



Sustainability Report

2024

Panasonic
CONNECT

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Sustainability Management System

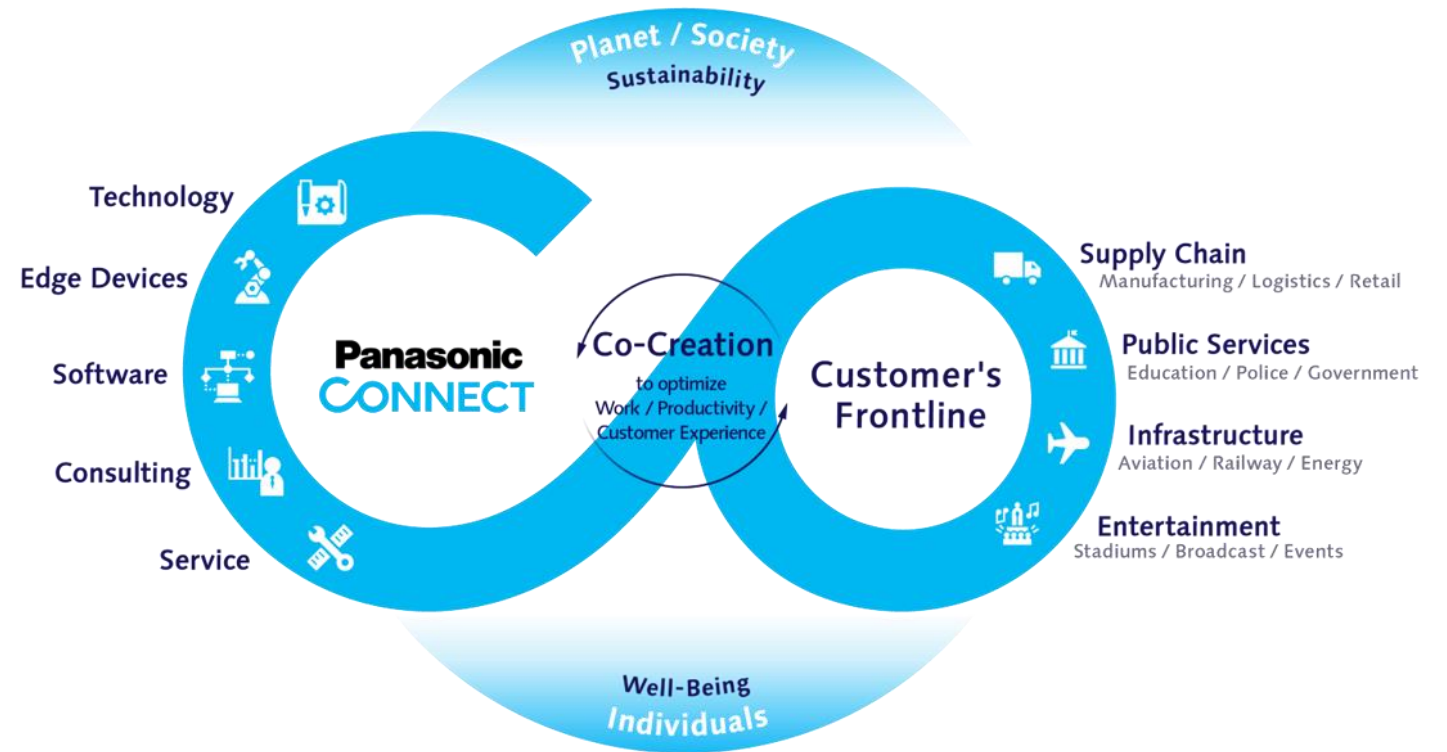
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About Panasonic Connect



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 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

