

Panasonic's Sustainability Management

Panasonic

January 6, 2022

Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "Fiscal 2022" or "FY22" refers to the year ending March 31, 2022.

Management Direction

Return to company's founding mission

By returning to the company's mission set in 1932, we will strive to achieve "an ideal society with affluence both in matter and mind"



First foundation day ceremony held in 1932

Thoroughly enhance competitiveness

To make contributions to customers and society, we will thoroughly practice our "Basic Business Philosophy" at all operating companies

The Basic Business Philosophy of the Panasonic Group

Introduction

In all of its corporate activities, the Panasonic Group has always strived to adhere to the management philosophy established by our founder, Norio Matsushita. By sharing the foundations of our management philosophy—the Basic Management Objectives, Elementary Creeds and Seven Principles—with our customers, business partners, and shareholders, we have committed ourselves to acting in accordance with that philosophy, and we have also asked our stakeholders to ascertain whether our commitment has truly been fulfilled.

In our ongoing pursuit of thoroughly addressing responsible management, we are about to transition to a new operating management system. The Basic Business Philosophy is the foundation for our practice of contribution to the development of society, or our resolve to "devote ourselves to the progress and development of society and the well-being of people through our business activities, thereby enhancing the quality of life throughout the world" as proclaimed in the Basic Management Objectives. Now, for the first time in approximately 60 years, we have significantly updated the Basic Business Philosophy, taking into account the changes in social conditions and the business environment.

Basic Business Philosophy of the Panasonic Group
(Panasonic website)

Mission of Panasonic



250-year plan (announced in 1932)

- To achieve "an ideal society with affluence both in matter and mind" within 250 years
- This period consists of ten 25-year phases. In other words, we will achieve our goal over ten generations. Responsibility to fulfil our mission is passed along to succeeding employees, generation after generation.
- This is not to sacrifice ourselves for the sake of the next generation: We should enjoy a feeling of well-being in our life, and life must go on. Moreover, we aim to make conditions for the next generation even better.

**“Well-being” & “Sustainability”
are the roots of Panasonic’s mission**

Outline of Basic Business Philosophy

- Achieve an ideal society with affluence both in matter and mind
 - Be unrivaled in accomplishing valued work (competitiveness)
 - Return the profit earned as a result of such valued work to society & employees
 - Implement autonomous responsible management & employee entrepreneurship
 - Promote management, that maximizes the potential of human resources, & participative management through collective wisdom
 - Uphold the principle of *Fairness and Honesty*
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- A diagram illustrating the Basic Business Philosophy framework. It features three interconnected circles: a green circle on the left containing the letter 'E' and the word 'Environment', a blue circle on the right containing the letter 'S' and the word 'Social', and a purple circle at the bottom containing the letter 'G' and the word 'Governance'. Lines connect these three circles, forming a triangle. The text of the list items is overlaid on this diagram.

**Basic Business Philosophy embodies
the way of thinking in sustainability management**

Achieving Sustainability Management



Contribute to solving global environment issues

- By 2030: Achieve net zero CO₂ emissions at all operating companies
- By 2050: Contribute to reductions beyond CO₂ emissions from Panasonic's own value chain

Panasonic GREEN IMPACT announced at CES

Support health & well-being of people both in mind & body



- Well-being in **lifestyle**
- Well-being in **workstyle**

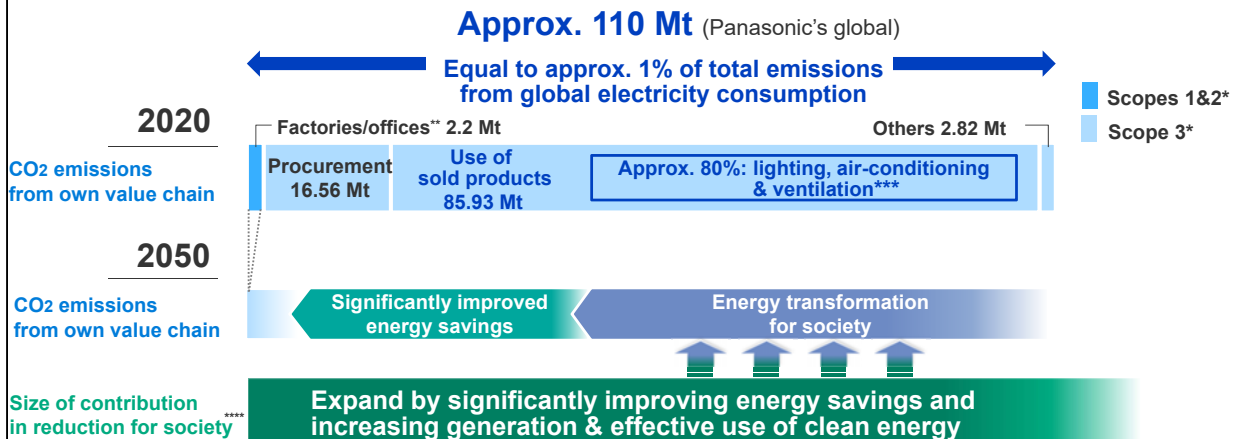
To achieve these aims, we must support the well-being of our **employees**

