Human Resources Development and Promotion of Diversity

Numbers of Employees

Total Consolidated Number of Employees Globally: 243,540
(as of the end of March 2021)

Policy

To deliver products and services that contribute to society and our customers around the world while growing Panasonic’s business, it is essential for us to keep developing human resources that can actively participate in our global business environment. It will also be essential that the company creates an organization and culture where diverse people can fully utilize their talents irrespective of gender, age, or nationality. Thus, we regard the promotion of human resource development, diversity and inclusion as a crucial part of our business strategy, provide a broad range of opportunities for anyone with ability and ambition, and actively strive to create an environment where work feels meaningful.

Responsible Executive and Framework

Executive Officer Shigeki Mishima serves as the Group Chief Human Resources Officer (Group CHRO) and the DEI (Diversity, Equity & Inclusion) Promotion Officer.

The divisions responsible for the day-to-day management are the Strategic Human Resources Department of Corporate Strategy and Technology Sector and the Human Resources Divisions that have been established in the Lifestyle Business Division and at each of the Divisional Companies and in all business divisions and affiliated companies under the Panasonic umbrella. (As of October 2021)

Performance Evaluations

At Panasonic, we believe that people are the driving force behind our competitive power, which is why we aim to be a company where diverse human resources can use their talents to the fullest extent in a way that is worthwhile. To achieve this, we believe that it is essential to start with a culture that values and leverages diversity, increase the willingness with which each individual employee approaches challenges, and continue to build in concert as an organization. Putting this belief into action, we conduct surveys of employees’ opinions—both in Japan and elsewhere—to understand the current state, needs and issues of its employees and organization. Issues identified in these surveys are factored into action plans, and each relevant Divisional Company and organization works to implement the plans and resolve the problems. From fiscal 2016, Panasonic has been conducting individual overseas opinion surveys by using a common platform in Japan and overseas. Through this common global perspective, we are gaining a clearer understanding of both our organizational strengths and issues to be resolved. This knowledge enables us to enhance the quality of our management and to achieve an organizational culture in which all employees can find meaning in their work.

Managerial Promotion

Panasonic has established its Panasonic Global Competencies (PGC) as common global guidelines for action based on our management philosophy. These guidelines clarify the leadership competencies needed from its leaders and the core competencies needed by all employees. In this way, Panasonic is promoting behavioral change and improved practical initiatives among its leaders worldwide.

Panasonic has unified its leadership candidate selection criteria, processes and IT platforms globally, and makes efforts to discover the most suited candidates, regardless of age, gender, nationality, or other factors, and to provide a systematic approach to career development and promotions. It also plays a particularly important role in defining policies for nurturing...
executive and other management candidates, as well as developing perspectives for selecting from these candidates. Furthermore, we use assessments from external organizations as well to gain an objective understanding of candidates’ aptitudes, abilities, and other distinguishing characteristics. Panasonic then motivates these candidates by sharing the assessment reports to promote self-driven growth among its senior managers. Panasonic has established the Group Talent Management Committee as a venue to openly discuss and examine management candidates from a variety of angles. The President, Divisional Company Presidents, CTO, and other Committee members discuss how to find the best candidates worldwide, as well as matters related to career development and promotions.

Panasonic will continue to enhance its processes for discovering, nurturing, and promoting talent regardless of age, gender and nationality, or other factors.

**Remuneration System**

Panasonic has adopted a performance-linked remuneration system that sets the levels of bonuses for the current fiscal year based on the company’s performance during the previous fiscal year. The degree to which the performance of the company is reflected in compensation increases as their job rank grows. Personal performance from the previous fiscal year is also taken into account when determining the amount of each individual’s bonus for each fiscal year.

Thus, by reflecting the company’s performance and individual performance within certain limits in compensation, Panasonic aims to inspire the desire to improve both performances.

The compensation of Directors and Executive Officers consists of a fixed “basic compensation”, a “performance-linked remuneration”, which serves as a short-term incentive, and a restricted share-based compensation, which serves as a long-term incentive.