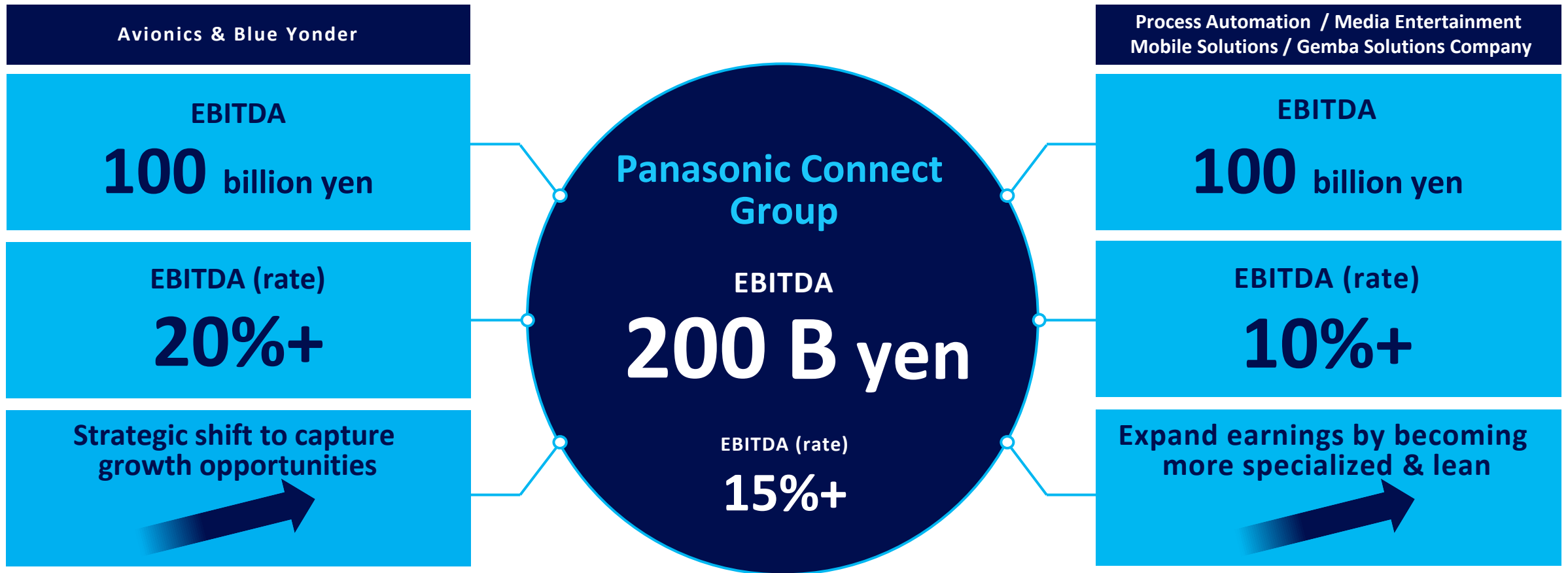


*As of November 2024

Vision for FY2028

EBITDA of ¥200.0 billion

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



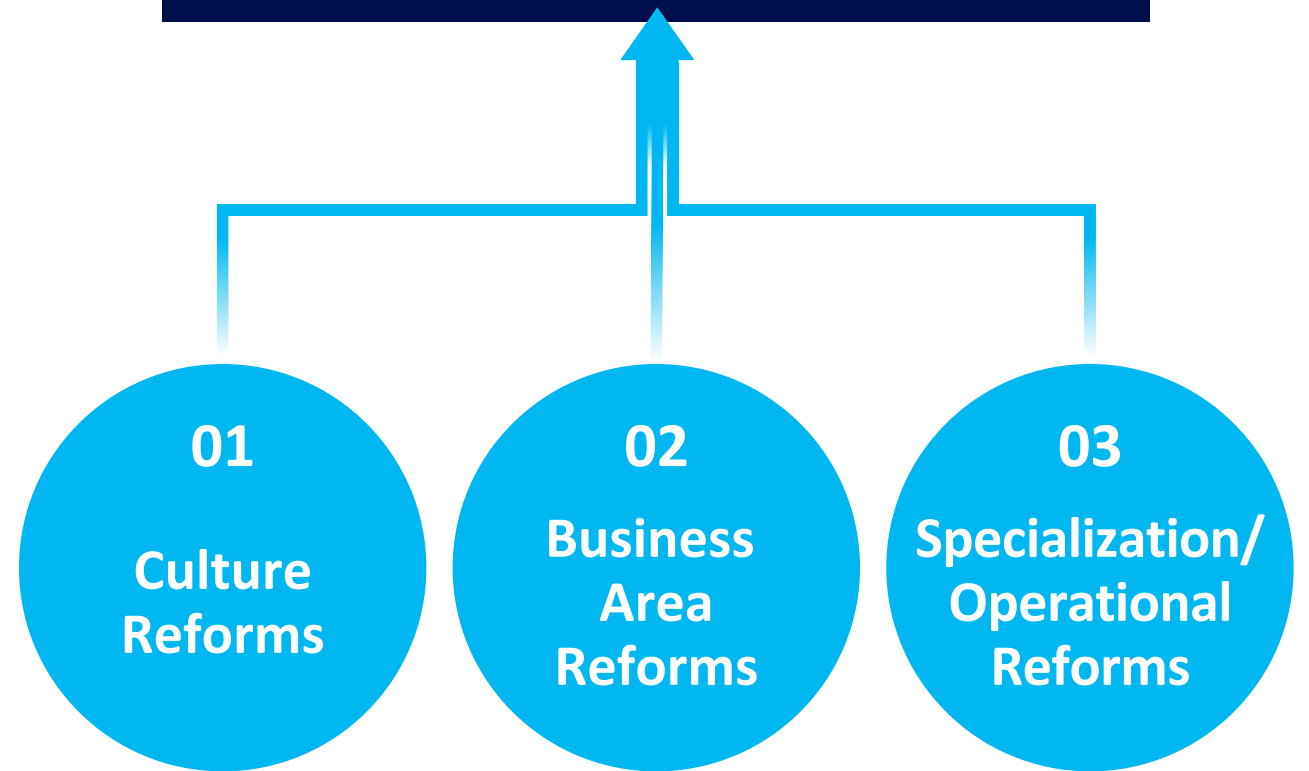
*As of November 2024

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

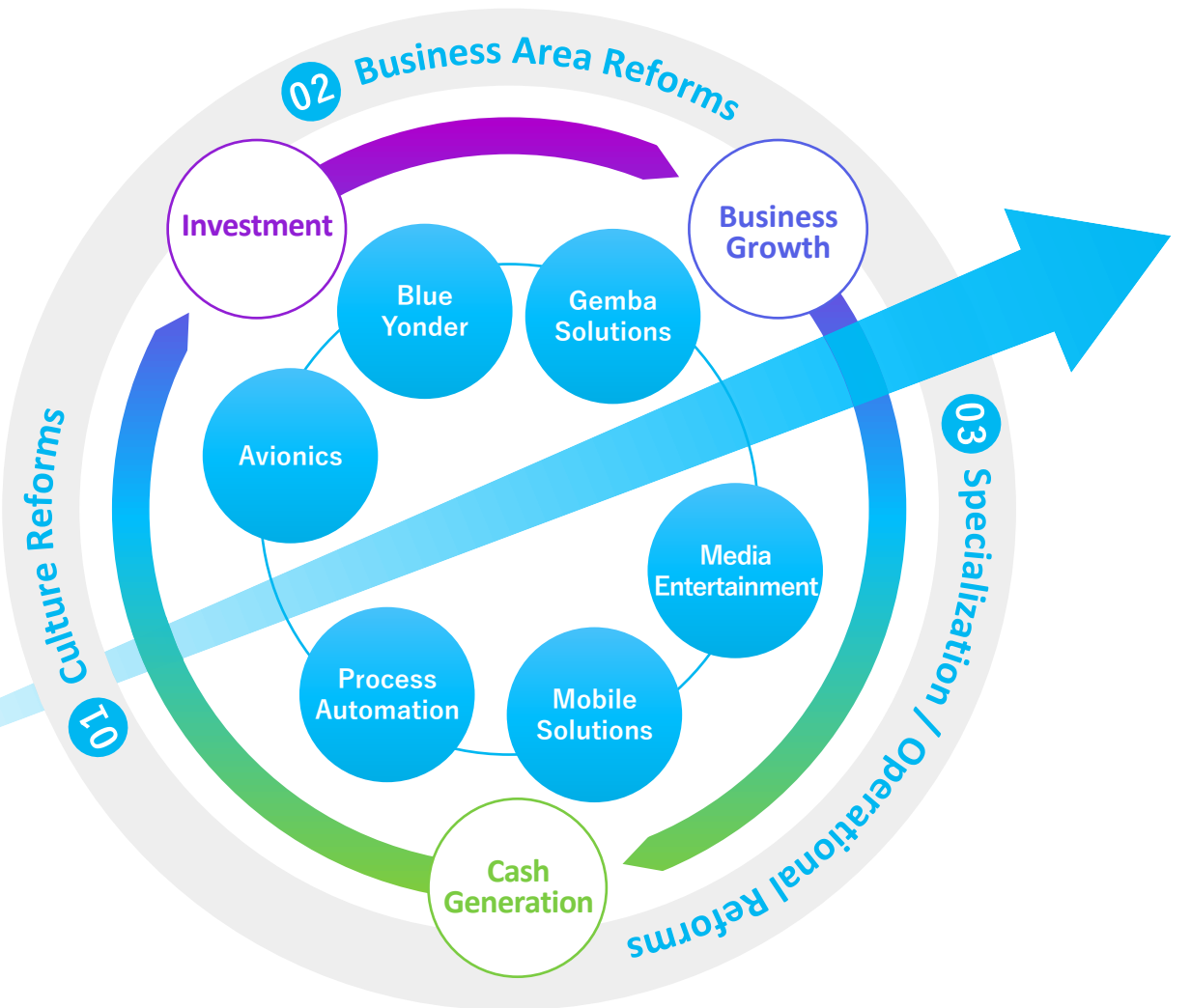


Strengthening the competitiveness of Panasonic Connect

Gain a competitive edge
through three main areas
of reform



Sustainable improvement of corporate value through three reforms



*As of November 2024

Panasonic Connect Sustainability

Overview





**Representative Director,
Chief Executive Officer,
President**

Yasu Higuchi

CEO Message

Panasonic Connect is a company that plays a central role in the growth of the B2B solutions business within the Panasonic Group and provides solutions that contribute to customers' frontline operations from a customer-centered perspective.

Our purpose is to provide innovation for our customers' operations to achieve sustainability for a prosperous society and planet where people and nature can coexist, and to ensure that every individual with diverse perspectives, experiences, and values finds a sense of purpose and lives their lives in safety, security, and happiness. This embodies the desire to realize "well-being".

In order for us, as a company, to contribute to society and remain sustainable, we promote reductions in CO2 emissions, the effective use of resources, and respect for human rights throughout our value chain, while working together with our customers to achieve sustainability.

We pledge that the entire company will work together to realize a sustainable society. Let's drive towards a new future together.



Panasonic Connect Sustainability

Panasonic Connect positions corporate culture as a pillar of its management strategy and is fully committed to continuous innovation. We promote sustainability management based on a healthy culture.

We will reform the frontline operations in our workplaces and strive to reduce the environmental impact of the entire supply chain.

In our workplaces, everyone's human rights are respected, and each employee can continue to thrive. We aim for our CONNECTers' Success.

By connecting with customers and innovating on all frontlines, we contribute to the well-being of each and every member of society and the realization of a sustainable global environment.

Change Work, Advance Society, Connect to Tomorrow.

CONNECTers' Success

To realize our purpose, we aim for "employee success" where employees are thriving, transforming, and growing while practicing our core values. We also strive to increase employee engagement and individual productivity.

2027 target

Employee Engagement* **80**

* Using the Employee Kom Ferry Engagement Survey FY2023 Results: 65.8

2027 target

Added value created by each employee* **1.6** times

* Calculation of EBITDA per employee Compared to FY2023

Diversity, Equity & Inclusion

We do not tolerate discrimination of any kind, we accept different cultures, and ensure psychological safety. We aim to create an environment where everyone can play an active role.

2035 target

Ratio of female managers **30%**

7.7% as of April 1, 2024

Panasonic Connect's Sustainability Challenge

Decarbonization

The entire Panasonic Group will achieve carbon neutrality in-house, and Panasonic Connect will actively work to reduce the environmental impact of manufacturing.

2030 target

In-house CO2 emissions substance **zero**

Procurement Sustainability

To confirm compliance with Panasonic Group guidelines, we conduct assessments of procurement partners and assess risks.

