassment Free**

\* Korri Ferry uses employee engagement surveys



# Overview of Sustainability Initiatives

Panasonic Connect

Customer site

Environmental Activities in Our Workplaces

Panasonic GREEN IMPACT

Well-being in Our Workplaces

Examples of Initiatives

Good physical and mental health / Creating the environment

Working with enthusiasm Making connections

Have career ownership Building the Future

**Panasonic**  
**CONNECT**

Planet / Society

Individuals

Customer's Frontline

Examples of Initiatives

Reduction of environmental impact by improving transportation efficiency

Contributing to the reduction of aircraft fuel consumption

Optimization of manufacturing sites

Contributing to Green Purchasing Throughout the Value Chain

Improving the working environment of store staff

Reducing the workload for immersive experiences

Sustainability through the Provision of Services to Customers

Governance & Compliance

Diverse Board of Directors

Integrity in Practice

Eradication of Harassment

Procurement Due Diligence



# Examples of sustainability initiatives

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through the provision of services to customers





**Sustainability through the provision of services to customers**

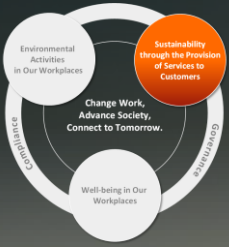
# Reducing environmental impact by improving transportation efficiency

Sustainable Supply Chain Realized by "TMS"



|  |  |   |
|--|--|---|
| <p><b>Increased transportation efficiency</b></p> <p><b>7%</b></p> | <p><b>People, trucks, expenses, etc.</b></p> <p><b>Effective use of resources</b></p>  | <p><b>CO2, etc.</b></p> <p><b>Reduction of environmental impact</b></p> |
| <p><b>Bayer Crop Science</b></p>                                   | <ul style="list-style-type: none"> <li>• Global agricultural manufacturer</li> <li>• Development, manufacture, import, export and sale of agricultural chemicals and epidemic control agents</li> </ul>  |   |
| <p><b>Improving the efficiency of road transport</b></p>           | <ul style="list-style-type: none"> <li>• Goods flow rate = transport volume x load capacity</li> <li>• Not easy to increase the transportation volume due to a serious labor shortage.</li> <li>• Increasing the number of trucks increases CO2 emissions accordingly</li> </ul> |   |
| <p><b>Transportation Management System (TMS)-solution</b></p>      | <ul style="list-style-type: none"> <li>• Installed at more than 350 locations around the world</li> <li>• Analyze and optimize real-time data of trailers and personnel</li> <li>• Improvement of operation and loading efficiency</li> </ul>                                    |   |





Sustainability through  
the provision of  
services to customers

# Reducing environmental impact by improving transportation efficiency

Sustainable Supply Chain Realized by "TMS"



## Leading the reduction of environmental impact in the logistics industry

In order to realize a sustainable society, it is necessary to take environmentally friendly measures in the entire supply chain. As transportation needs increase in the logistics industry, there is a need to optimize global and complex transportation and warehouse management to minimize environmental impact. **Especially in the EU, road transport accounts for almost half of freight transport activities and about one-fifth of CO2 emissions. Therefore, the logistics industry's sustainability efforts are crucial.**

Blue Yonder solutions not only transform your operations, increase profitability and increase your competitive edge, but also leverage all available resources to reduce your environmental impact.

## For optimized global manufacturers Logistics Platform

**Blue Yonder's Transportation Management System (TMS) analyzes real-time data from trailers, routes, and more to optimize transportation** to make better use of resources and reduce environmental impact.

The solution is used by global agribusiness manufacturer **Bayer Crop Science at more than 350 locations around the world** to maximize load rates while maintaining truck throughput and **improve truck operational efficiency by 7%**. We will continue to contribute to the sustainability of society by utilizing supply chain management solutions, which are indispensable for aiming for global standardization, and working to reduce environmental impact.





**Sustainability through the provision of services to customers**

# Inflight entertainment solution that helps reduce aircraft fuel consumption

"Astrova" — Panasonic Avionics Corporation (PAC)



System weight  
**max 30% Lighter**

People, assets, expenses, etc.  
**Effective use of resources**

Maintenance & updates, etc.  
**Workload reduction**

|   |  |
|---|--|
| <p><b>Airlines</b></p>                                | <ul style="list-style-type: none"> <li>• Aircraft for medium- and short-range aircraft (narrow-body) to long-range aircraft (wide-body)</li> </ul>   |
| <p><b>Reducing the weight of inflight systems</b></p> | <ul style="list-style-type: none"> <li>• Aircrafts consume more fuel than other modes of transportation.</li> </ul>  |
| <p><b>Inflight entertainment system Astrova</b></p>   | <ul style="list-style-type: none"> <li>• Revised the design of the conventional system and optimized the functional configuration</li> <li>• Modular design that allows only necessary equipment to be replaced</li> </ul> |



Sustainability through the provision of services to customers

# Inflight entertainment solution that helps reduce aircraft fuel consumption

"Astrova" — Panasonic Avionics Corporation (PAC)

## As a leader in the inflight entertainment systems industry

The International Air Transport Association (IATA) has set a target of net-zero CO2 emissions by 2050. For over 40 years, PAC has leveraged its knowledge and technological expertise to provide solutions to airlines worldwide and will promote environmental sustainability with products that cater to airlines and passengers, utilizing our expertise and experience.

## Contributing to the reduction of fuel consumption of aircrafts

Our latest inflight entertainment system Astrova has realized an advanced inflight experience and reduced environmental impact. Astrova combines a 4K screen, high-performance audio, and USB-C to deliver the next generation of passenger experiences, as well as a redesign of the previous system to optimize functional configuration.

This reduces the **system weight by up to 30% compared to conventional PAC systems**, reduces **aircraft fuel consumption**, and contributes to the **reduction of CO2** emissions in the aviation industry.

In addition, the modular design allows only the necessary parts to be replaced, making **it possible to adapt to future technologies by replacing only some equipment without replacing** the entire system. This extends **product life, reduces waste**, and eases **upgrades and maintenance, helping airlines make effective use of resources**. We will continue to focus on further weight reduction and performance improvement of all systems using the latest technology, aiming to realize a sustainable society through climate change initiatives in the aviation industry.