Performance-linked remuneration raises the motivation to increase business performance, which is why we have linked it to the annual performance evaluations for both the Group as a whole and for the division they are responsible. Performance-linked remuneration is evaluated by considering KPIs that must be continuously monitored, including adjusted operating profit*, net income attributable to parent, and operating cash flows for the term. The objective of Panasonic’s stock options with transfer restrictions is to incentivize improvement of the company’s corporate value over the long term, as well as to further align interests with our shareholders.

* Panasonic’s management indexes calculated by subtracting cost of sales, selling expenses, and general management fees.

**Human Resources Development**

**Human Resources Development Initiatives and Performance**

**Basic Education and Training System**

Our education and training system offers all levels of Panasonic Group employees a set of global core common knowledge, which constitutes the minimum knowledge necessary for all aspects of Panasonic’s global business. Panasonic strives to develop human resources in all regions and at all levels using this system.

Additionally, with e-learning that allows employees to study using high-quality materials at any time and from anywhere in the world and a full lineup of other online learning opportunities, Panasonic has been developing learning programs globally, while planning and providing optimized training for actual needs, including developing individualized training to suit specific business needs.
Starting in fiscal 2020, we have been globally promoting an initiative called “A Better Dialogue”, which is a program meant to achieve qualitative and quantitative improvements in interactions between employees and their managers. A Better Dialogue consists of regular dialogues to monitor performance, provide guidance, and strive for career and skills development. The objective is to accelerate the growth and advancement of each employee and to create an organization, a corporate culture, and a workforce that will realize the company’s business strategies.

**Human Resources Development Company**

Panasonic has established the Human Resources Development Company (HRDC) as an organization that specializes in human-resources-related development and training for employees of all levels worldwide.

The HRDC provides training to new hires (in Japan) so that new employees can quickly become active at Panasonic. It also offers business skills training that teaches IT, communications, languages, and other skills required to facilitate employee tasks. Job-function-specific training is provided as well so that employees can learn the specialized knowledge and skills needed to accomplish their tasks, whether they be technical, manufacturing, or sales and marketing. In addition, HRDC offers elective management development training for employees who meet certain conditions, management skill training meant to give managers greater management capabilities and the ability to practically implement Panasonic’s management philosophy, and other forms of job rank-based training.

Starting in April 2020, we began offering free educational content related to business skills and liberal arts publicly available on our corporate website with a view to stimulating self-driven study, making study a daily habit for boosting personal growth and better achieving organizational targets. This is part of Panasonic’s efforts to further accelerate self-driven professional development on the part of our employees by making it possible for them to learn easily and on a daily basis no matter where they are in the world. We will continue to further expand and promote our online training offerings.

**FY 2021 training results**\(^1\)

- Total: 186,899 person-days\(^2\)

\(^1\) These results only include those from the Human Resources Development Company and do not include training conducted by business divisions or other job functions.

\(^2\) Person-day: number of people × number of days

**Global Human Resources Development**

Panasonic has established the Panasonic Global Mobility Policy, regulations for inter-regional personnel transfers to better nurture leaders who can play a leading role in promoting business that goes beyond national and regional borders and who can serve as loci for cooperation, and to that same end we implement programs for inter-regional personnel transfers and programs that bring employees from outside Japan to work in Japan, for example.

In each country and region, Panasonic conducts and is expanding training programs to increase mutual understanding among people from all nations around the globe. For example, in Europe, as part of the two-year “Talent for Tomorrow” (TFT) human resources development program, employees join separate project teams, and each team works to promote CSR-
based projects. These projects take several months and receive support and praise from non-profit organizations. The participating employees work on social issues while making use of their work skills and then apply the knowledge and experience that they gain from these activities to product development and business creation.

In each region, Panasonic conducts local elective management development training that is linked with the same training held in Japan. Additionally, as a part of its global policy, Panasonic conducts the Global Onboarding Program for mid-career hires and provides e-learning services, through which all global employees can learn the knowledge they need, regardless of time or place, based on the system of global core common knowledge.