Toward achieving an ideal society with affluence both in matter and mind, we will contribute to the progress and development of global environment & quality of life

Toward a Carbon Neutral Society



Contributions to a carbon neutrality globally by accelerating “significantly improved energy savings” & “clean energy transformation”



Panasonic GREEN IMPACT

* GHG (Green House Gas) is classified and assessed according to the GHG Protocol, the international calculation standard

** At all operating companies *** Includes ceiling fans & electric fans

**** Size of contributed reductions in CO₂ outside of own value chain

Note: figure for size of emissions at Panasonic is based on FY21 and figure for size of emissions from global electric consumption is based on year 2018

Our Contributions toward a Carbon Neutral Society



Lifestyle
 More comfortable spaces & significantly improved energy savings
 Energy transformation by electrification

Supply Chain
 Combination of Blue Yonder solutions & edge devices at the *gamba*

Mobility
 - Replace fossil fuels for vehicles
 - Contribute to spread of environment-friendly vehicles

Town
 Hospitals, public facilities, factories & offices, etc.
 Air conditioning system with lower environmental impact by low power consumption and use of water as refrigerant
 Factories using 100% renewable energy toward full-fledged use of hydrogen

Panasonic GREEN IMPACT

Significantly Improved Energy Savings



Lighting

Achieve up to 30% energy savings* without compromising comfort

- Set indices of “perception of brightness in spatial environment” from our comfortability R&D
- Offer both comfort and energy savings with “light control technology” and “spatial presentation with suitable lighting adjusted for appropriate environment”

Energy consumption

Category	Energy Consumption
Fluorescent light	High
Switch to LED	Medium (35% Down)
Reduction effect*	Up to 30% reduction

* Excludes effect switching from fluorescent light to LED

Air-conditioning ventilation

Approx. 40% energy savings through innovation & combination of equipment, etc.**

- Expand “ENECHARGE” (waste-heat utilization technology in outdoor unit) to cooling functions
- Minimize energy use by reducing heat loss in ventilation and combining equipment

Amount of energy use

Year	Amount of energy use
2020	High
2030	Medium (40% Down)

** 2030 reduction target if business grows without improvements in energy savings

Aim for greater energy savings while offering more comfort in people's lifestyles

Contributions to “Energy Transformation for Society”



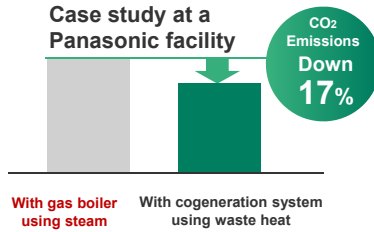
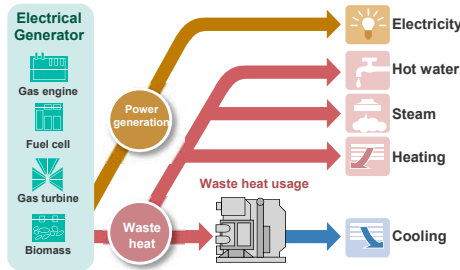
Energy transformation by electrification

- Hot water heat pump system, IH (induction) cooking equipment, etc.



Reduce emissions though effective use of energy

- Use waste heat from cogeneration for absorption chiller system with lower environmental impact (low power consumption and use of water as refrigerant)
- Achieved 17% reductions in CO2 emissions (case study at Panasonic facility), with plan to roll out absorption chiller system to other Panasonic group facilities



Figures: estimated target for FY22. (based rate is FY19)

Contributions to CO2 reductions & energy savings for local communities (hospitals, public facilities, factories, etc.)