Sustainability through the provision of services to customers



# Optimization of manufacturing sites

"Autonomous Factory" ————— Process Automation Business Division

## Edge devices with environmentally friendly design

**Mounting machine energy consumption**

Compared to the previous model NPM-D2 (2017)

**-34%/1 Chip.**

**Printing machine material waste**

NPM-GP/L, trial calculation based on customer factory case studies

**-1,720kg/year**

**Welding machine CO2 emissions**

**-0.41t/year**

**Manufacturing**

- Global customers for Mounting and Welding machines

**Optimization of variables**

- Site information 5M (human, Machine, Material, Method, Measurement) is not utilized, resulting in energy loss and waste

**Aiming to realize Autonomous Factories and specialize in edge devices**

- Factory optimization that makes what is needed, when it is needed, and in the required amount
- Development of edge devices with environmentally friendly design as a starting point for realization





Sustainability through  
the provision of  
services to customers

# Optimization of manufacturing sites

"Autonomous Factory" ————— Process Automation Business Division

## Aiming for a sustainable factories together with customers

This division combines the knowledge and skills cultivated over our long history in the manufacturing industry with technology to optimize manufacturing sites, and autonomously control **5M** (human, Machine, Material, Method, Measurement), which is a **variable element of production sites**. We propose an "Autonomous Factory" that can respond quickly to customer requests and changes in supply.

We improve the efficiency of production sites by making frequently performed human tasks that were done via decisions based on experience and intuition "intelligent" and "automated". We also make full use of 5M information to **formulate optimal production plans without waste and realize manufacturing according to plan.**

## Environmentally friendly designed products

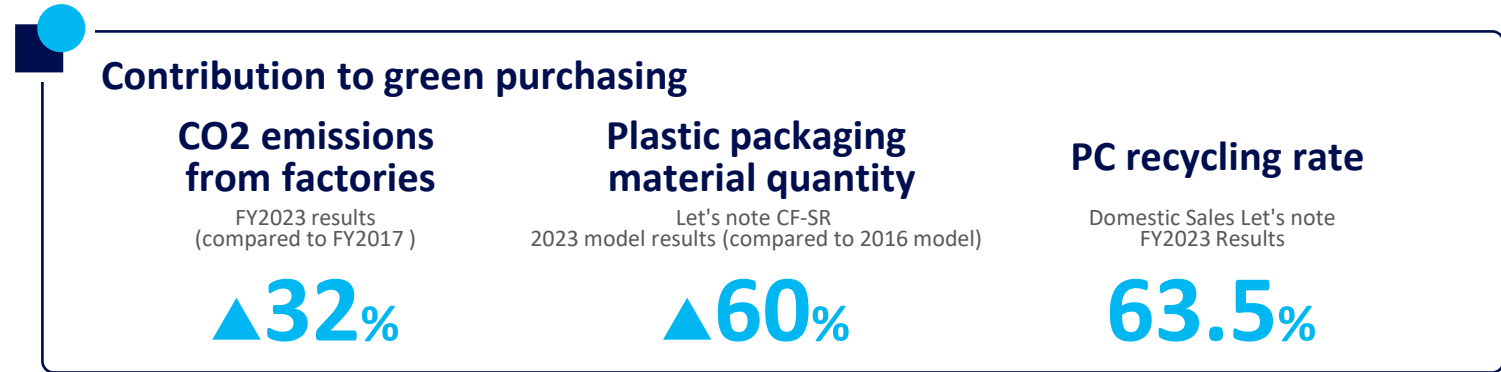
By promoting the specialization of edge devices, which are the starting point for realization, we support the production of good products in sophisticated and precise processes with the industry's highest level of performance. Our products are environmentally friendly, and **Save: Reduction of CO2 emissions by saving energy during product use and standby; Clean: Restriction of the use of chemical substances that harm the human body and ecosystem; 3R: We are promoting environmental measures by improving the mass ratio of recyclable materials, reducing, and reusing.** By optimizing factories, we will continue to enable customers to make only what is needed, when it is needed, in the required amount; thus **aiming to realize manufacturing with a low environmental impact.**



Sustainability through the provision of services to customers

# Contribution to green purchasing initiatives throughout the value chain

"Let's note" and "TOUGHBOOK" ————— Mobile Solutions Business Division



Public services, logistics, manufacturing, broadcasting, publishing, etc.

- Work in physically harsh work environments such as public services and logistics; and hybrid and mobile work environments in companies that support society.

Realization of green purchasing

- Purchase of environmentally and socially friendly products is encouraged.

Effective use of resources in the value chain

- Stick to in-house production from development to manufacturing and promote consistent environmental conservation
- From operation to disposal/recycling throughout the life cycle supporting customers' environmental conservation initiatives





Sustainability through  
the provision of  
services to customers

# Contribution to green purchasing initiatives throughout the value chain

"Let's note" and "TOUGHBOOK" ————— Mobile Solutions Business Division

## Contributing to the effective use of limited resources through mobility

With our "Let's note" mobile PC and rugged "TOUGHBOOK" notebooks and tablets Panasonic Connect looks ahead to the future and we are actively working to contribute to sustainability throughout the value chain.

### Development

We are committed to contributing to environmental conservation by developing energy-saving products, products that reduce hazardous substances, and **resource-saving packaging materials and attached paper manuals.**

### Manufacturing

At our Kobe Plant, we are promoting **reductions in waste generation, chemical substance discharge and transfer, energy and water consumption, etc.** Our domestic bases that develop and produce PCs and tablets have acquired ISO14001 certification, realizing an environmentally friendly production system.