Efforts to Develop Employees’ Employability

Career Creation System to Support Employees’ Ambitions to Create New Careers

We believe in the great importance of giving each and every one of our employees the opportunity to make the most of their own desires and creativity, to develop their talents and skills, and reach their full potential based on what their individuality brings to the table. Based on this philosophy, we have devised a Career Creation System to advertise job opportunities within the company and to support our employees’ efforts to advance their careers. In this system, departments that need new personnel must first formulate a clear statement of their requirements and seek to fill their positions within the company, which we call “e-Challenge.” We also have the e-Appeal Challenge system, which allows employees to offer their skills directly to those departments where they wish to work and to challenge themselves with new types of work. These systems support all employees equally, regardless of age, gender, or nationality.

Career and Life Design Seminars

To foster individuals who are improving their employability and continuing to strive for a better future, Panasonic recommends career and life design seminars for employees within a target age range in Japan. Employees take stock of their careers, identify their core values, and make an inventory of their skills. They ask questions about the issues they face in building their careers and engage in other activities designed to promote an understanding of the importance of independent careers. Employees also clarify the promotion actions they can take to achieve their career vision for the next five years. The seminars also offer employees opportunities to brush up on their knowledge of personal finances and health maintenance, thus supporting the realization of fulfilling life plans.

Building Total Rewards Systems That Treat Both Our Organization and Our Ambitious Employees the Way They Deserve

A “Role/Grade System” has been implemented at Panasonic Corporation (Panasonic in Japan) and some Japanese affiliates. This system determines work/role grades for employees according to the size of the work or role they currently perform and constitutes the basis for employee benefits. The aim of this system is to treat the wide variety of employees at Panasonic based on the scope of their work and responsibilities. This helps to enhance the transparency of our human resources system, and fosters understanding among employees. By setting clear goals for employees to strive for, we encourage them to be bold in achieving their goals. We believe this helps make both our people and our organization bolder, which allows to reap the rewards of ambitions, with the aim of building an organizational culture that is brimming with vitality.
Diversity, Equity and Inclusion (DEI)

In October 2021, we revised the “Global Diversity Policy” formulated in fiscal 2010 as “Panasonic Group DEI (Diversity, Equity & Inclusion)” and are promoting activities as a group.

Policy

Panasonic Group DEI (Diversity, Equity & Inclusion) Policy

The Panasonic Group DEI policy aims to describe and communicate to all the stakeholders our definition, mission and vision of Diversity, Equity & Inclusion for entire Panasonic Group. In order to put our DEI policy into practice in light of the applicable laws and regulations, each company of the Group will promote specific activities.

About Panasonic Group

Our reason for existence is “contributing to the progress and development of society and the well-being of people through our business activities, thereby enhancing the quality of life throughout the world.” As the basic attitude for employees and for conducting all work activities, our management philosophy emphasizes the importance of attaining a “Sunao Mind” and conducting “Management by All with Collective Wisdom.”

A “Sunao Mind” is defined as a “mind to see things as they are and grasp the true picture correctly without being obsessed with anything such as self-interest or selfish desire.” It is about being generous and having attitude of listening to others. “Management by All with Collective Wisdom” is the “management that relies on everyone’s wisdom,” in which “each person shall work in the spirit of autonomous responsible management.”

In an era where the social environment is changing rapidly and values are diversifying, it is becoming more and more important to listen to various opinions and incorporate them into management, therefore, we set out our definition of Diversity, Equity & Inclusion based on our management philosophy as follows:

Diversity:

Embracing and respecting the individuality of each person who accepts challenges and finding value in individual differences

Individuality can be along internal and external dimensions such as value, culture, religion, personality, experiences, sexual orientation, gender identity, race, ethnic group, nationality, language, gender, age, disabilities, health, family, social status, educational background, job experience and others.

Equity:

Seeking fairness in providing opportunities for each person who accepts challenges

We strive to create a workplace where everyone is treated fairly and provide support by utilizing information, tools and mechanisms, taking into account individuality of each person, so everyone has the opportunity to be successful.