Contributions to “Energy Transformation for Society”



Automotive batteries for environment-friendly vehicles

- Thoroughly enhance competitiveness (battery capacity, cost and supply capability)
- Contribute to spread of environment-friendly vehicles by reducing environmental impact with a total approach for re-using and recycling



RE100 solutions with hydrogen technology

- Start testing new systems in spring of 2022 (combining pure hydrogen fuel cell generator, solar power generation and storage battery system)
- Explore possible expansion of renewable energy with full-fledged utilization of hydrogen



Achieving a carbon neutral society through wide-ranging "contributions in CO2 reductions for customers"

Contributions to a Circular Society



Establish circular economy business model for recycled resin in home appliances

- Technological evolution in recovering chemical properties & elongating life span of recycled resin by high-level purifying and compounding
- Enhance quality in all processes related to resource recycling



Contribute to a circular society with long-life batteries

- Promote recycling in both production and end-of-life phases
- Technological evolution in controlling charge/discharge according to conditions to prolong battery life



**Contributions to a sustainable global environment:
e.g., circular economy in manufacturing & prolonged product life**

Well-being in Lifestyle



Create valuable time for busy parents & the family

- Yohana Membership launched in Seattle, USA
- Be a partner for busy parents overloaded with a fast-paced life through personal assistant service supported by latest technology and local experts



Support each individual and offer a lifestyle enriched with long-lasting health

- Town-developing business for elderly people launched in China
- Automated monitoring of health conditions for residents in day-to-day living
- Automated control system for residential space and concierge-type service



**Support well-being of people
with more room in one's mind and a healthier lifestyle**

Well-being in Workstyle



Reform workstyle with more efficient business processes and labor-shortage solutions

- Accelerate autonomous supply chain solutions that help improve *gemba* (operational frontlines) by combing Blue Yonder's solutions and Panasonic's edge devices
- Contribute to saving natural resources and reducing food waste



Offer a livelier, healthier work environment

- Create workplaces conducive to the *new normal*
- Optimize office space from user's perspective by analyzing workers' vital signs, location information, and conversation behavior, as well as utilizing data on work environment and facilities



**Support well-being in workstyle
with a safe, comfortable and worker-friendly *gemba***

Well-being of Employees

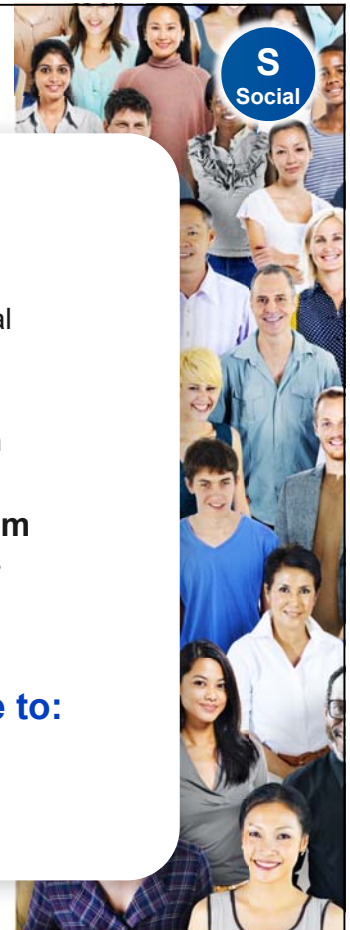


Implement overhaul of HR system toward achieving better work-life balance

- **Introduce 4-day work week system (optional)**
Employees can take up side jobs, self-improvement activities, local volunteer work, etc.
- **Move to the next step in work-from-home system**
Provide options for employees posted away from family and retain employees whose partners are transferred to another location
- **Revise appraisal system, promotion & screening system**
 - Maintain work-life balance for employees having diverse values
 - Support challenges taken up by individuals

Harmonize each employee's lifestyle and workstyle to:

- make the most out of diversity
- enhance Group-wide competitiveness





Transition to new medium/long-term strategy focusing on sustainability

Operating Companies:

- Enhance competitiveness with both strategy and operational capabilities (indispensable to each other), **based on the solutions to societal and environment issues, envisaging a 10-year horizon**
- Significantly **increased empowerment** to execute more wide-ranging **autonomous management**

Holding Company:

- **Ensure and support KPIs (non-financial) for competitiveness** at each business and **thoroughly discuss this with operating companies**
- **Establish Sustainability Management Committee** (chaired by Group CEO): **Plan measures to take as a Group and support their execution**
- **Link remuneration of board members and others to evaluation from the perspective of sustainability**

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