2025 target

Procurement partner collection of CSR Assessment Check Sheets **100%**

99.9% as of November 2024

Legal Compliance

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

Declaration

Harassment Free

Overview of Sustainability Initiatives

Panasonic Connect

Customer site

Panasonic GREEN IMPACT

Environmental
Activities
in Our Workplaces

Carbon Neutrality

Circular Economy

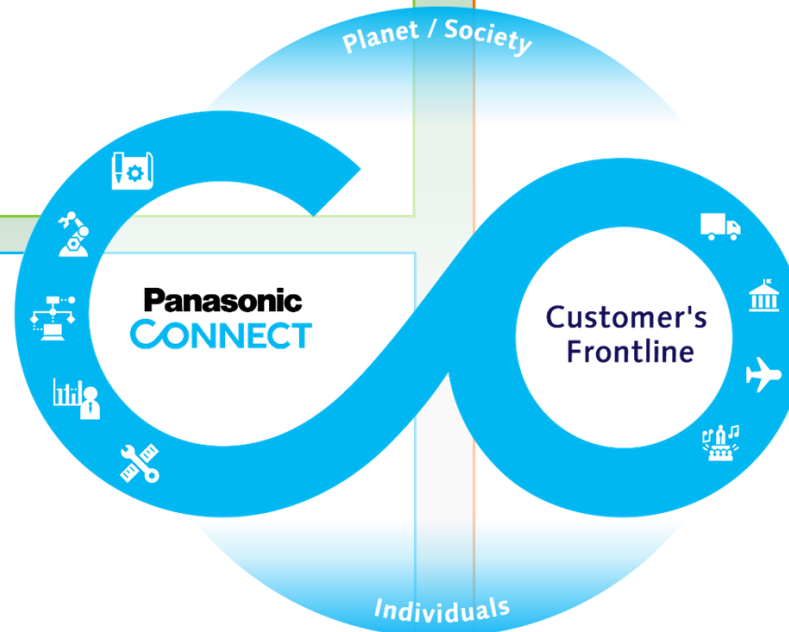
Well-being in Our
Workplaces

Examples of Initiatives

Good physical and
mental health / Creating
the environment

Working with enthusiasm
Making connections

Have career ownership
Building the Future



Examples of Providing Sustainability Value to Customers

Reducing environmental impact
by improving transportation efficiency

Visualization and management of warehouses
and transportation truckyards

Realization of a sustainable e-commerce cycle

Improving Service Quality
and Reducing Environmental Impact

Warehouse optimization that leads
to the solution of logistics issues

Optimization of manufacturing sites

Contributing to the reduction
of aircraft fuel consumption

Working across the value chain to
create a sustainable future

PC-related services to support DX promotion

Reducing the workload of space production sites
and contributing to a recycling-oriented society

Disaster Prevention Solutions

Sustainability
through the Provision
of Services to
Customers

Governance & Compliance

Diverse Board of Directors

Integrity in Practice

Eradication of Harassment

Procurement Due Diligence

Quality & Environmental Compliance

Examples of Sustainability Initiatives

through the provision of services to customers





Sustainability through
the Provision of
Services to Customers

Reducing Environmental Impact by Improving Transportation Efficiency

Transportation Management Solution (TMS)



Increased
Transportation
efficiency

7%

People, trucks,
expenses, etc.

Effective use
of resources

CO2, etc.

Reduction of
environmental
impact

Bayer Crop Science's
challenge

With more than 350 locations requiring consistent technology solutions and best practices, distribution managers sought **standardized decision-making practices and shared value** to realize the company's best financial interests.

Transportation
Management Solution(TMS)
Benefits

- Optimization by **real-time data analysis** of trailers and personnel
- **Improvement of operations and loading efficiency**

Sustainability
Value Contribution

- **Reduction of CO2 emissions** by improving transportation efficiency
- **Improvement of labor productivity** through effective use of resources by assessing the current status of transportation processes





Sustainability through
the Provision of
Services to Customers

Warehouses & Transportation Truck Yards Visibility & Management Yard Management Solution (YMS)



Innovation through technology synergy between Blue Yonder and Panasonic Connect

**Contributing to Improving Supply Chain Efficiency,
Cost Reduction, and Service Improvement**
Supplied to a leading provider of innovative supply chain logistics solutions

Penske's challenge

Penske collaborates with shippers and carriers to **provide optimal logistics services**. In the US, each trailer is assigned a control number and its entry and exit within the warehouse site is managed manually. The company was **considering an innovative method to track and manage trailers, containers, etc. within the vast warehouse site** where the warehouse building is located.

Yard Management Solution (YMS) Benefits

- YMS-linked cameras, image recognition technology, and machine learning enable **automatic check-in and identification of vehicles**
- Support for **the reduction of detention fees** through the realization of **automatic check-out**
- Improving the throughput of logistics sites, reducing costs, and improving services by **improving tracking processing speed and reducing errors**

Sustainability Value Contribution

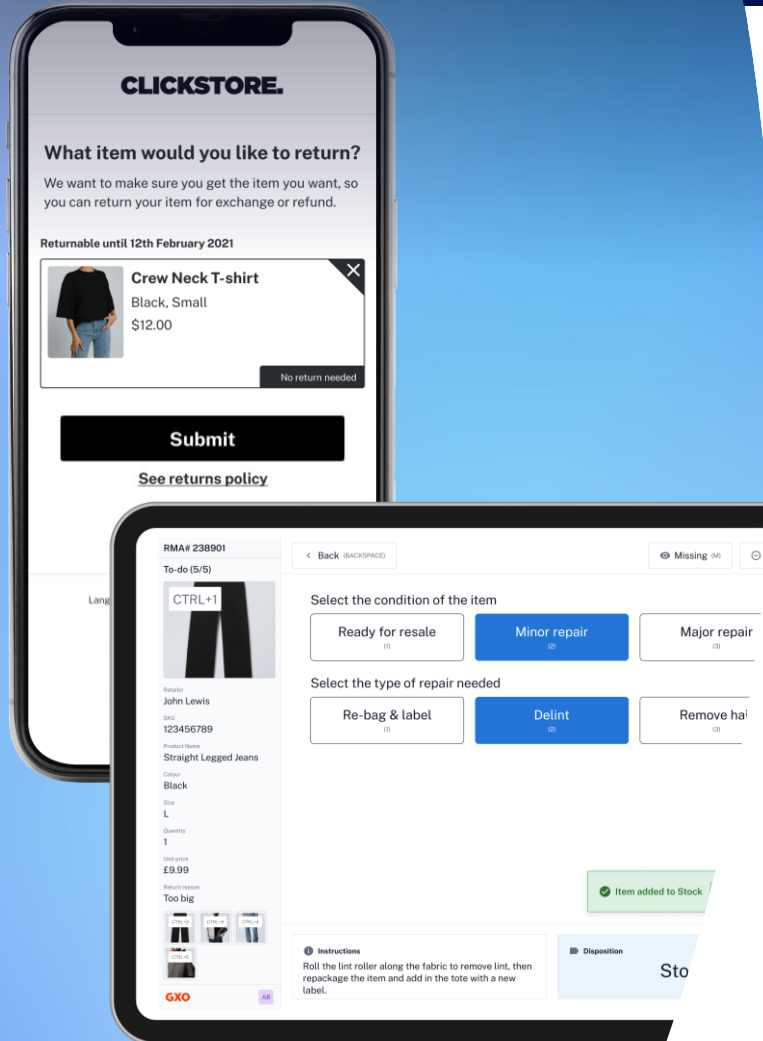
- **Operational efficiency** through the reallocation of labor by automating and centralizing tasks and increased labor productivity
- Efficient warehouse site management to **reduce energy consumption**



Sustainability through the Provision of Services to Customers

Realization of a Sustainable E-Commerce Cycle

Digital Return Solutions



Reduction of Financial Impact

By utilization & digitization of return data

Reduction of **Collection and Delivery cost**
Call center and Reception cost

Reduction of Environmental Impact

By utilization & digitization of return data

Reduction of **Waste**
CO2 emissions

The Returns Business in E-commerce Industry Challenges

The return process is often analog, which is stressful for both users and e-commerce businesses, with many associated costs.

Digital Returns Solution Benefits

- Improved customer satisfaction through a smooth return process
- Digitization of return reception reduces the cost of correspondence operations
- Support for optimization of post-processes such as visualization of return status and inventory management
- Saving manpower by installing a self-return KIOSK, and improving collection and delivery efficiency

Sustainability Value Contribution

- Construction and operation of efficient reverse logistics that contribute to circular economy
- Improvement of labor productivity through the digitization of complex returns operations



Sustainability through
the Provision of
Services to Customers

Improving Service Quality and Reducing Environmental Impact

Delivery Visualization Solutions



Reduction of employee man-hours

Responding to shipper inquiries	Correspondence between the driver and the dispatcher
-1,150h/month	-2,760h/month

Improvement of service quality

Reduction of inspection errors and improvement of arrival prediction accuracy

Fukuoka Transport's Challenge

Promoting DX to meet the current needs of the food industry. While the digitalization of order processing is progressing, collection and delivery remains an issue. Although progress had already been made in visualizing the progress of driver operations, there was still room for **improvement in the visualization of the overall collection and delivery operations.**

Delivery Visualization Solution Benefits

- **Real-time tracking** of vehicle location and operational status, leading to **faster inquiry response times**
- QR code inspection **reduces inspection errors and the risk of incorrect delivery**
- Optimizing vehicle dispatch plans according to operating conditions **improves delivery efficiency**
- Data analysis of cargo waiting and handling times, which contribute to inefficient operations, leads to **improved work efficiency**

Sustainability Value Contribution

- **Reduction of CO2 emissions** by improving delivery efficiency and optimizing operation management
- **Improvement of labor productivity** by visualizing operations and reducing man-hours