Inclusion:

Cultivating an environment where each person who accepts challenges can value their own individuality and the organization can leverage the power of individuality

We aim to build an inclusive culture where each person who is highly motivated to contribute to the progress of the company can actively participate in management and openly discuss, which enables creation of greater value.

Mission, Vision and Declaration on action

For the success of each person who accepts challenges and the organization, we are committed to promote Diversity, Equity & Inclusion, with the aim of “becoming the Best Place to Work where diverse talents work at their best.”

The founder of Panasonic Group Konosuke Matsushita once said, “Every single person has their heaven-sent qualities found in no other, and success on our life depends on making the most of our unique qualities.” We will continue to take on the challenge of practicing management by all with collective wisdom with a “sunao” mind for realization of an “ideal society” and the improvement of well-being of people by squarely addressing social issues.

Department in charge of DEI (Diversity, Equity & Inclusion)

In 1999 Panasonic began its Equal Partnership initiative, and since then, it has promoted the creation of an open and fair work environment—one that does not discriminate based on gender, age, nationality, or similar factors—through initiatives such as the establishment of the Panasonic Positive Action Program, special training programs for female employees, and the nomination of Equal Employment Opportunity Officers.

Soon thereafter, in 2001, efforts to appoint women to positions of responsibility—previously largely the purview of the human resources department—were more forcefully recognized as drivers of diversity for the entire organization.

Accordingly, the Corporate Equal Partnership Division was established directly under the office of Panasonic’s President, as part of the management policies aiming to change the work environment by facilitating the participation of women in management.

In 2006, this Division was further developed and became the Corporate Diversity Promotion Division—with an expanded mandate that focused on diversity of age and nationalities, in addition to gender, while extending its efforts worldwide. At the same time, Panasonic established its e-Work Promotion Office, an organization dedicated to promoting telecommuting (internally called “e-Work”) as an efficient way of working.

In 2018, on the 100th anniversary of the company’s founding, Panasonic has established the Office for A Better Workstyle, which reports directly to the Headquarters. This editorial office is responsible for further increasing the job satisfaction of all
employees, who are the driving force the firm for continuing to serve society and customers for the next 100 years. In 2020, we established the Strategic Human Resources Department as a new entity to formulate human resources strategies and measures for our workforce.

In 2020, we established the Strategic Human Resources Department and set up a bureau for our “A Better Workstyle” initiative within it. As of 2021 the authority over this bureau was shifted to the Strategic Human Resources Department where we plan to promote it even more strongly.

As of 2021 the authority over this bureau was shifted to the Employee Success Center of an internal company, the Operational Excellence Company, where we plan to promote it even more strongly.

**Number of Women in Managerial Positions, Percentage of Women in Positions of Responsibility**

(The female employee ratio is at 20.1%, as of April 2020)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Women</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>209</td>
<td>4.7%</td>
</tr>
<tr>
<td>2010</td>
<td>236</td>
<td>5.1%</td>
</tr>
<tr>
<td>2011</td>
<td>258</td>
<td>5.4%</td>
</tr>
<tr>
<td>2012</td>
<td>323</td>
<td>5.5%</td>
</tr>
<tr>
<td>2013</td>
<td>331</td>
<td>5.8%</td>
</tr>
<tr>
<td>2014</td>
<td>354</td>
<td>6.0%</td>
</tr>
<tr>
<td>2015</td>
<td>404</td>
<td>6.5%</td>
</tr>
<tr>
<td>2016</td>
<td>423</td>
<td>6.7%</td>
</tr>
<tr>
<td>2017</td>
<td>464</td>
<td>6.9%</td>
</tr>
<tr>
<td>2018</td>
<td>493</td>
<td>7.2%</td>
</tr>
<tr>
<td>2019</td>
<td>534</td>
<td>7.6%</td>
</tr>
<tr>
<td>2020</td>
<td>573</td>
<td>8.0%</td>
</tr>
<tr>
<td>2021</td>
<td>590</td>
<td>8.5%</td>
</tr>
</tbody>
</table>

**Average tenure length**

(Number of Years)

