Human Resources Development and Promoting Diversity

Numbers of Employees

Total Number of Employees on a Global Consolidated Basis: 274,143
(as of the end of March 2018)

Policy

To deliver products and services that contribute to society and our customers around the world, and to develop Panasonic’s business, it is essential for the company to continue its efforts to develop human resources that can actively participate and grow in the global business environment. It is also essential that the company creates an organizational culture in which all individual employees can fully deploy their talents regardless of age, gender, or nationality. Thus, Panasonic regards the promotion of diversity as a crucial part of its business strategy, provides a broad range of opportunities for anyone with ability and ambition, and actively strives to create a rewarding work environment.

In fiscal 2011, Panasonic compiled this thinking into a Global Diversity Policy. Since then, this policy has been implemented globally.

Global Diversity Policy

Panasonic Group is now one of the world’s leading business groups which offer a wide variety of products in electronic business areas related to our daily lives. With an aim to contribute to progress in society and to enrich people’s lives through manufacturing, every employee plays a leading role in their job and promoting business activities of Panasonic.

Panasonic is a collection of people with various backgrounds, such as in terms of region, culture, and history, who possess diverse capabilities, as well as diverse traits in terms of various factors including gender, age, race, belief, religion, nationality, sexual orientation, and gender identity. Each person has various different ideas, and by sharing these ideas across countries and business areas, we can create more innovative values. Thus, Panasonic will continue to be a Group which always gathers wisdom and spurs innovation with the concerned efforts of all. We have a strong hope that using our diverse mindsets and viewpoints we can deliver products and services like no other in the world to our customers.

In order to achieve this, it is important to give a chance for success to motivated people of all countries and regions, regardless of their gender, nationality or any other characteristics. We have expanded our diversity activities to make the best of the individuality and abilities of each employee and to support their success towards the group on a global basis. We will continue to take up the challenge of becoming “No.1 in Diversity Promoting Activities in each country and region.”

Responsible Executive and Framework

The Chief Human Resources Officer (CHRO) is Senior Managing Executive Officer Mototsugu Sato. (As of August 2018)

The departments responsible for these matters consist of the Human Resources & Industrial Relations Department at Panasonic headquarters, plus the human resources departments in each of the four Panasonic Companies (Appliances, Eco Solutions, Connected Solutions, and Automotive & Industrial Systems) and in all business divisions and affiliated companies under the Panasonic umbrella.
Organization in Charge of Diversity and Inclusion

In 1999 Panasonic began its Equal Partnership initiative, and since this time, 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 naming 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 as part of the management policies to change the corporate climate by facilitating the participation of women in management, the Corporate Equal Partnership Division was established directly under the office of the President.

In 2006, the division was further developed as an organization, and it became the Corporate Diversity Promotion Division—with an expanded mandate that focused on diversity of age and nationality, 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.

Now, in 2018, on the 100th anniversary of the company’s founding, Panasonic has established its Office for A Better Workstyle, which reports directly to the head office. This editorial board is responsible for further increasing the rewarding nature of work for all employees, who are the driving force the firm needs to continue servicing society and its customers for the next 100 years.

Performance Evaluations

Panasonic believes “individuals and organizations that continue to evolve” to be an engine of growth and that it is crucial to combine the individual strength of each of the employees—who all are eager to work and to challenge themselves—in order to fully realize the potential of the organization. Therefore, Panasonic believes it is essential to create an organization that is broad-minded and open.

Putting this belief into action, Panasonic conducts surveys of its employees’ opinions—both in Japan and abroad—to understand the state, needs, and problems of its employees and organization. Problems discovered in these surveys are factored into action plans, and each relevant corporation and organization works to implement the plans and resolve the problems. From fiscal 2016, Panasonic has been conducting its Japanese and various overseas opinion surveys—which were conducted individually—by using a common platform. By doing so, the company is—through a common global perspective—gaining a clearer understanding of both its organizational strengths and problems to be resolved, able to enhance the quality of its management, and striving to achieve an organizational culture in which all employees can find their work meaningful.