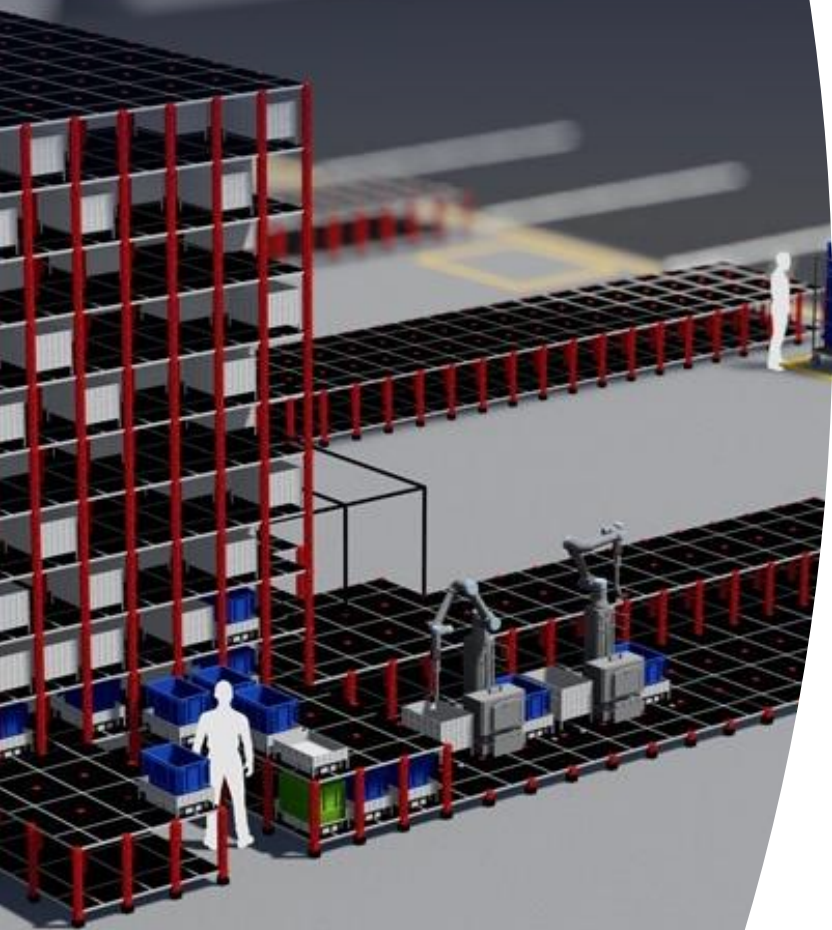


Sustainability through the Provision of Services to Customers

Optimizing Warehouses to Solve Logistics Problems

Human-Robot Collaboration Powered by “Task Optimization Engine”

R&D Division



Reducing man-hours at logistics sites

-25% per year*

*Actual value at the time of introduction of the optimization engine algorithm Software is scheduled to be available in March 2025~

Truck loading efficiency

2x

50% reduction in waiting time

Logistics site Challenges

The essential problem with logistics is waiting time due to the inability to **synchronize between operations**. In addition, the **amount of work at the logistics site changes drastically and work is required in a short time**, and humans have no choice but to respond.

Task Optimization Engine and Human-Robot Collaboration Effects

* Experiment at our own warehouse

- **Optimization of warehouse operations to improve the long waiting time of trucks and the low loading rate**
- **Improving operational efficiency through optimal fusion of humans and robots**
- Realization of **flexible response based on on-site data** through collaboration with Rapyuta Robotics' automated warehouse "Rapyuta ASRS"

Sustainability Value Contribution

- **Reducing CO2 emissions** by optimizing the number of trucks and achieving high loading capacity
- **Resolving labor shortages by improving productivity** through operational optimization
- **Securing human resources** by creating an attractive and easy-to-work logistics site



Sustainability through
the Provision of
Services to Customers



Optimization of Manufacturing Sites

"Autonomous Factory"

Circuit Formation Process Business Division

Environmentally friendly & waste-free manufacturing to production plan

Printing machine "NPM-GP/L"

Mounting machine "NPM-GH"

Auto Setting Feeder

Amount of waste solder

Reduced production time

Automation of changeover
& material replenishment

-1,720kg/year

CO₂ -12.1%

Working time: -60 sec.

Manufacturing floor Challenges

High-mix, small-lot production, shortening of production cycles, and traceability. There is a need to **respond to complex production processes**, such as stricter management.

Manufacturing sites Optimization Solutions Benefits

- **Optimizing** production by manufacturing the right products at the right time and in the right quantities
- **Automating frequent manual tasks** on the production floor
- **Intelligent decision-making** based on the expertise and experience of skilled personnel

Sustainability Value Contribution

- **Flexible manufacturing** tailored to the production styles and product characteristics of individual factories.
- **Reduce waste** and **increase the efficiency of energy consumption** by autonomously regulating variable factors on site
- **Labor saving** by standardizing the knowledge of skilled workers



Sustainability through
the Provision of
Services to Customers

Optimization of Manufacturing Sites

"Autonomous Factory"

Welding Process Business Division

Edge devices for increased productivity

Arc welding machine power consumption

Compared to the 500DS2
and 300DS2 and conventional DS1 series

-27%

Welding robot construction speed

High current of WG4 power supply
Pulse welding

+15%

Welding machine CO2 emissions

-0.41t/year

Welding site Challenges

Productivity is required to be improved by shortening tact times and reducing line stops, and at the same time responding to **improvements in the energy efficiency** of facilities and equipment is also emphasized.

Welding Edge Devices Benefits

- Compatible with a **wide range of welding work** due to high output, **shortening tact time**
- High **cooling and robustness** reduce line stops
- **Improved maintainability** contributes to **improved operation rate and productivity**

Sustainability Value Contribution

- **Reducing CO2 emissions** through energy-saving measures in equipment and machinery, while **promoting high performance and improved maintainability**, **accelerates the shift to circular economy**



Sustainability through
the Provision of
Services to Customers

Inflight Entertainment Solution that Helps Reduce Aircraft Fuel Consumption

"Astrova"

Panasonic Avionics Corporation



<p>System weight</p> <p>General long-haul aircraft (wide-body) in-flight entertainment systems</p> <p>30% lighter</p>	<p>Reduced fuel consumption</p> <p>Average long-haul aircraft (wide-body)</p> <p>5%/year</p>	<p>Reduction of CO2 emissions</p> <p>Average long-haul aircraft (wide-body)</p> <p>143,000kg/year</p>
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<p>Aviation Industry Challenges</p>	<p>To improve and maintain customer satisfaction, it is necessary to meet the changing requirements of the market and to respond quickly to expectations. In addition, it is essential for airlines to address important environmental issues, such as the reduction of CO2 emissions.</p>
<p>Astrova Benefits</p>	<ul style="list-style-type: none"> • Reduction of fuel consumption by reducing the weight of the system • Modular design provides scalability and flexibility
<p>Sustainability Value Contribution</p>	<ul style="list-style-type: none"> • Contributing to CO2 emissions reduction through lower fuel consumption achieved by weight reduction • Modular design, which allows for easy upgrades and maintenance, extends product life and promotes the effective use of customers' management resources



Sustainability through the Provision of Services to Customers

Contribution to Create a Sustainable Future throughout the Value Chain

"Let's note" / "TOUGHBOOK" / "Payment Systems"

Mobile Solutions Business Division

Creating a sustainable future

Renewable energy

2024 Electricity consumption at the Kobe Factory Renewable Energy Utilization Rate

Approx. **15%**

Plastic packaging material quantity

Let's note CF-SR 2023 model results (compared to 2016 model)

-60%

PC recycling rate

FY2023 Results

60.8%

Industry Challenges

The durability of PCs is emphasized for work in harsh sites such as public services and logistics, and for business execution in hybrid environments such as sales. Additionally, **purchasing products that are environmentally and socially friendly** is recommended.

Device Benefits

- In addition to **the high durability** achieved through unique testing designed to simulate operational environment, our **meticulous troubleshooting** reduces **downtime on-site**

Sustainability Value Contribution

- **Promote consistent environmental conservation efforts throughout the value chain**, from development, procurement, manufacturing, operation, reuse, and disposal.
- Achieve a **longer product life** and contribute to **reducing PC disposal** from a long-term perspective
- Replaceable battery design **facilitates repairs and maintenance**, contributing to the **effective use of customers' management resources**



Sustainability through the Provision of Services to Customers

PC-related Services to Support DX Promotion

Full one-stop support from procurement to operation and disposal

Gemba Solutions Company

Providing a combination of services based on customer's issues and requirements

Contributing to the improvement of customer productivity and circular economy activities with the know-how cultivated through centralized management of 140,000 units across the company*

*Panasonic Group



Information Systems Division Challenges

The promotion of DX is an important initiative in strengthening the competitiveness of companies. There is a need to create a system that minimizes the burden of non-core operations and allows them to focus on building and transforming IT systems.