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>22.5</td>
<td>21.1</td>
</tr>
<tr>
<td>2010</td>
<td>22.4</td>
<td>21.6</td>
</tr>
<tr>
<td>2011</td>
<td>22.8</td>
<td>22.2</td>
</tr>
<tr>
<td>2012</td>
<td>22.3</td>
<td>21.8</td>
</tr>
<tr>
<td>2013</td>
<td>22.6</td>
<td>21.7</td>
</tr>
<tr>
<td>2014</td>
<td>23.1</td>
<td>21.8</td>
</tr>
<tr>
<td>2015</td>
<td>23.5</td>
<td>22.1</td>
</tr>
<tr>
<td>2016</td>
<td>23.3</td>
<td>22.4</td>
</tr>
<tr>
<td>2017</td>
<td>23.5</td>
<td>22.1</td>
</tr>
<tr>
<td>2018</td>
<td>23.4</td>
<td>21.4</td>
</tr>
<tr>
<td>2019</td>
<td>23.3</td>
<td>21.6</td>
</tr>
<tr>
<td>2020</td>
<td>23.3</td>
<td>21.6</td>
</tr>
<tr>
<td>2021</td>
<td>23.3</td>
<td>21.8</td>
</tr>
</tbody>
</table>

**Major Initiatives of DEI**

The Panasonic Group has developed a wide variety of initiatives meant to promote diversity in all of the global regions where we do business.

**Gender Equality**

To leverage the knowledge capital of society to the greatest extent possible, Panasonic believes that it is crucial to take advantage of all forms of diversity in the workplace whether in terms gender, age, nationality, or any other factor. We have implemented a “Role / Grade System” that determines compensation based on the work or role in which employees are engaged; and there are no gender-based inequalities in this compensation system. However, particularly in Japan, Panasonic is aware that there is a need to employ greater numbers of women in upper management and decision-making positions; it is striving to ensure gender diversity.

Regarding the Senior Management team, one woman was appointed to Director in 2013, and currently two of the thirteen Directors are women.
To accelerate female participation in management, Panasonic holds study groups for female employees and provides career-advancement seminars for women leaders, creating opportunities for women to encounter role models’ values and views on working, as well as further strengthening the management capabilities of supervisors.

In 2021, Panasonic signed on with 30% Club Japan, a global campaign with the purpose of raising the proportion of women in critical decision-making roles in business. Panasonic will continue to take diverse opinions into account in our decision-making and will drive these changes forward as we continue to improve their quality.

In Japan
We are devoting energy to maintaining environments that allow diverse human resources to put their abilities to full use, such as by including education about unconscious bias in management training, while also creating opportunities for networking and spaces for communication based on the diverse categories of our employees, including people with disabilities, people of other nationalities, women, and LGBTQ people.

Furthermore, to raise the consciousness of all employees concerning the promotion of diversity, Panasonic has established a Diversity Promotion Month in July every year, hosting forums and creating opportunities in the workplace for discussions on the theme of diversity. As Panasonic welcomed its 100th anniversary, it is essential that all employees, who serve as the driving force behind Panasonic’s continued usefulness to society and its customers in the next 100 years, undergo self-growth while feeling rewarded in their work. Since November 2017, Panasonic has endeavored to create “A Better Workstyle” (by undertaking reforms that make work rewarding), with a focus on creating growth opportunities by reaching outside the company, supporting voluntary changes among employees, and encouraging a diverse environment.

In the United States
Guided by our basic business principles and company values, Diversity, Equity and Inclusion (DEI) at Panasonic North America (PNA) is a business imperative. Diversity improves company performance in every imaginable area — talent, innovation, group performance, reputation, and finance.

According to Census data, by 2060, minority groups will make up 55% of the US population. Census data also reveals that by 2060, immigrants will account for 95% of the future population growth in the US. Understanding these trends, PNA spent the past year developing a strategic DEI framework to guide our path forward.