### Operation

Through the combination of PCs, tablets, and various services, we provide total support from introduction support to operation, response in the event of failure, and disposal / recycling, realizing a free work style for everyone. In addition, based on the Act on Promotion of Effective Utilization of Resources, we collect and recycle used PCs and tablets. In addition to manufacturing and selling PCs and tablets, **we collect used PCs and tablets and promote the 3Rs (reduce, reuse, recycle).**



Sustainability through the provision of services to customers

# Improving the working environment of store staff

Work shift optimization solution "CYTIS Shift" ——— Gemba Solutions Company

**Case Study:  
Nationwide introduction**

**350+** stores

**Shift planning time**

The average time of stores that have already been adopted (Conventional comparison)

**▲70%**

**Operational Efficiency**

Verification based on work done by a 30-person group

**4.6  
hours/day**

**AEON  
Retail Corporation**

- Core company of the AEON Group
- Operates "AEON" and "AEON Style" supermarkets
- More than 350 "community-based" stores

**Automate and optimize shift planning**

- Requires advanced skills to manually combine the requests of store staff members
- Demand forecast traditionally based on intuition and experience
- Need to reduce the workload of store staff in case of unexpected rise in store traffic

**CYTIS Shift solution**

- Automatically create optimal shift plans using AI technology and Industrial Engineering solution
- Utilize data to improve operations and enhance customer service
- Enhance workplace environment where store staff can fully demonstrate their diverse abilities





Sustainability through  
the provision of  
services to customers

# Improving the working environment of store staff

Work shift optimization solution "CYTIS Shift" ——— Gemba Solutions Company

## Contributing to the sustainability of society Starting from co-creation

We work with customers and partners to solve various issues that are common to business and society. Among them, at sites where work volume fluctuates frequently, we solve customer issues by visualizing then standardizing work based on the concept of industrial engineering (IE) and optimizing work sites.

## Toward a better society Through solving on-site issues

Traditionally, the retail industry has spent a lot of time and effort planning shifts for store staff. Shift planning, which manually combines demand forecasting that relies on intuition and experience with the requests of staff, is highly skilled and leads to individualization, and we felt that it was a challenge to impose a

workload on staff when unexpected store traffic occurred. CYTIS Shift automatically creates the optimal shift plan at the customer's site using AI technology and IE solutions, **reducing the burden on shift planners** and contributing to management by improving the efficiency of limited resources. This introduction not only optimizes store operations, but also enables improved operations and enhanced customer service through the analysis of data. For store staff, this **reduces the workload by improving operational efficiency**, contributing to enhanced workplace environments where each employee can fully demonstrate their diverse abilities. We will continue to contribute to the realization of a society where all people can continue to work safely and with peace of mind.



**Sustainability through the provision of services to customers**



# Reducing the workload for immersive experiences

High Brightness Projector "PT-RQ25K" Series ——— Media Entertainment Business Division

## Streamline Workflow

### Compact

(Compared to PT-RQ22K model)

Weight-to-weight ratio    Volume ratio

▲ **35%**    ▲ **40%**

### Installation & calibration support function

**Reduction of work time**

### Reliability

**20,000 hours maintenance-free, even in dusty environments\*1**

**Events, theme parks, digital museums, etc.**

- Companies that deliver emotional experiences to society through spatial production

**Reliability Streamline workload**

- In environments where trouble is not tolerated, a high level of performance is required.
- Reduction of delivery time, installation space, and delivery costs
- Reducing the workload of management staff

**High Brightness Projector PT-RQ25 Series**

- Industry: World's smallest and lightest size\*2
- Various functions such as remote preview light and NFC to streamline workflow
- Highly reliable design that can be used in adverse environments such as high temperature and high dust levels

\*1 Operation mode "Normal", [Dynamic Contrast] set to [3], IEC62087:2008 Broadcast content projection, temperature 35 C, Under the conditions of 700 m above sea level and a dust environment of 0.15 mg/m3, it is the time of use until the light output is halved.

The light output half-life time varies depending on the usage conditions and environment.

\*2 PT as of October 2022. For DLP® laser projectors of 16,000 lm or more





**Sustainability through the provision of services to customers**

# Reducing the workload for immersive experiences

**High Brightness Projector "PT-RQ25K" Series ——— Media Entertainment Business Division**



## Providing solutions that enhance the visual experience

This division uses the experience and track record we have cultivated in many video-related businesses to work with our customers to solve problems. With a focus on video and audio, we are evolving our strong hardware and manufacturing to provide solutions and services that deliver greater peace of mind and excitement to our customers.

## Contributing to the production of spaces that realize immersive experiences

In the Location Based Entertainment market, as experience-based events and facilities that allow you to enjoy immersive spaces are appearing one after another, there is no room for trouble, and it is necessary to install and adjust video equipment without mistakes and operate stably according to the event. Therefore, we felt that it was an issue to impose a workload on the management staff. For this reason, professional projectors, which are the key to creating a space, are required not only to create a sense of presence with bright, high-quality images, but also to be compact, highly efficient, and have a safe and secure design that contributes to reliable and continuous operations.

The high-brightness projector PT-RQ25K series has a unique optical unit and power supply block design, making it the smallest and lightest\*1 in the industry, contributing to reductions in transportation and storage costs and installation space. Various functions such as a remote preview light streamline various functions such as setting up equipment and adjusting the projection screen, and the hermetically sealed optical engine is maintenance-free and highly reliable for use even in harsh environments with high temperatures and dust. This not only significantly reduces the burden on operational staff for transporting, setting up, adjusting, and dismantling, but also allows them to work on mission-critical projects that require a high level of production ability with greater peace of mind. We will continue to develop and provide high-brightness projectors that boast the industry's No. 1 market share\*2, aiming to deliver overwhelming visual beauty and improve the operational efficiency and reliability of installation staff, contributing to the enhancement of the value of the immersive experience space.

\*1 As of October 2022. DLP® laser projectors of 16,000 lm or more. It is based on nominal mass and external dimension values.