PC-related Services Benefits

- Standardization and centralization of processes in PC operation management to achieve optimal operation by strengthening and controlling governance.
- Providing one-stop services to reduce the workload of non-core operations

Sustainability Value Contribution

- Improvement of labor productivity by reducing the workload of the information systems division and reducing unplanned downtime of employees
- Extend product life and reduce waste through efficient PC operation and management



Sustainability through the Provision of Services to Customers

Reducing Workload on Spatial Design Sites and Contributing to a Circular Society

High Brightness Projector "PT-RQ7" Series

Media Entertainment Business Division



Workflow Efficiency

Installation & adjustment support function

Reduction of work time and man-hours

Long-term stable operation

20,000 hours maintenance-free *1

Contributing to Circular Economy

Plastic Parts

Recycled 10%

*1: Operation mode "Normal" and "Dynamic Contrast" set to "3", IEC62087: 2008 Broadcast content projection, temperature 35, Under the condition of 700 m above sea level and a dust environment of 0.15 mg/m3, the use time until the light output is halved. The light output half-life time varies depending on the usage conditions and environment.

Entertainment Industry Challenges

While the need for **immersive productions is increasing**, **complex video systems and workflows that utilize multiple projectors are required**, so there is a need to **reduce the workload of people at the production site**, such as installation, adjustment, and management.

PT-RQ7 Series Benefits

- By linking with a media processor (PT-FMP50 series), both **improved performance and reduced workload** are achieved
- Equipped with an optical engine that complies with international standards (IEC standard 60529), allowing **stable operation** even in high-temperature and dusty environments.
- **Compact design reduces delivery time, installation space, and delivery costs**

Sustainability Value Contribution

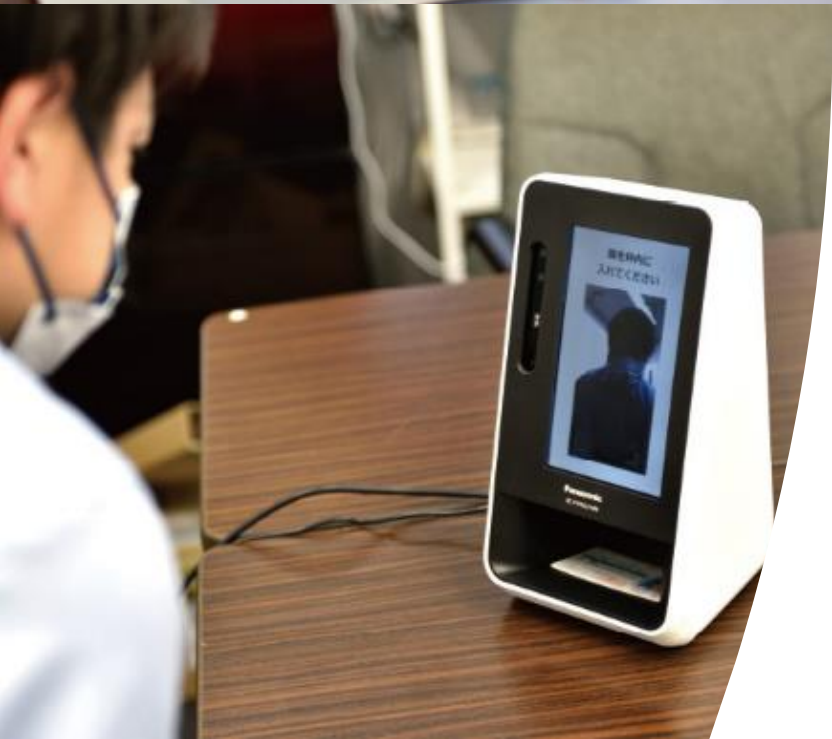
- High expandability and reduced installation effort contribute to **workload reduction and labor saving**
- Contributing to circular economy by **promoting the use of recycled materials**

Disaster Prevention Solutions

For government offices and municipalities

Gemba Solutions Company

Sustainability through
the Provision of
Services to Customers



Strengthening the disaster prevention system of the entire region through prompt & accurate info dissemination and smooth evacuation center operation

Disaster Prevention Information System: Centralized management of information

Evacuation Shelter Reception Solution: Shortening Reception Hours, Evacuee Information Management

Minami-Awaji City, Hyogo Prefecture Challenge

City Hall will work on **natural disaster countermeasures and crisis management**, which are priority measures. In preparation for large-scale disasters, they are considering building a disaster prevention system to **quickly evacuate citizens and a system to smoothly operate evacuation centers with limited staff**. Taking the opportunity of updating the existing disaster prevention system, we implemented a renewal to a system that is **in line with the current times**.

Disaster Prevention Solutions Benefits

- Real-time information sharing across departments for rapid evacuation guidance
- Establishment of a transmission system utilizing various information media
- Promote disaster prevention DX that utilizes weather data to manage future crises
- Improvement of response efficiency and accuracy through **digitalization of reception and operation operations at evacuation centers**

Sustainability Value Contribution

- Promote safe community development through local disaster prevention and ICT
- Improving work efficiency and reducing staff workload through people-technology integration

Environmental Activities In Our Workplaces

Environmental performance data and examples of initiatives

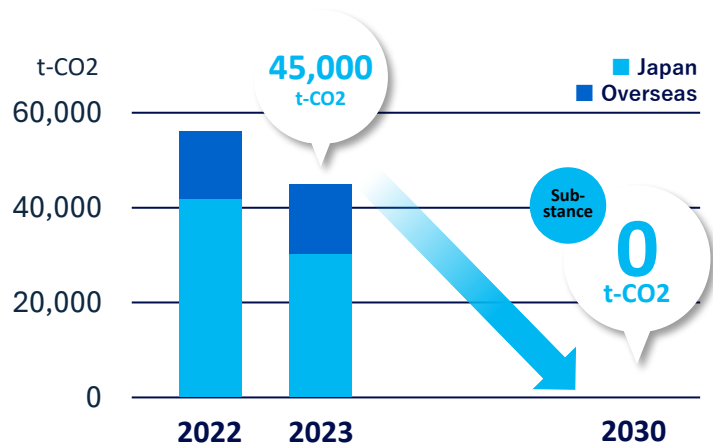


Environmental Performance Data from Panasonic Connect Business Activities

Reduction of CO2 Emissions

Panasonic Connect is globally committed to reduce CO2 emissions from our business activities.

CO2 Emissions Reduction Targets

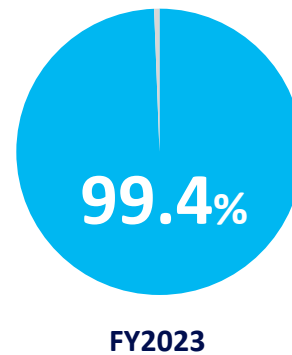


Scope of CO2 Emissions: Directly managed sites in Japan, Business Division sites, affiliated companies (Panasonic Katano, Panasonic Kibi), and overseas manufacturing sites. However, the Tsuyama Factory (closed in FY2022) has a different data aggregation period.

Recycling Rate of Waste and Valuable Materials

Each manufacturing site is committed to reduce waste and increase the recycling rate of valuable materials.

Recycling Rate of Waste and Valuable Materials at Global Manufacturing Sites



Scope of Waste and Valuable Materials Recycling Rate: Manufacturing sites in Japan (Kobe, Kita-kadoma, Toyonaka, Kaga, Kofu, Saga) and overseas manufacturing sites

Management of Chemical Substances

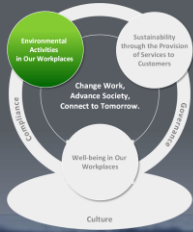
Assessing chemical hazards at each manufacturing site and implementing management and reduction measures.

