

# The Promotion of Sustainability Management

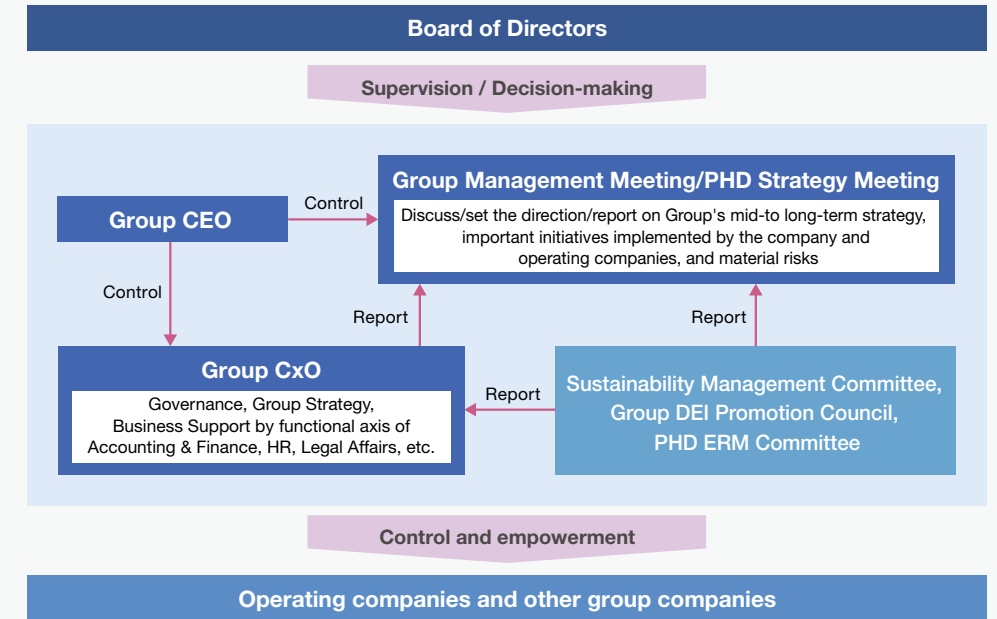
## The Advancement of Sustainability Management

The Panasonic Group uses an Operating Company Structure (Holding Company Structure) to thoroughly implement autonomous responsible management and bolster the competitiveness of our business from a more medium- to long-term perspective. All our operating companies work to significantly enhance competitiveness through prompt decision-making in response to external changes and flexible system design depending on their business characteristics. The holding company monitors these efforts, using KPIs for competitiveness. We have also established various committees to provide dynamism in discussing and directing specific measures on important Group issues, while actively supporting efforts by operating companies to enhance their competitiveness and promoting growth strategies from a Groupwide perspective, improving the Group's overall corporate value.

Of these committees, the Sustainability Management Committee generally meets monthly to improve our sustainability management. It is chaired by the Group CEO and comprises Group company directors and executive officers appointed by the chair. Under the supervision of the Board of Directors, the Committee discusses and directs essential themes related to the Group's sustainability and shares such conclusions with the entire Group through the Group Management Committee and other vectors. It also reports and shares its conclusions with the Board of Directors as necessary, becoming part of Groupwide decision-making.

We also have specialized committees to address discrete themes, including the Group DEI Promotion Council and the PHD ERM Committee.

### The Promotion Structure of Sustainability Management (As of Aug. 2024)



- Group Management Meeting: Chaired by Group CEO, consisting of about 20 Executive members including the presidents of operating companies, heads of each function (held monthly in principle)
- PHD Strategy Meeting: chaired by Group CEO, consisting of ca. 10 Executive members, including the head of functions such as HR, accounting, legal, and others (held twice a month in principle)
- PHD: Panasonic Holdings Corporation
- ERM: Enterprise Risk Management

## Materiality

### ■ Purpose of identifying materiality

We identify important opportunities and risks related to sustainability as materialities from the two perspectives of “financial effects on the Company” and “impact on society.” In response to these materialities, we aim to improve our sustainability management by creating new business opportunities and lowering risks.

Materialities will be reviewed as appropriate based on changes in the business environment and dialogues with stakeholders.