*In 2021, PNA will focus on two key DEI strategic priorities, Culture & Belonging and Talent. Specifically, we will continue to support our Business Impact Groups (BIGs): RISE (formerly Women’s Connect), Veterans Group, PRISM (supporting LGBTQ), Level Up (Millennials), and the Black Employee Network (BEN). The BIGs are instrumental to supporting the recruitment, retention and internal advancement of a diverse workforce. We will also continue to deepen our DEI learning and build on the Unconscious Bias Training that launched earlier this year and reached more than 12,000 employees. In addition, PNA’s HR leaders are incorporating inclusive hiring policies and practices into the talent acquisition strategy. They are also working on implementing a talent review process with clear diversity and inclusion expectations for leaders and managers, including how diversity and inclusion performance will be considered in evaluation results. Lastly, we are launching a DEI pulse survey to gather insights and baseline data from employees.

We are committed to this important journey and look forward to enhancing our company culture through this business imperative.

In Europe
We have been promoting various initiatives in Europe to provide an environment where all people can develop to the maximum of their potential, irrespective of personal characteristics. As part of these, we launched a new development program in 2019 called Women in leadership (WIL). The goal was to provide a platform so our female talent could be more visible, a locus for the discussion of women-specific leadership challenges and a sounding & brainstorming board. In 2021, a new group “Women Connect Network” consisting of female and male volunteers was organized to enhance gender equality and attract talent (not only female talent). Additionally, we have run anew training program called the “Unconscious Bias Workshop” focusing on awareness raising and development attitudes, values, strategy and skills that underpin a diverse and inclusive culture for all employees from all levels.

Work-Life Management
Flexible work systems that enable diverse workstyles
Panasonic has been promoting “e-Work” for some time as an efficient way of working that takes advantage of information and communication technologies to perform work in any location. We are implementing a work-from-home system.
that covers around 40,000 employees. With the impact of COVID-19, there has been a strong push toward utilizing this work-from-home system, and we have realized that new working styles have emerged leveraging IT, digital, and other technological means. We established a new remote work system in April 2021 as a new workstyle option that treats working from home as the default and does not assume that the employee will ever necessarily report to work in person and is used by more than 10,000 employees. At the same time, we have also revised the system so that anyone can use their annual paid leave on a half-day or hourly basis, regardless of the employee's work style or situation. We have also been able to achieve compatibility with more diverse and flexible workstyles, including missing work in the middle of working hours for any personal reasons and allocating off time for that.

We aim to increase productivity and improve the work-life balance of employees through these working styles.

**Supporting Diverse Ways of Working through Work-Life Management**

As part of Panasonic's efforts to create an environment that enables everyone to play an active role, the company is implementing initiatives to support a good work-life balance for employees.

The effort and adaptability of employees is vital for childcare, nursing care, and work to coexist. However, this effort may not be sufficient by itself, in which case, employees require the understanding and support of their supervisors and workplaces. Panasonic also creates guidebooks with hints for work-life balance, including explanations of the systems needed for maintaining personal and business responsibilities and information on how supervisors and subordinates can work together. This is another way in which Panasonic helps its employees continue their careers without worry, regardless of the situations they face with childcare or nursing care.

**Examples of Systems Supporting Work-Life Management**

- **Flex-time work system**
  A flexible work-hour system that does not designate mandatory “core hours” when all employees must be present

- **Child Care Leave**
  A non-consecutive total of two years of leave that can be taken until the end of the April following the child’s start at elementary school

- **Work and Life Support Program**
  A flexible work system for those raising children, or providing nursing for an elderly person, that includes short and flexible working hours; half-days; as well as adjustable, fewer-day working weeks; and other appropriate schedules

- **Family Support Leave**
  A leave system that can be used for a wide range of events, including care or nursing of family members, or attending a child’s school events

- **Child-Rearing Support Café Point**
  A system by which Panasonic covers some of the costs for childcare, such as extended daycare and daycare for an ill child

- **Child Planning Leave**
  System of leave for fertility treatments

- **A Comprehensive Program for Supporting a Balance between Nursing Care and Work**
  - Holding of seminars and launch of a portal site with information concerning nursing care
  - Counseling for employees facing the prospect of nursing care, and support for related procedures
  - Company support for half of the daily costs of nursing care through the Nursing Care Support Café Point
  - Ability for employees to take leave days up to a total of 365 days per person requiring nursing care, with a payment of 70% of wages plus an allowance for the employee-borne portion of social insurance premiums for leave totaling to 183 days or fewer
  - Other measures, including the establishment of a nursing care financing system