Calculated Human and Environmental Impact (HEI*)

*HEI: Human and Environment Impact
Calculated based on the hazard coefficient of chemical substances and the amount of emissions and transfers



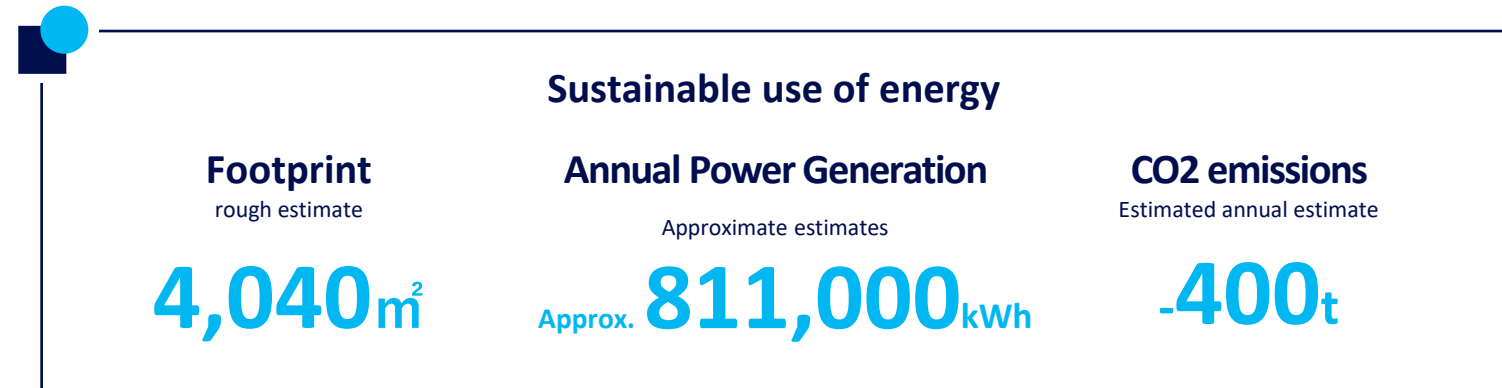
Scope of Management of Chemical Substances: Manufacturing sites in Japan (Kobe, Kita-kadoma, Toyonaka, Kaga, Kofu, Saga) and overseas manufacturing sites



Environmental
Activities
in Our Workplaces

Sustainable use of Energy Introduction of Solar Power Generation Equipment at Kobe Factory

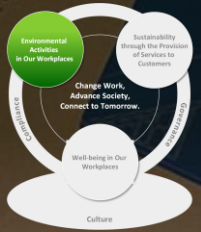
Mobile Solutions Business Division



As part of our efforts to **use energy in an environmentally friendly and sustainable manner**, we have introduced **solar power generation equipment based on an on-site Power Purchase Agreement (PPA) model*** on the roof of the Kobe Factory of Mobile Solutions Business Division.

The factory began operations from March 1, 2024, and was the first Panasonic Connect site to introduce on-site PPA solar power generation (excluding overseas offices). The factory is expected to generate **approximately 811,000 kWh of electricity annually** and reduce **CO2 emissions by approximately 400 tons per year**. Through this initiative, **approximately 15% of the electricity used at the Kobe Factory will be replaced with renewable energy**.

*A system in which a power generation company installs solar power generation equipment on the premises of a consumer at the expense of the power generation company, owns and maintains it, and supplies the electricity generated from the power generation facility to the consumer.



Environmental Activities in Our Workplaces

Sustainable use of Resources Joint Development of New Corrugated Cushioning Material with Suppliers and Patent Application

Mobile Solutions Business Division

Sustainable use of resources

Cardboard for packaging and cushioning materials

"Let's note" from May 2022 onwards

Target **100%**

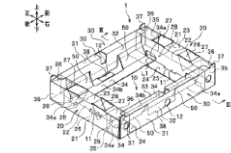
Patent application related to packaging

Enhancing

Joint development with suppliers
Japanese Patent Application

No. 2022-137960

Title: Cushioning material



Mobile Solutions Business Division is promoting the joint development of a new corrugated cushioning material with a supplier and filing a patent application (August 2022) to **reduce plastic emissions**. For the "Let's note" mobile PC (model released in May 2022 or later), we are actively promoting the use of corrugated packaging materials and cushioning materials, aiming to **use 100% corrugated packaging materials for all models**.

Corrugated cardboard is a material that is recycled* more than 95% in Japan and has a low environmental impact in the recycling process. The material eliminates the **excessive use of plastic**, realizes an **environmentally friendly packaging form**, and promotes **automation with machines to reduce the human workload during assembly**.

The development of new materials includes not only in-house development but also joint development with suppliers. The results obtained will be protected through patent applications. Additionally, the **excessive use of plastic materials will be eliminated, and assembly efficiency will be improved**.

*National Federation of Corrugated Cardboard Industry Associations

Examples of Well-being

Initiatives at our workplaces





Panasonic Connect's Human Resources Strategy Goals

Every thriving individual contributes to the company's sustainable growth
and leads to the realization of our purpose

Sustainable Development of Corporate Value



CONNECTers' Success

What is CONNECTers' Success?

The state in which every individual can continue to thrive in their work,
Contributing to the sustainable development of the company and the realization of our purpose

thriving CONNECTers

Towards Our Purpose
Being involved in
Meaningful work

Realizing
Personal Growth

Working
Energetically

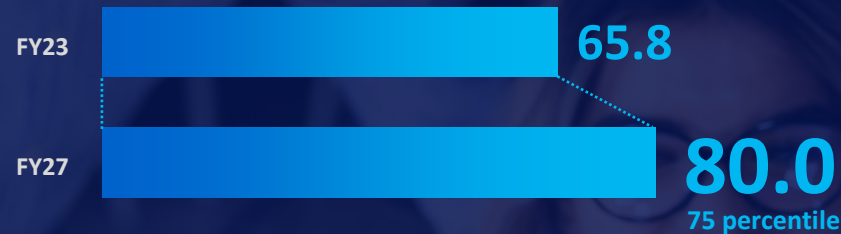
CONNECTers' Success KPIs

Targeting the level of global top companies

Sustainable
Development of
Corporate Value

Employee Engagement (EOS*)

Korn Ferry Employee Engagement Survey



Added value created by each employee

EBITDA/Employee Calculated



Towards Our Purpose
Being involved in
Meaningful work

Purpose & Core Values Empathy and Practice (EOS)



Realizing
Personal Growth

Learning time per person (LMS grasp)



1-on-1 dialogue with others contributes to your growth



Working
Energetically

Freedom to express one's opinion (EOS)



Respected as an individual (EOS)



CONNECTers' Success Initiatives

Healthy work both physically and mentally
Creating the environment



Sustainable enhancement of corporate value
Realizing our purpose

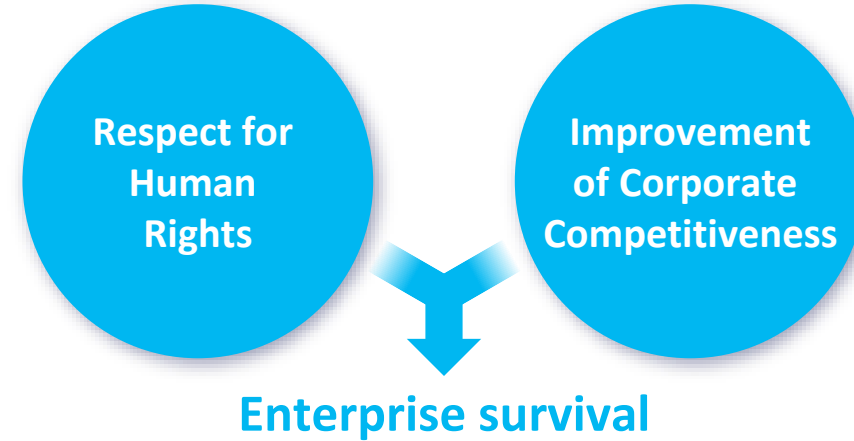
Career ownership
Building the future

Thriving in our work
Making connections



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 thrive in their work, 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 every individual respect each other and thrive in their work, 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 promote DEI

Frontline-led initiatives within the company

DEI Champs (Promotion Leaders) are appointed at each workplace and depending on the characteristics of the workplace, we promote autonomous DEI activities. At the same time, we are also promoting company-wide DEI measures, such as **DEI Month** which has been held since 2023. Also, we concentrate on DEI-related events such as seminars and hands-on sessions. (FY24: 81 projects, 198 events)

In addition, DEI officers visit all business sites and have real and frank conversation with employees. We have been running **the DEI Caravan** since 2017 to exchange ideas. This is an important initiative to connect the content of the hearings in the caravan to the next measures.

Collaborating with external companies to realize a better society together

We do not close ourselves off within the company but actively involve external organizations in planning various initiatives. The "**Gemba Roundtable**" is a way for employees and executives to work together to create a comfortable working future from the perspective of the frontline. We have distributed program materials so that other companies can implement them, and they are now using them. The **Rainbow Business Network**, which aims to realize a diverse society, was launched as a community where Ally companies connect, interact, and learn from each other with the aim of collaborating with like-minded companies to change the world. Panasonic Connect agrees with the purpose and provides full support as the secretariat. In the past, more than 70 companies participated in the study sessions.

I am respected as an individual

FY2023 Results

Affirmative EOS* Score **78**

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

FY2023 Results

Affirmative EOS* Score **79**

* Korn Ferry Employee Engagement Survey



Creating the Environment Healthy work both physically and mentally

Efforts to eliminate the minority gap

Fostering a mindset that recognizes every individual without gender bias

One of the initiatives to promote the diversification of decision-making levels is the promotion of the appointment of women. We **have achieved a critical mass of 30% or more of the ratio of female directors**, and we aim to increase the ratio of female managers to 30% by 2035. We support women's career development by conducting "cross-mentoring" and "cross-industry training" for various levels in collaboration with other companies in different industries.