\*2 No.1 in the domestic market with a sales value share of 5k lm or more Source: PMA

# Examples of well-being initiatives

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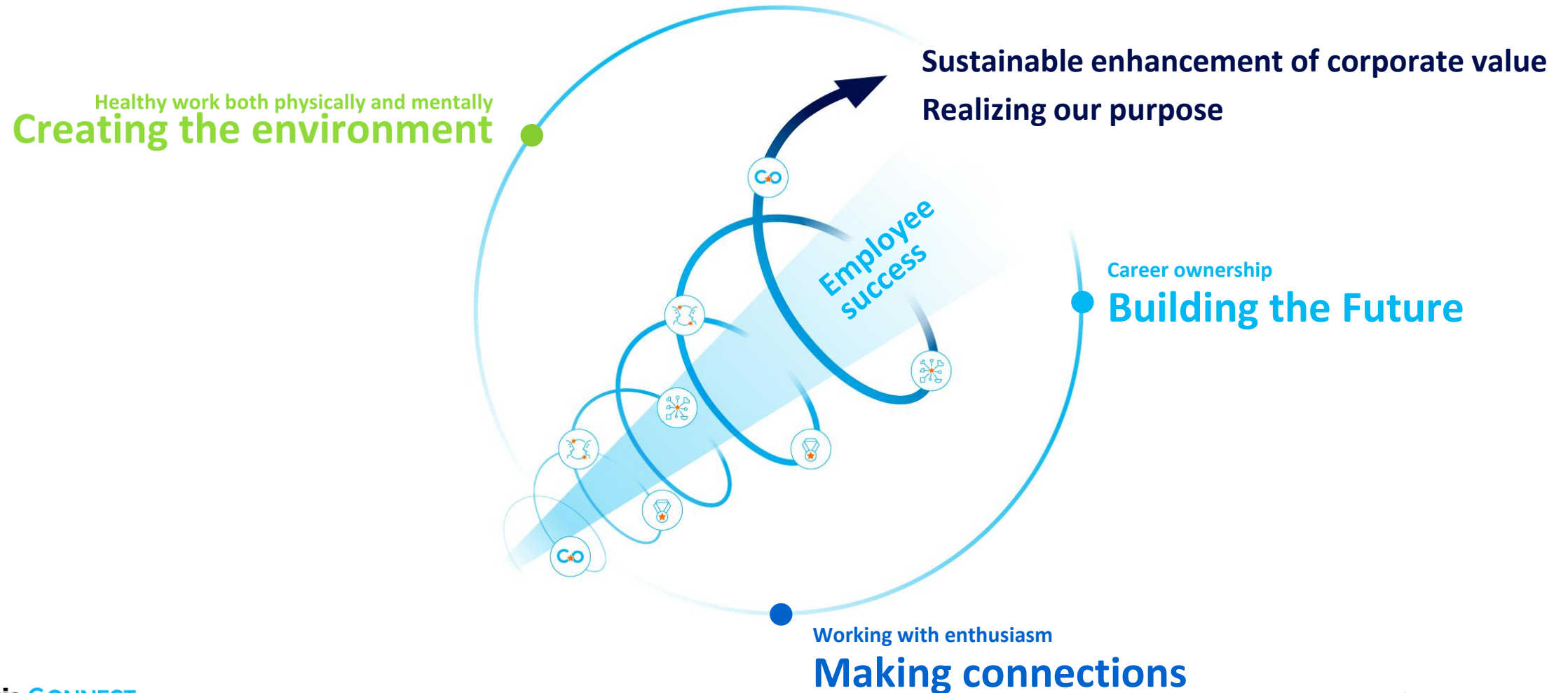
in our workplaces





# Panasonic Connect's concept of well-being

Each individual working with determination will continuously improve corporate value and lead to the realization of our purpose.

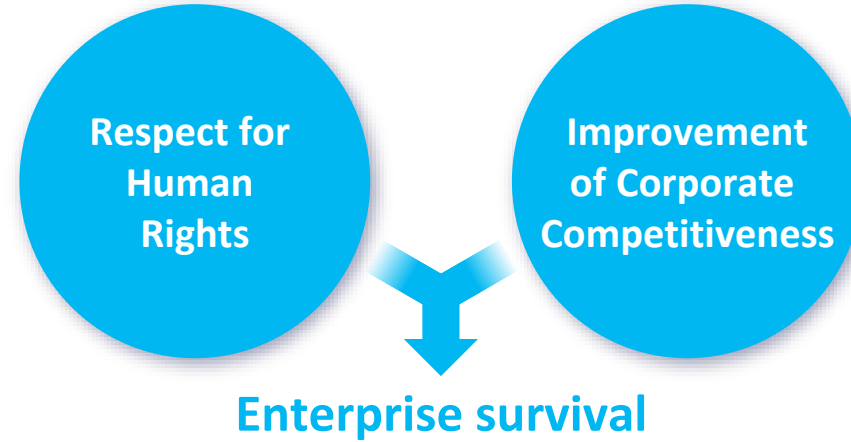




Well-being  
in our workplaces

## Creating the environment Healthy work both physically and mentally

### For each and every one of us to play an active role



We are working seriously on the promotion of DEI (Diversity, Equity & Inclusion).

At the core of this are "respect for human rights" and "improvement of corporate competitiveness."

In order for each and every employee to work with determination, make use of their individuality, and demonstrate their abilities to the fullest, we will not overlook situations where individuals are not respected, regardless of the reason. We will take a firm stance on this issue as it is a human rights issue that cannot be compromised under any circumstance.

By increasing the number of employees with diverse perspectives, experiences, and values, and by having each individual respect each other and work with enthusiasm, we can create sustainable corporate value through the creation of innovation, improve the quality of decision-making, and realize our purpose. DEI is one of the pillars of our management strategy and is an important initiative for the survival of our company.





Well-being  
in our workplaces

## Creating the environment Healthy work both physically and mentally

### Efforts to eliminate the minority gap



#### Increase the ratio of women in decision-making positions

We will increase the ratio of female directors to **30% or more**, which is a critical mass, and promote the diversification of decision-making layers. In addition, we support women's career development by conducting cross-mentoring and cross-industry training for various levels in collaboration with other companies.

#### Encouraging male employees to take childcare leave

In 2019, we endorsed Work-Life Balance Co., Ltd.'s "100% Declaration of Male Childcare Leave." Through activities such as the creation and distribution of a guidebook for male employees and roundtable discussions among male employees who have taken childcare leave, we have achieved a high level of not only an **acquisition rate of about 90%**, but also an average of **about 26 days taken**.

#### Toward a society where people in the LGBTQ+ community have equality

On **April 1, 2016**, Panasonic agreed that the interpretation of spouses in the operation of the personnel system is **equivalent to that of a spouse in common-law marriage (including same-sex marriages)**, and has begun **implementing a system**. We invite people from outside the company to hold forums to promote understanding. Furthermore, we aim to realize a society where people in the LGBTQ+ community can live with peace of mind, by sponsoring various events, and participating in pride parades; and we submitted a statement to the G7 Hiroshima Summit in 2023 voicing our support for LGBTQ+ rights and equality.