### ■ Process of identifying and positioning materiality

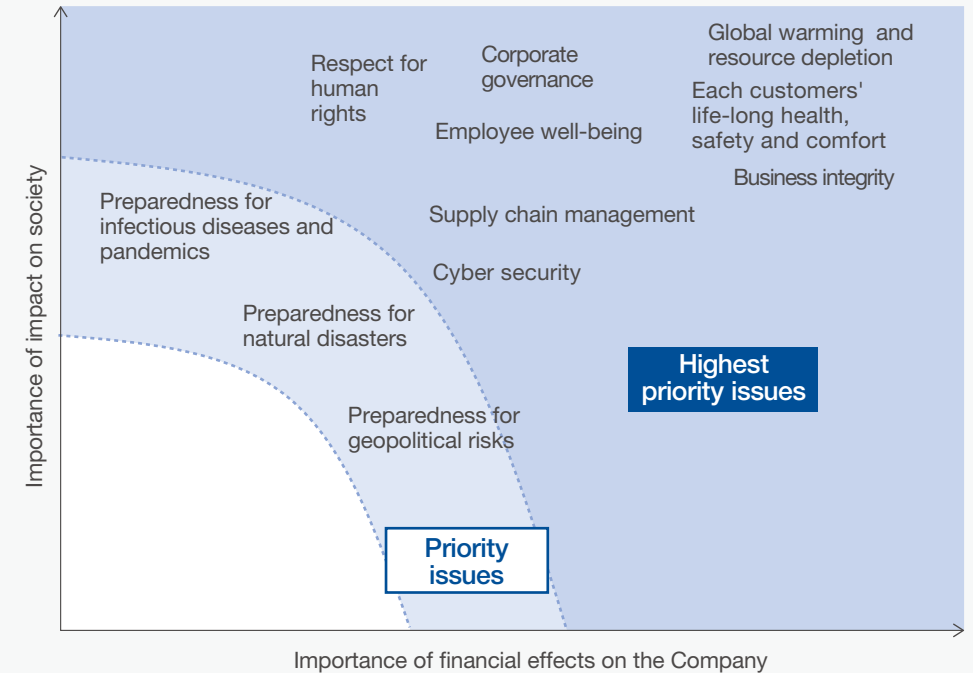
From a list of items that included demands from society and foreseeable future challenges, we selected issues that could represent opportunities and risks for the Group. Next, we assessed them from the two perspectives of the Group and its stakeholders, and 11 priority issues were extracted.

We confirmed the validity of these analysis processes and the priority issues we extracted through dialogue with external experts, and the 8 highest priority issues and 3 additional priority issues were identified after deliberation at the meetings of the Group’s Sustainability Management Committee, the Group Management Meeting, and with the Board of Directors of the Company.

Of the materialities we have identified, global warming and resource depletion correspond to the Group’s common strategy of helping the environment, while the lifelong health, safety, and comfort of every customer represent our lifestyle efforts. We aim to generate sustainable value by maximizing new business opportunities in these two areas. Meanwhile, other materialities help us build and strengthen our management foundation for sustainable value creation while reducing various risks.

The following pages summarize the key points and indicators/targets related to our efforts for these materialities.

### Materiality assessment results



Note: Some of the materiality items are similar to the names of “Group Major Risks / PHD Major Strategic Risks” determined by risk management activities; however, due to different objectives and identification processes, their corresponding initiatives are partly different. For more details, see “Risk Management” chapter ([page 138](#)).

# Basics

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## Examples of initiatives to address materiality ● Increase positive impact ● Mitigate negative impact