Actively promoting women

As of July 2024

% of female directors	% of women in managerial positions
33%	7.7%

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, from October 2022, 30 days of childcare leave at birth or childcare leave will be paid regardless of gender.

% of male employees taking childcare leave and average days taken

FY2023 Results

92%	45.8 days
FY2022 results: 89%	26.2 days

Creating a comfortable workplace where everyone can shine

In order to communicate from top management, the idea of creating a workplace where each and every employee can work with enthusiasm, **all Connect executive officers have acquired the Level 3 Universal Manners Certification**. Furthermore, we participated in a **minority experience program** (hearing impairment, visual impairment, wheelchair users) aimed at understanding disabilities and connecting them to action, which provided an opportunity for executives to gain a lot of insight.





Well-being in Our Workplaces

Creating the Environment Healthy work both physically and mentally

Examples of actions realized from voices from the field

Change in the name and system of menstrual leave

It is difficult to tell your boss about your leave with the direct word "menstruation". Therefore, in response to voices that it is difficult to take menstrual leave even if there is a "menstrual leave" system, the name of menstrual leave has been changed to "Dandelion leave (commonly known as T-leave)" from April 2023. In addition, we have reviewed some of the systems so that we can flexibly respond to the menstrual concerns that differ from individual to individual, such as making it possible to take full- and half-leave.



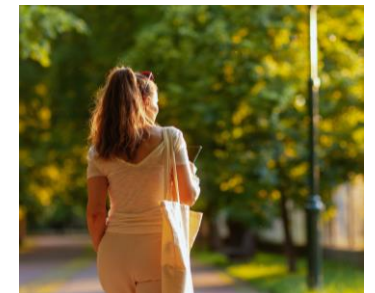
Implementation of hands-on sessions and provision of sanitary products

Employees, including executives, participate in the menstrual pain experience session to deepen their understanding of menstrual pain. As an action after this experience, sanitary products were placed in the women's washrooms from the end of October 2024.



Subsidy for egg cryopreservation

In October 2023, we introduced a subsidy system for egg freezing. This system is designed to enable female employees to choose a wider range of opportunities by designing an autonomous life plan to achieve their own success and job satisfaction, with egg freezing as one option. Specifically, we will subsidize up to 400,000yen for egg retrieval and freezing costs for employees that do egg freezing. In addition, we hold seminars for employees to deepen their understanding of egg freezing to improve their health literacy.





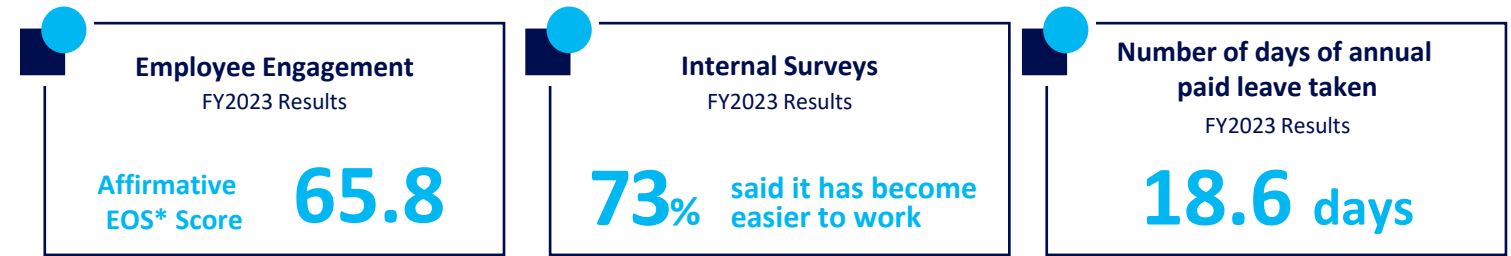
Well-being in Our Workplaces

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 every 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, we are actively promoting the use of leave by developing a new system that links the remuneration of executives with the rate of leave taken (99% of employees took leave for the FY2023 Connectors Challenge Holiday).

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

Employee health management and occupational safety and health

Realization of a safe and secure work environment where each and every employee can continue to work in good physical and mental health

The physical and mental health of our employees is the foundation for independent and autonomous career development and performance improvement. By practicing health and productivity management, we will contribute to the improvement of work engagement and organizational performance throughout the organization. We have been certified as a **White 500 company** by the Ministry of Economy, Trade and Industry (METI) for four consecutive years as an **Outstanding Health and Productivity Management Organization (Large Enterprise Category)**.



*Survey Method: New Occupational Stress Questionnaire

"Yellow Green Action" aiming for a workplace free of passive smoking and tertiary smoking

In order to prevent unwanted secondhand and third-hand smoke in the workplace, we will gradually reduce the rate of secondhand smoke with the ultimate goal of achieving zero. **Smoking cessation during working hours has been made a rule**, with a trial starting in November 2023 and officially commencing in April 2024. In establishing these rules, we are holding seminars and making environmental improvements that facilitate communication among all employees, regardless of whether they are smokers or non-smokers.



Occupational Health and Safety in the Workplace

Continuous efforts to improve the safety and health standards of workplaces go beyond simply preventing industrial accidents; they also promote the creation of comfortable workplaces where all workers can be healthy and safe. All of our manufacturing sites have acquired the **Occupational Safety and Health Management System (ISO45001) certification**, and we aim to reduce the incidence of behavioral accidents by 30% compared to the previous year in fiscal 2024.



Well-being in Our Workplaces

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



We started providing **ConnectAI**, an AI assistant for employees, to all domestic employees from February 17, 2023, with **the aim of improving business productivity, AI utilization skills, and reducing AI utilization risks**. At the time of launch, it was a general-purpose AI that answered a wide range of questions based on public information with the aim of "getting used to AI", but from April 2024, the purpose has been expanded to "**use for work**", and it will be able to answer questions specific to the company. We have evolved into an **in-house specialized AI** that can also answer questions. By **expanding collaboration with in-house data**, for example, AI can support questions regarding quality control based on internal regulations and past cases. By using it for a variety of tasks, including non-routine tasks, it **reduces the workload of employees and maximizes output**.

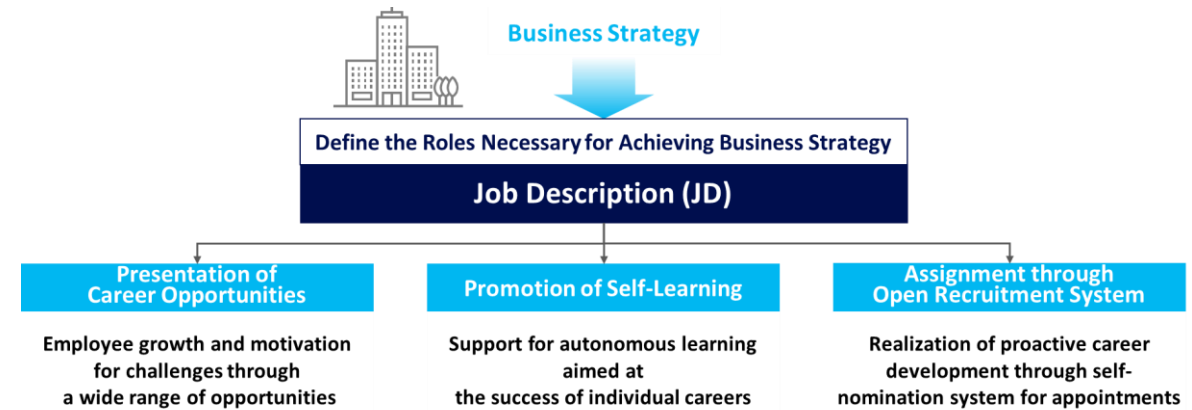


Building the Future Career ownership

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

Promotion of new human resource management

Job descriptions (more than 1,400 types) were introduced to all employees, including union members, at the same time, and the value of individual contributions was clarified.



Panasonic 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 Panasonic 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.

Open Positions		
No. of Positions	Successful applicants	Applicants
As of October 2024	FY2023 Results	FY2023 Results
115	151	322
Previous year: 71	Previous year: 42	Previous year: 332



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. From FY2023, We are promoting the visualization of learning with the Learning Management System (LMS) that we have introduced.

Core Values	Literacy	Skills
Acquisition and reinforcement of core values	Acquisition and enhancement of basic knowledge, execution skills, and management skills	Acquire and strengthen specialized skills in each occupation
Management Philosophy Core Values Training	Udemy Business	Job-specific training
Cross-Border Programs	Literacy training	Panasonic Group Training
Liberal Arts Training	Language Training (SOLO/RISE)	External Training

Initiatives to develop human resources that align with business strategy

As one of our efforts to strengthen cloud talents, we are holding the Connect Hackathon. From 2023, the entire company not only engineers but also employees involved in fields other than development participated. The goal is to foster a culture of not only experiencing and learning the latest technology, but also enjoying digging up ideas and realizing them on their own.