## Creating the environment Healthy work both physically and mentally

### Supporting autonomous career and life plan design

#### Personnel system reform to support changes in the business environment and diversification of individual career awareness

In addition to the remote work and smart work (discretionary work) systems that we already have in place, we have further introduced systems to support various work styles so that each individual can design a career plan and life plan more flexibly.



\* Korn Ferry Employee Engagement Survey

#### Systems to support diverse work styles

With the aim of improving employee engagement, motivation, and performance, we provide new ways of working and taking time off based on diverse needs. In addition to **encouraging employees to take annual paid leave**, we have introduced systems that allow employees to take **long-term vacations at a timing of their choice**, rather than setting them uniformly, such as all-season leave and challenge holidays. In addition, not only do we allow **employees to work N days a week (3 or 4 days a week)** and side jobs, but also **work anywhere**. Evolving from the conventional permit system, we have realized a highly flexible work style that allows employees to choose where they work. We support all employees to use the system as one of the options and to autonomously design their career and life plans.





## Creating the environment Healthy work both physically and mentally

# Reduce internal bureaucratic work that does not lead to customer value and improve work productivity with AI assistants

### Drastically reduce internal bureaucratic work processes and allocate resources to valuable activities

We take stock of ways of working that have been going on for a long time, and we thoroughly reduce such internal work processes that are not necessary when viewed **from the customer's point of view**. We are **reviewing from scratch what does not lead to business results**, such as the abolition of weekly reports, the reduction of stamping operations by about 80%, the introduction of electronic contracts, and the simplification of approval workflows, and allocate resources to activities that lead to customer value.

### Introducing the AI assistant ConnectAI

|   |   |   |
|---|---|---|
| <p>Usage satisfaction during the first 3 months</p> <p>June 2023 ChatGPT-4 Score</p> <p><b>4.1/★5</b></p> | <p>Cumulative no. of uses during the first three months</p> <p>Total <b>260,000</b> times</p> <p><b>5,800</b> times/day</p> | <p>Productivity improvements</p> <p>Internal public relations Analysis of approximately 1,500 questionnaire results</p> <p><b>9 hours ▶ 6 minutes</b></p> |
|---|---|---|

In order to improve work productivity, **ConnectAI**, an AI assistant for employees, has been available to all employees in Japan from February 17, 2023 (about 13,400 people / as of April 2023). By utilizing AI not only for simple search and translation, but also for various tasks such as business advice, data analysis, writing and programming, which are atypical tasks, we reduce the **workload of employees and maximize output**. The number of times ConnectAI is used is on the rise, and many employees have decided that it can be used effectively in their daily work.





Well-being  
in our workplaces

# Creating the environment

Healthy work both physically and mentally

## Efforts to promote DEI

### Gathering voices from the workplace and connecting them to actions tailored to the workplace

Based on the belief that competitiveness can only come from a healthy culture where all people are respected, we will drive cultural change that recognizes each other and creates innovation by working to create a fair environment.

**I am respected as an individual**

FY2023 Results

Positive Answer EOS\* Score **78**

**In my workplace, regardless of nationality, age, gender, etc., everyone is treated fairly**

FY2023 Results

Positive Answer EOS\* Score **80**

\* Korn Ferry Employee Engagement Survey

### DEI promotion

Since 2017, the executives in charge of DEI have been visiting all business sites to exchange real and candid opinions with employees. This is an important initiative to link the contents of the discussions held at diverse work sites to the next measures.

### A company-wide initiative to update values with all employees

Led by the DEI Promotion Office, which was established in 2017, we conduct various activities to update our values by exposing and experiencing knowledge from inside and outside the company, such as DEI training and DEI Month.

### Appoint DEI Champs to promote DEI adoption in each workplace

While setting tasks according to the characteristics of each workplace, DEI Champs play a central role in autonomously and individually working on issues at their own workplace.







Well-being  
in our workplaces

## Creating the environment Healthy work both physically and mentally

### Examples of actions realized from voices from the field

#### Improvement of working environment for people with disabilities project

| Interviews with individuals/supervisors   | Promotion of equipment improvement   |
|---|--|
|  <div data-bbox="1217 454 1607 639"> <p>FY2023 Results</p> <p><b>98</b> people</p> </div> <div data-bbox="1396 525 1447 572">+</div> <div data-bbox="1447 454 1600 639"> <p>FY2023 Results</p> <p><b>89</b> supervisors</p> </div> <ul style="list-style-type: none"> <li>• About the employment situation and physical environment</li> <li>• Check problems and requests for improvement</li> </ul> |  <ul style="list-style-type: none"> <li>• Example: Universal design vending machine<br/>Installation of wheelchair parking lots, slope at entrance</li> </ul> |

#### Improving health literacy related to women's specific healthcare

#### Menstrual leave name & system change



- Changed the name to "Tanpopo holiday (T holiday)" due to employee recruitment
- Flexible system that can be taken for half a day or PMS cycle

#### DEI & healthcare support service "Cradle"



- Real-time seminars twice a month
- Provision of coupons that can be used at medical institutions / at home
- Services that can be used by employees' families





# Creating the environment Healthy work both physically and mentally

## Examples of actions realized from voices from the field

### Supporting autonomous life plan design and various family styles\*

#### Subsidy for egg cryopreservation



- Subsidy for egg freezing costs (egg collection and cryopreservation) of 400,000 yen
- Partnered with egg freezing service "Grace Bank"

#### Support for the Famiee Project



- Endorse the Famiee Project, an organization working on family matters
- Support activities to change social systems and laws

\*On April 1, 2016, the interpretation of spouses in the operation of the personnel system was stipulated as "equivalent to that of a spouse in common-law marriage (including same-sex couples)" and began operation.