	Materiality	Main initiatives	Indicators	Targets	Reporting on related items	
Group common strategy	Global warming and resource depletion	Panasonic GREEN IMPACT ● Expansion of automotive batteries for EVs, Air to Water heat pump (hot-water and heating system with heat pump), and hydrogen fuel cells ● Environmental energy technology innovation (water electrolysis, perovskite solar cells, DERMS) ● Reduction of in-house CO <sub>2</sub> emissions (expansion of zero-CO <sub>2</sub> factories, expansion of energy-saving equipment) ● Expansion of circular economy businesses and products	CO <sub>2</sub> reduction impact	300 million tons (by 2050)	Sustainability Data Book 2024 ● Environment P9 Sustainability site ● <a href="#">Environment</a>	
			CO <sub>2</sub> emissions from all factories	Net zero (by 2030)		
Waste recycling rate			99% or more			
	Each customers' life-long health, safety and comfort	● As a "lifestyle solutions provider" that delivers value tailored to each customer, we combine our diverse customer touchpoints with digital technology to contribute to each customer's life-long health, safety and comfort			-	
Highest priority issues	Business integrity	● Promoting understanding of and confirming compliance with the Panasonic Group Code of Ethics & Compliance and internal rules, and complying with relevant laws ● Dissemination and appropriate operation of the whistleblowing system ● Protection and utilization of our intellectual property and respect for the intellectual property of third parties	Occurrence of serious compliance violations	Zero	Sustainability Data Book 2024 ● Business Ethics P146 ● Intellectual Property P128	
			Supply chain management	● Elimination of waste and stagnation in the supply chain ● Strengthening of supply chain by promoting multiple suppliers and review of manufacturing sites		
	Employee well-being	● Creating a safe, secure, and healthy workplace (by implementing safety and compliance and promoting health management) ● Encouraging employees' self-motivated endeavors and supporting their self-determined career formation (Providing opportunities for skill development and challenges, wider options for work schedules and remote work, and internal Group personnel moves through open recruitment) ● Promoting DEI (Diversity, Equity & Inclusion) (top management commitment, creating an inclusive work environment, support for each individual)	Occurrence of serious or grave accidents	Zero	Sustainability Data Book 2024 ● Employee Well-being P83	
			Employee engagement/employee enablement in the Employee Opinion Survey	the highest global standard		
	Corporate governance	● Evaluation of the effectiveness of the Board of Directors and implementation of improvement measures ● Promotion of constructive dialogue with shareholders ● Linkage of non-financial KPIs to executive remuneration	Enhancement of constructive dialogue with shareholders	Implemented	Corporate information site ● <a href="#">Panasonic Holdings Corporation "Corporate Governance"</a> ● <a href="#">Corporate Governance Report</a>	
			Evaluation of the effectiveness of the Board of Directors and implementation of improvement measures	Implemented		
			Ratio of outside directors in the PHD Board of Directors	1/3 or more		
			Adoption of non-financial indicators in performance-based compensation for directors	Implemented		
	Respect for human rights	● Developing and thoroughly implementing the Panasonic Group Human Rights and Labour Policy ● Promoting human rights due diligence within the Group and its value chain based on global standards ● Promotion of engagement with stakeholders and appropriate disclosure of information	Promotion of correction of issues identified in human rights due diligence for each Group company which may cause forced labor	Implemented	Sustainability Data Book 2024 ● Respect for Human Rights P76 ● Responsible Supply Chain P109 ● AI Ethics P119	
			Rate of training on the prevention of forced labor at Group company sites that employ foreign migrant workers	100%		
Cyber security	● Centralization of common cyber security functions across manufacturing, information systems, and product areas to strengthen countermeasures during normal times and incident responses during emergencies ● Gradual expansion of scope of cyber security countermeasures, including to supply chains	Provision of education and training for all employees to improve security awareness and promote behavioral change	More than four times a year	Sustainability Data Book 2024 ● Cyber Security and Data Protection P152		
		Collection and monitoring of threat and vulnerability information by an expert team, and implementation of necessary measures	Implemented			
		Incident response training by an expert team in anticipation of cyber attacks	More than once a year			
		Number of serious incidents	Zero			
Priority issues	Preparedness for geopolitical risks	● Monitoring of international situation and trends in policies, laws, and regulations in each country and geographic region to ascertain the impact on the Group's business and respond in a timely manner ● Closely monitoring and responding to changes in the business environment caused by economic security policies in each country in terms of business threats and opportunities			Sustainability Data Book 2024 ● Risk Management P138	
			Preparedness for infectious diseases and pandemics	● Formulating Group policies for each country based on analysis of its government policies, regulatory trends, infection conditions, etc., and setting and implementing detailed rules at each business site		
			Preparedness for natural disasters	● Enhancement of stockpiling and drills during normal times and establishment of a safety confirmation system; establishment of a Groupwide Emergency Response Headquarters system in the event of an emergency		

## Respecting Applicable Legislation, Global Standards, Norms, Guidelines, and Initiatives

The Panasonic Group conducts its business based on applicable legislation, as well as global standards, specifications, norms, guidelines, and various initiatives. The Panasonic Group signed the United Nations Global Compact.

These concepts are reflected in the Basic Business Philosophy and the Panasonic Group Code of Ethics & Compliance that form the guidelines for the company's business activities.

Global Standards, Norms, Guidelines and Initiatives		
OECD Guidelines for Multinational Enterprises on Responsible Business Conduct	ISO26000	UN Global Compact
Code of Conduct of RBA (Responsible Business Alliance)	Japan Business Federation Charter of Corporate Behavior	Global Reporting Initiative (GRI) Standards
TCFD (Task Force on Climate-related Financial Disclosures)	RE100	Race To Zero
Universal Declaration of Human Rights	ILO Core Labour Standards	UN Guiding Principles on Business and Human Rights

## Stakeholder Engagement

The Panasonic Group conducts dialogues with its wide range of stakeholders around the world on various aspects of its business. The Group incorporates the opinions it receives into its business activities and product creation.



### Examples of Stakeholder Engagement

Customers	Business activities, Website, Customer care center/Call center, etc. Cf.) Sustainability Data Book > Customer Relations <a href="#">P121</a>
Shareholders/Investors	General meeting of shareholders, Financial results announcements, Strategy briefing, Group/individual meetings, etc. <a href="https://holdings.panasonic/global/corporate/investors.html">WEB Investor Relations https://holdings.panasonic/global/corporate/investors.html</a>
Suppliers	Procurement activities, Partner's meeting, CSR self-assessment, Supplier audit, etc. Cf.) Sustainability Data Book > Responsible Supply Chain <a href="#">P109</a>
Employees	Employee opinion survey, Messages from senior management, Dialogues/networking event, Intranet & in-house SNS, etc. Cf.) Sustainability Data Book > Employee Well-being <a href="#">P83</a>
Government/Industry Organizations	Participation in business and industrial organizations, lobbying international organizations and governments, etc. Cf.) Sustainability Data Book > Environment > Activities to raise awareness of and valorize Avoided CO <sub>2</sub> Emissions <a href="#">P21</a> Sustainability Data Book > Respect for Human Rights > Participation in International and Industrial Partnerships <a href="#">P82</a>