Human resource development aimed at globalization

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.**



Well-being in Our Workplaces

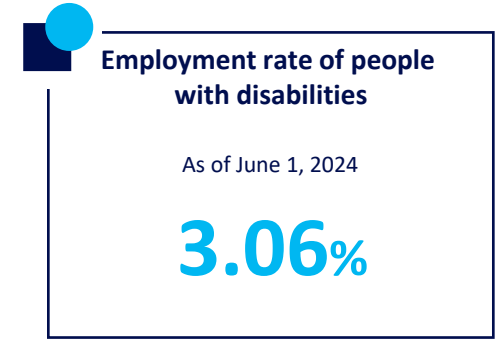
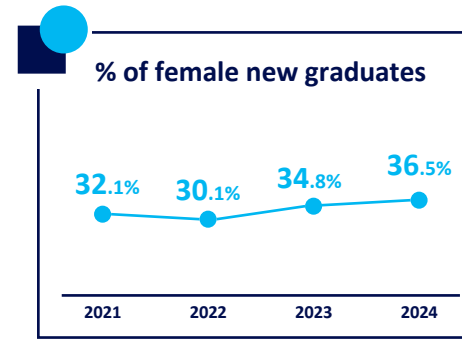
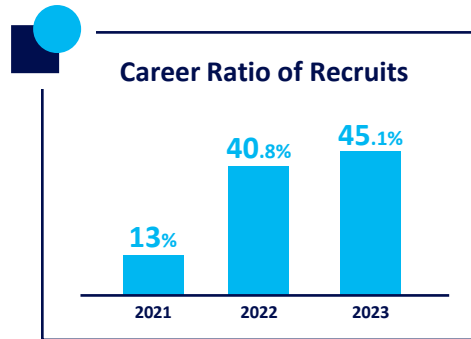


Making Connections Thriving in our work

Actively recruiting diverse human resources and becoming a strong and flexible organization

Broadening our talent pool: Recruiting the individuals who drive our business

We believe that attracting a diverse talent pool capable of embodying our 5 core values is crucial to strengthening our competitiveness. This requires moving beyond conventional hiring perspectives. We are actively fostering a culture and building systems that attract even more diverse talent from both domestic and international markets.



Promote assignment and appointment for the purpose of achieving business strategies

We employ a position-based recruitment process, defining roles necessary for achieving our business strategy. Since May 2023, we have also formalized **employee referral programs**. Through proactive, informal interviews and thorough email communication, we aim to minimize post-hire mismatches. Our goal is to build an organization that brings together individuals with diverse backgrounds and leverages their valuable experience, **enabling experts to excel and contribute their unique strengths.**



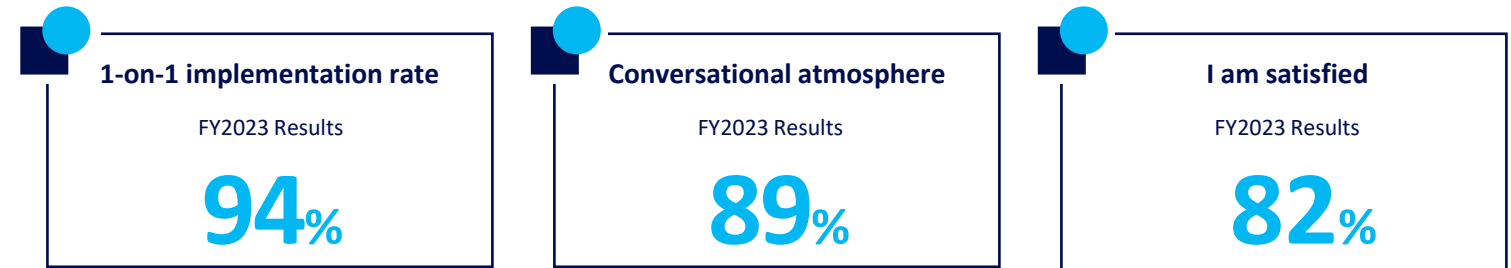
Well-being in Our Workplaces



Making Connections Thriving in our work

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 every 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**.

Certifications, Sponsors, and Endorsements



Compliance & Governance

Examples of Initiatives



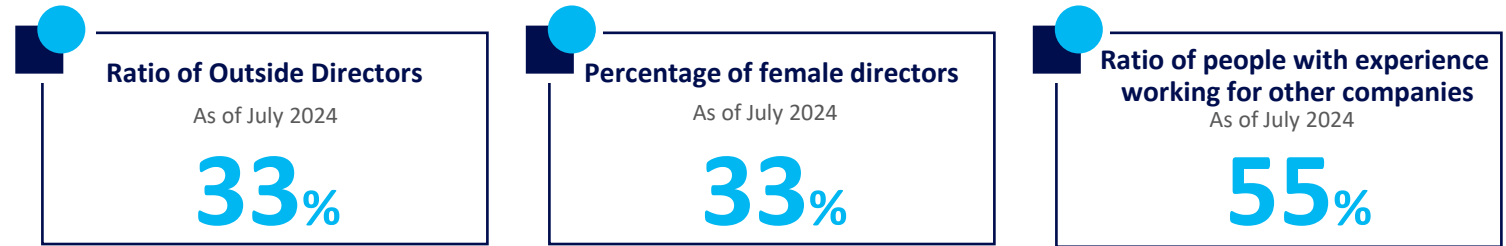


Compliance & Governance



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.

	Representative Director Yasu Higuchi		Representative Director Takeshi Nishikawa		Outside Director Satoko Shisai		Director Yuki Kusumi		Director Hideaki Harada
	Female Director Yukari Kobayashi		Outside Director Yukari Kobayashi		Outside Director Hajime Tokai		Director Hirokazu Umeda		Director 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. These efforts have resulted in a consistent downward trend in harassment incidents.

Management values Compliance

FY2023 Results
Affirmative EOS* Score

92%

I understand the Compliance Code of Conduct and corporate ethics

FY2023 Results
Affirmative EOS* Score

95%

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
- 2023/08**
 - 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

99.1%

Allocated Partners CSR Assessment Check Sheet

Completion rate

99.9%

*As of November 2024

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



Compliance & Governance

Quality & Environmental Compliance

Panasonic Connect, aiming for a sustainable future, places emphasis on **balancing quality and environmental compliance**. We have established a **quality and environmental management system that complies with international standards**, and we strive to comply with product and environmental laws and regulations while continuously providing high-quality products and solutions. In addition, we focus on sustainability throughout the product lifecycle, promoting **the development of energy-efficient products and the use of renewable energy**. We also contribute to **reducing CO2 emissions and waste in our customers' supply chains**, aiming to realize a sustainable society.

Governance Items

Quality	Environment
<ul style="list-style-type: none"> • Quality risk management • Product safety • Product laws and regulations • Product security • Chemical substance management in products • Pharmaceutical affairs • Contract manufacturing at overseas sales companies • Solution business • Collaboration with Panasonic Holdings 	<ul style="list-style-type: none"> • Environmental risk management • Environmental laws and regulations • Site environmental management • Chemical substance management • Waste management • Reduction of CO2 emissions • Environmental education for employees • Collaboration with Panasonic Holdings

Governance Structure



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.**



*As of November 2024

Role of the Chief Sustainability Officer (CSuO)

Driving corporate value through sustainable leadership

Yuri Nakada

CSuO
Sustainability Management Office



What is the role of the Sustainability Management Office?

Right now, we all share a common challenge when it comes to maintaining the planet's resources. I believe companies have a responsibility to tackle this issue, and at the same time, solving sustainability challenges can create new business opportunities. If we don't seize those opportunities, it's hard for companies to grow. That's why sustainability is listed as a core management issue.

On the flip side, when we talk about sustainability and DEI, many people still view it in the old context of "corporate social responsibility" or CSR, thinking "someone else will take care of that" or "it's not really my job." A big part of the role of our Sustainability Management Office is to encourage a shift in that mindset, both internally and externally.

What is my role as a CSuO?

My role is to connect the sustainability initiatives that each department has already started, acting as a connecting hub, and to show the common direction and where we need to head. My experience in bridging departments and driving projects as one team really comes into play here.

I believe promoting sustainability requires us to be flexible and adapt to the changing dynamics out there. It's important to outline a big roadmap and make steady progress, but at the same time, if we spot any issues, we need to consult with management and relevant departments and take action right away.

I'll continue to be that guiding force, keeping in mind the importance of moving forward together as a company.

Interviews with members of the Sustainability Promotion Office are posted on the official owned media "GEMBA" (Japanese only) (Photo: Kei Ito)

<https://connect.panasonic.com/jp-ja/gemba/article/20241122>



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 cut off by the edges. The shapes are arranged in a grid-like fashion, creating a textured, digital appearance. The bottom of the image features a white curved border.

Panasonic
CONNECT