### Enhancing knowledge of nursing care and supporting continuation of balancing work and care

2022

➔

2023



- Added "nursing care" content to manager training (Explanation of the situation surrounding nursing care and workshops)
- Introduction of the long-term care diagnosis tool "LCAT" as a post-training task

- Interviews with employees in nursing care (conducted in FY2023) Analysis and understanding of the actual situation
- Introduction of LCAT to all employees
- Themed at the FY2024 DEI Forum
- Nursing Care Support Cafe Points 900 points → 1,200 points





Well-being  
in our workplaces

# Building the Future Career ownership

## From company-led talent development to a system that allows each individual to grow autonomously

### Independent and autonomous career development

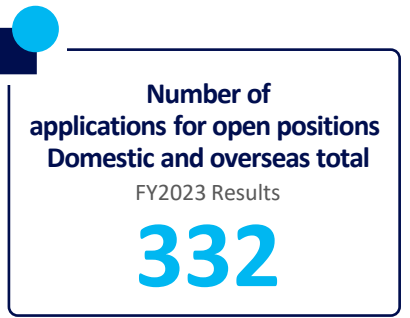


### More than 1,400 job descriptions (JDs)

We have introduced a job-based personnel system since FY2024. By disclosing approximately 1,400 JDs and introducing them to approximately 10,000 employees at once, it was possible to clarify the value of individual contributions, and each employee was able to confirm their own roles. This enables autonomous career development rather than the conventional company-led membership-based HR **development** based on seniority.

### Connect in-house job posting system

As one of the means to promote autonomous career development, we are actively adopting an open recruitment system for department transfers within the company. By presenting a wide range of opportunities for various JDs, we will stimulate the growth of employees and their willingness to take on challenges. In the Connect in-house job posting system, which is held throughout the year, you can **challenge a higher grade position at any time when you transfer** with the aim of improving your skills.





Well-being  
in our workplaces

# Building the Future Career ownership

## Fostering a learning culture

### CONNECTers' Academy

We support each and every employee to learn voluntarily, to challenge and realize their own careers. We have established an **in-house university called CONNECTers' Academy** to support the further growth of employees by **providing training opportunities and fostering a learning culture based** on the three axes of core values, literacy, and skills. In FY2023, we will introduce the Learning Management System (LMS) to **visualize learning**.

### MBA sponsorship program

We have prepared an MBA sponsorship program for employees who aim to expand **their global perspective, management mindset, and practical skills**. If employees are accepted to and complete an MBA at a designated university (top 20 in the world ranking) we offer subsidies for the expenses incurred. We will continue to focus on **developing talent** who can chart a path for their own careers and success.

| Core Values                                 | Literacy  | Skills  |
|---|---|---|
| Learn & strengthen core values              | Acquire & strengthen basic knowledge, execution skills, management skills | Acquire & strengthen specialized skills for each occupation |
| Cross-border program                        | Udemy Business  | Job-specific training                                       |
| Liberal arts training                       | Literacy training   | Internal training   |
| Management rationale / Core Values training | Language training (Gold Program)  | External training   |

## MBA sponsorships

2022~2023

# Total 3

IMD Business School  
London Business School  
University of Cambridge Judge Business School





Well-being  
in our workplaces

# Making connections Working with enthusiasm

## Turning traditional assemblies into a place to bring management and employees closer together

### All Hands Meetings

Once a quarter, a company-wide briefing called the All Hands Meeting is held, and **approximately 12,000 people** participate in real-time viewing. CEO Higuchi travels to a different base each time, removes the lectern to **shorten the sense of distance between himself and employees**, and sends out a message in his own words. It consists not only of management overview, but also of messages from the CEO, introductions of host bases, roundtable discussions with base members, Q&A sessions, etc., and about **5,000 questionnaires are conducted each time after the event**. We analyze the voices of these employees, discuss them at the Management Committee, and link them to improvement actions.







## Making connections Working with enthusiasm

# Delivering management's current thoughts to employees in real time

### Convey CEO's thoughts via live streaming program

"Ch.Yasu", which started in 2022, is a 30-min **live streaming program** for that is held twice a month, with **500 - 1,000 people watching each time**. CEO Higuchi himself acts as a moderator and talks about business and culture with guests from inside and outside the company, and from various perspectives, **conveying his current thoughts to employees**. Furthermore, by being exposed to the stories of a variety of outside guests who lead the forefront of business, we are able to broaden the perspectives of employees and raise their perspectives.

\* Times with permission from guests are available on our YouTube channel: <https://www.youtube.com/@PanasonicConnect>



### Internal communication that makes full use of internal social media

**Two-way internal communication that makes full use of the internal social media Yammer** is also popular. CEO Higuchi and other management have set up accounts for direct communication, communicate the values, visions, and measures of their respective businesses and functions, and communicate with employees through the comment section. **Through this we have open, flat and lively exchanges of opinions** on a daily basis.





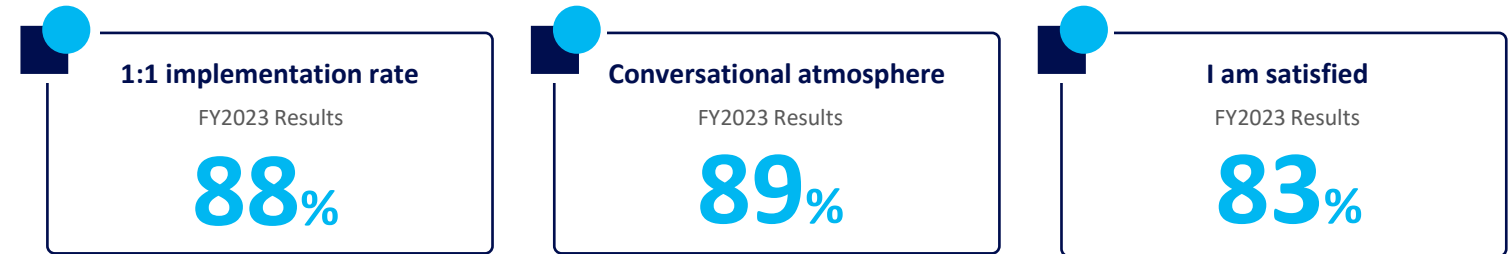


Well-being  
in our workplaces

## Making connections Working with enthusiasm

# Increasing employee engagement with 1:1 meetings

### Change from top-down to bottom-up dialogue



A "1:1 meeting" is a one-on-one dialogue between leadership and team members. Through **bottom-up dialogue**, we aim to maximize the results of work by encouraging each individual to act autonomously and grow. We recommend that employees and leaders at all levels, including the CEO, hold meetings for **about 30 minutes at least once every two weeks** in principle. Employees and their leaders communicate **not only with work issues and goal progress**, but also with a wide range of values and **environments other than work**, such as future careers, private issues, and work-life balance. When leaders understand their team members from multiple perspectives and have appropriate involvement, they not only stimulate communication, but also greatly contribute to improving employee engagement.