**Creating a Workplace Where People with Disabilities Can Take an Active Part**

As Panasonic develops its business worldwide, counterfeit Panasonic goods are also spreading on a global scale, particularly in China. Counterfeit goods lead to quality concerns and can cause accidents and injuries to our customers. Imitations also harm a healthy society because they create economic losses: Circumventing the proper payment of tax leads to a decrease in tax revenue, as well as to less business incentive to develop new products. Fake products also present security issues that could include the potential funding of criminal and terrorist organizations. Moreover, confiscated counterfeit goods are treated as waste when they are scrapped, which also has a big impact on the environment. Eliminating counterfeit goods should be considered a Corporate Social Responsibility. Here we discuss some of Panasonic's anticounterfeiting measures.
Specific countermeasures

Panasonic supports every workplace in creating a pleasant work environment for all employees, whether they have a disability or not. For example, if an employee with a hearing loss takes part in a training session, we utilize a sign language interpreter or use a voice recognition software to ensure that there is no impediment to exchanging information. We also promote working environment improvements such as floors without steps or dips, lighting that is sufficiently bright, and unassigned desk space in an open office format. Panasonic also develops educational materials to improve employees’ understanding about people with disabilities and to provide opportunities for further learning.

The Panasonic Group manages seven special subsidiaries to promote the employment of workers with severe disabilities in cooperation with local communities and governments. These subsidiaries take measures to create an appropriate workplace, which includes the installation of specially designed workbenches and materials suitable for people who use wheelchairs. The subsidiaries also actively welcome trainees and observers.

As of June 2021, individuals with disabilities represented 2.40% of Panasonic Corporation workforce in Japan, while the figure for the whole Group was 2.41% (exceeding the Legal Employment Rate of Persons with Disabilities of 2.30%).

* National average of actual employment rate of persons with disabilities: 2.15% (Jan. 2021)

Going forward, we will continue our efforts to support people with disabilities in their independence and social participation.

Employment of Workers with Disabilities (Japan)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Year of Establishment</th>
<th>Number of Employees (Number of Persons with Disabilities)</th>
<th>Description of Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panasonic Kibi, Co., Ltd.</td>
<td>1980</td>
<td>77 (35)</td>
<td>Assembly of video camera LCD units, video accessories</td>
</tr>
<tr>
<td>Panasonic Katano Co., Ltd.</td>
<td>1981</td>
<td>38 (33)</td>
<td>Assembly of avionics products, inspection and packaging of AV accessories</td>
</tr>
<tr>
<td>Panasonic Associates Shiga Co., Ltd.</td>
<td>1994</td>
<td>67 (37)</td>
<td>Assembly of electronic circuits (for massage chairs, shavers, etc.)</td>
</tr>
<tr>
<td>Panasonic Ecology Systems Co., Ltd.</td>
<td>1980</td>
<td>46 (26)</td>
<td>Assembly of ventilating fan parts, printing of user manuals</td>
</tr>
<tr>
<td>Panasonic Heart Farm Associates Co., Ltd.</td>
<td>1998</td>
<td>76 (43)</td>
<td>Growing / selling orchids, distribution of company-internal mail</td>
</tr>
<tr>
<td>Harima Sanyo Industry Co., Ltd.</td>
<td>1982</td>
<td>38 (22)</td>
<td>Assembly of vacuum cleaner parts, maintenance of internal environment</td>
</tr>
<tr>
<td>Panasonic Associates Tottori Co., Ltd</td>
<td>1992</td>
<td>56 (23)</td>
<td>Manufacture of LED products, light sensors</td>
</tr>
</tbody>
</table>

Employing Workers Post Retirement

In 1982, Panasonic created the Senior Partner System, allowing workers past retirement age to enter into employment contracts under new conditions. In 2001, we introduced our “Next Stage Program”, and in 2008, we relaunched this as the “New Next Stage Program”, renewing our position as an industry leader in formulating policies for the employment of older workers in Japan. In 2019 we once again revamped the New Next Stage Program and launched a new initiative for mid- to long-term personal development that includes skills and mindset enhancement for currently active workers, based on the assumption that more people will continue to work into their later years.