### "Can I have a moment?" with anyone - Cross-1:1 support tool

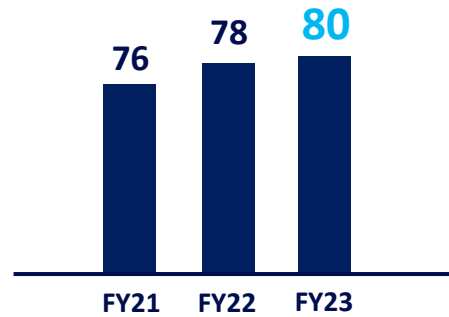
In addition to the relationship between subordinates and superiors, we have introduced the cross-1:1 **support tool "C-MATCH"** as a mechanism **that allows employees to easily talk to each other beyond the framework of organizations and operations**. Employees who can accept Cross 1:1 register their own profiles, such as affiliation, qualifications, skills, hobbies, work style, etc., and then Cross 1:1 applicants can search for profiles and ask other employees who they want to interact with in 1:1s. You can apply for a 1:1 meeting **regardless of whether you are a mentor or a mentee**.

# Numerical improvement of employee awareness surveys (EOS\* score)

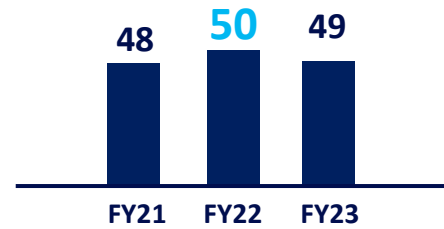
## Respect for Human Rights

## Enhancement of corporate value

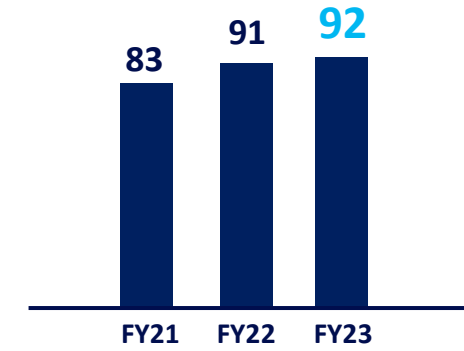
Regardless of nationality, age, gender, etc., all people are treated fairly.



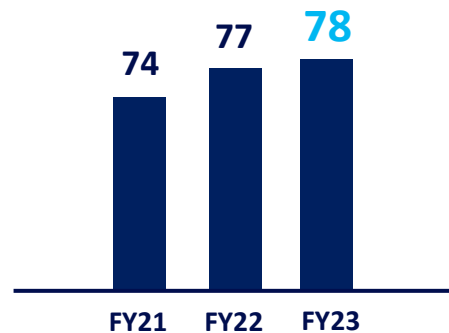
The way we work and work is innovative



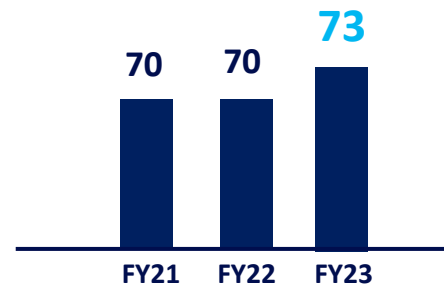
My direct supervisor is acting on the premise of compliance



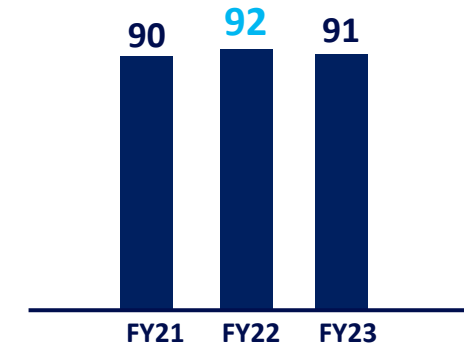
I am respected as an individual



We can help you balance your work and personal life



Would report or express concerns about non-compliant behavior





# Certifications, Sponsors, and Endorsements



# Compliance & Governance

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Examples of Initiatives





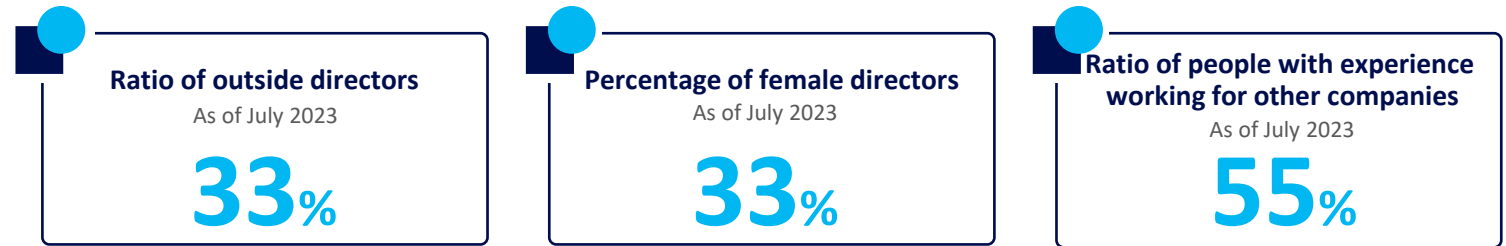


## Compliance & Governance



# Governance

Board of Directors composed of a well-rounded, experienced and diverse team



In July 2023, Panasonic Connect introduced a **system that links the rate of change in theoretical corporate value during the medium-term plan period (three years)** to executive remuneration, even though it is an unlisted company. We will build a medium- to long-term strategy with greater emphasis than ever on fostering a sound corporate culture, promoting diversity, equity and inclusion (DEI), and strengthening governance. In addition, the **Board of Directors is composed of diverse human resources** who can discuss strategy development from a global perspective and with a high standard. Based on the **experience and knowledge cultivated in each of their careers, they are engaged in discussions and decisions with the aim of further growth of Panasonic Connect.** On January 1, 2022, 3 professionals with practical experience in strategy, IT, and human resources participate as outside directors, and will further accelerate reform by leveraging external knowledge.

|  |  |  |   |  |  |  |                                     |  |                                   |
|--|--|--|---|--|--|--|-------------------------------------|--|-----------------------------------|
|  | <b>Representative Director</b><br>Yasuyuki Higuchi |  | <b>Representative Director</b><br>Takeshi Nishikawa |  | <b>Outside Director</b><br>Satoko Shisai |  | <b>Director</b><br>Yuki Kusumi      |  | <b>Director</b><br>Hideaki Harada |
|  | <b>Outside Director</b><br>Yukari Kobayashi        |  | <b>Outside Director</b><br>Hajime Tokai             |  | <b>Director</b><br>Hirokazu Umeda        |  | <b>Director</b><br>Yukiko Yamaguchi |  |                                   |

Female Director



**Compliance & Governance**

# Integrity practices / eradication of harassment

In order to promote fair business activities, we aim to foster an "Act with Integrity" culture in which all employees think autonomously **about "what is right as a good citizen" and act autonomously**. Specific initiatives include continuous message dissemination from CEO Higuchi and other management, implementation of various substantial compliance training and audits, establishment of a hotline where employees can consult and report fraud and various types of harassment, etc., as well as employees themselves to think about and discuss compliance, identify issues in their own workplaces, and lead to problem resolution. Compliance Workplace Discussions are continuously held.

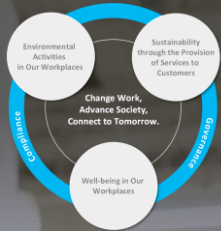
In addition, in order to create a work environment where all employees can work with peace of mind, we are actively implementing anti-harassment countermeasures. Through CEO video messages, All Hands Meetings, open Q&A sessions on internal programs, and the "Harassment-Free Declaration" of executives on the intranet, management continues to **strongly communicate the need to eradicate harassment. We have established strict disciplinary standards (guidelines) and have called attention to harassment as a severe issue.**

As a **mechanism to ensure fairness and transparency, which is a prerequisite for severe penalties, we have organized a Compliance Committee that oversees and manages everything from reporting and investigation to disciplinary action independently of business divisions.** In the case of sexual harassment, the Compliance Committee always includes female officers and deliberates on them, and the advice of outside experts such as lawyers is used as necessary.

|  |  |
|--|--|
| <p><b>Compliance at workplace Discussion</b></p> <p>Results for second half of FY2023</p> <p><b>Domestic implementation</b></p> <p><b>100%</b></p> | <p><b>If I discover non-compliant behavior, I report or express my concerns.</b></p> <p>FY2023 Results</p> <p><b>Positive Answer EOS* Score</b></p> <p><b>91</b></p> |
|--|--|

Korn Ferry employee engagement survey





## Compliance & Governance



# Procurement due diligence

The Panasonic Group strives to do business with partners who fulfill their social responsibilities, such as consideration for human rights and the environment, good working environment, and fair transactions. In 2022, we positioned the promotion of CSR in the procurement department as an important initiative and launched a project to promote procurement due diligence. In cooperation with the relevant departments of human resources, procurement, and each operating company, we **clarified the basic policy with reference to the RBA\* Code, which is a global standard**, and published the **Promotion Guidelines (Version 3.0)** in 2022.

We ask our partners to agree with the Supply Chain CSR Promotion Guidelines, which summarize our management philosophy, CSR procurement policy, and content to be complied with, and **to conduct CSR voluntary assessments before starting transactions**. In addition, we **have concluded a basic transaction agreement that includes items related to CSR**. In addition to quality, cost, delivery time, and service (QCDS) evaluations and management performance, we also regularly evaluate our partners for CSR-related initiatives. Currently, we are working to confirm with all partners for each operating company of the Panasonic Group, and assign a person in charge for all Group companies. Going forward, we will **conduct audits of our partners** while assessing risks and work to prevent potential negative impacts on human rights and the environment.

### Initiatives for Responsible Procurement Activities

- 2022/04**
  - Supply Chain Compliance Project launched
  - Supply Chain Compliance Company-wide Regulations
- 2022/07**
  - Establishment of Detailed Rules for Implementation of Supply Chain, Human Rights, Due Diligence
- 2022/12**
  - Panasonic Supply Chain CSR Promotion Guidelines (Version 3.0) released
  - Collection of CSR assessments confirming compliance with the CSR Promotion Guidelines
  - Collection of written consent forms that affirm the CSR Promotion Guidelines
  - Based on the comprehensive assessment of the PEX-GPRD risk assessment table, conduct partner audits and confirm compliance with the guidelines

#### Trading companies CSR Assessment Check Sheet

Completion rate  
**98.4%**

#### Allocated Partners CSR Assessment Check Sheet

Completion rate  
**99.9%**

\*As of August 7, 2023

\*RBA (RESPONSIBLE BUSINESS ALLIANCE) IN THE MANUFACTURING SUPPLY CHAIN, Standards for the working environment, dignity of workers, and environmental burden are stipulated.

# Sustainability Management System







# Sustainability management system

In April 2022, Panasonic Connect established the **Sustainability Management Committee** and the **Sustainability Management Office** to discuss strategies for promoting sustainability activities and ESG management. While incorporating the perspectives of external advisors, we **plan and implement management strategies and measures to improve corporate value.**

The **Sustainability Management Committee** is established under the direct control of the head office and discusses the sustainability goals and direction of initiatives for the entire company once a quarter. CEO Higuchi serves as the chairperson and CSO Harada serves as the vice-chairman, and the **heads of all functions and all business divisions participate in the decision-making process for information collaboration and sustainability promotion in each department.**

The **Sustainability Management Office** connects each business division and function horizontally to promote activities so that efforts in each division do not become silos and that **sustainability initiatives throughout Panasonic Connect are leveled at a high standard.**





Change Work,  
Advance Society,  
Connect to Tomorrow.





The background is a dark blue field filled with a repeating pattern of light blue geometric shapes, including squares, circles, and semi-circles, some of which are partially overlapping. The shapes are arranged in a grid-like fashion, creating a textured, digital appearance. The bottom edge of the image is a smooth, white, curved arc.

**Panasonic**  
**CONNECT**