Next Stage Program

The Next Stage Program is a system that mainly consists of the Next Stage Partner Program, which allows workers who wish to continue working after the mandatory retirement at age of 60 to do so until the age of 65. In April 2008, we relaunched this as the New Next Stage Program. Our basic thinking here relies on an emphasis on personal autonomy. The
new system is easier to understand, more flexible, and easier to use than ever before. In 2015, we updated this system once again, based on new ideas about longer term careers and aimed at encouraging each employee to map out his or her own career from an early stage. Our new system offers a broader range of measures to meet the diverse needs of older workers. More specifically, across the entire company, we are developing and promoting training seminars on career design and life design for various stages of people’s lives. In April 2020, we made substantial revisions to the conditions of our Next Stage Partner Program to accommodate changes in the social significance of responding to the grater desire of seniors to work as well as financial preparedness for the period between retirement and the age at which pension can be received, all with an eye toward empowering seniors and complying with updated laws. In April 2021, in addition to our existing efforts to ensure that anyone over the age of 60 who wants to work can do so, we have also begun an initiative that will allow employees to continue their employment even beyond the age of 65. We are also offering economic support for employees who are willing to leave Panasonic earlier and seek new activities elsewhere, as well as support for those who wish to work elsewhere after reaching retirement age.

Create a Good Work Environment for all Regardless of Sexual Orientation or Gender Identity Policy
Panasonic’s Code of Conduct makes it clear that discriminatory speech or conduct with regard to sexual orientation or gender identity, as defined by applicable laws, are not permitted.

Panasonic Code of Conduct, Chapter 3: Employee Relations (2) Respect for Human Rights

Treatment of Individuals in Panasonic’s HR Systems
Effective April 2016, Panasonic now recognizes same-sex domestic partners as equivalent to legal spouses within its HR systems, except in areas where such recognition cannot be applied due to legal restrictions. This is part of the company’s promotion of diversity in management, which is based on valuing, accepting and making the most of individuality. Affiliates both within and outside of Japan are addressing this matter on an individual basis, subject to the condition of compliance with applicable local laws.

Advancement in Understanding
In order to create a friendlier workplace regardless of sexual orientation or gender identity, Panasonic has been conducting since February 2016 successive seminars targeting HR functional divisions, managerial positions, and employees.

Seminars for HR functional divisions offer not only basic knowledge about sexual orientation or gender identity concerns, but also methods for dealing with discriminatory speech or conduct, and methods for responding to the needs of those involved. Information on how to advance understanding and invitations to participate in related events are also sent out via Panasonic’s intranet system.

Creating Support Desks
Panasonic has created support desks through which employees can engage in email or telephone consultations about any internal company topic, including cases of sexual harassment or abuse of authority (employees can use these support desks anonymously.)

Support for External Activities
Since fiscal 2015, Panasonic has been engaged in cooperation with “work with Pride”, a private organization that works on initiatives to create friendlier workplaces that are inclusive of various sexual orientations and gender identities. Panasonic provided a hall in its Tokyo building as a venue for an event in 2014, with roughly 200 people taking part, most of them from corporate HR departments.

Every year since then, we have cooperated with “work with Pride” on their Tokyo Rainbow Week exhibits and continuously cooperated for other events. Panasonic also took part in the policy working group for a corporate LGBTQ evaluation index held from December 2015 to May 2016. Panasonic also supports Pride House Tokyo as a “Rainbow Partner” to raise awareness of LGBTQ issues through hosting events and producing diverse content, while taking advantage of the opportunities available during the Tokyo 2020 Olympics and Paralympics.

In 2021, Panasonic has also agreed to and signed the EqualityActJapan petition (toward establishing an LGBT Equality Act in Japan) that is being advanced in time to coincide with the Olympics and Paralympics.