List of Awards

Randstad Award 2018: Overall first place, first place in the industry

The Randstad Award is based on a survey of companies by an independent organization, using common global standards. The awards are given to the companies found to have the best employer brand (based upon the appeal of a company as an employer).

Managerial Promotion

For management candidate selection and management human resources development, Panasonic has unified its standards, systems, processes, and IT on a global basis. The company discovers and nurtures the most suited candidates irrespective of age, gender, or nationality. The company is undertaking efforts for planned career development and promotion for its employees.

For example, the company has established its “Panasonic Global Competencies” (PGC)—global common guidelines for action that are based on the company’s management philosophy—to clarify the leadership competencies needed for its leaders and the core competencies of all employees. Thus, the company is promoting behavioral change and improved practical initiatives among its leaders worldwide.

The company has also indicated on a global basis that experience such as managing multiple businesses, or working in a country other than one’s own, are prerequisites to being selected as an executive officer or being promoted as a member
of senior management. Panasonic fosters talented individuals, who are likely to become management candidates, from an early stage of their careers by clearly identifying the requirements and career paths required of senior managers. Implementing strategic human resources rotation is one means toward this goal, and overall this accelerates the pace of career development.

Furthermore, the company is implementing 360 degree evaluation—as well as assessments by external organizations—of managerial candidates. This allows the company to learn objectively of the strengths and weaknesses of candidates—in terms of leadership, capabilities, and other aspects. Thus, both the company and the prospective manager on the path to managerial promotion are able to understand which negative issues must be addressed or overcome, as well as which skill developments to focus on. This encourages future senior managers to develop their talent with high levels of self-awareness and drive.

**Selection and Administrative Mechanisms for Managerial Positions**

Panasonic has established mechanisms with clear quantitative criteria to evaluate candidates for major group posts using a common global standard. All positions of a certain level or above are considered “managerial,” and there are mechanisms in place that are meant to elucidate the expected roles and responsibilities of managerial positions, while also evaluating medium- to long-term contributions to operations. The Corporate Division manages current position holders and succession candidates, and it has established a “Talent-Management Committee” as a place to objectively, transparently, and openly debate and consider the career development and promotion of succession candidates for major posts. The committee includes the presidents of Panasonic Corporation and the four Companies and the executive officer in charge of human resources. It discusses the search for and selection of the best global senior managers, as well as career development plans. The company will continue to enhance its process for discovering, nurturing, and promoting talent irrespective of age, gender, and nationality.

**Performance-Linked System of Remuneration**

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 at higher levels of management.

In addition, the amount of each individual’s bonus is determined based on the previous fiscal year’s performance of the jobs of which he or she was in charge.

Thus, by reflecting the company’s performance and individual performance within certain limits in compensation, Panasonic inspires the desire to improve individual and corporate performance.

In particular, 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 stock options—which serve as a longterm incentive.

Performance-linked remuneration is evaluated by considering the performance of the entire Panasonic Group and of the executive’s area of responsibility, based on indicators including sales, operating profit, free cash flows, and CCM*.

Stock options are allocated so that executives can share profit awareness with other shareholders and strive to improve corporate value, taking a long-term perspective.

* Stands for “capital cost management,” Panasonic’s proprietary management indicator based on the return on capital.
HR Development and Diversity: Human Resources Development

Human Resources Development Initiatives and Performance

Basic Education and Training System

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

Basic Education and Training System

<table>
<thead>
<tr>
<th>Managing director</th>
<th>Executive Training/Training for Exceptional Talent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>• Management skill training</td>
</tr>
<tr>
<td></td>
<td>• Job-rank-based training</td>
</tr>
<tr>
<td>Staff</td>
<td>• Business skills training (IT, communications, languages, etc.)</td>
</tr>
<tr>
<td></td>
<td>• Job-function-specific training (technology, manufacturing, sales and marketing, planning, accounting, human resources, etc.)</td>
</tr>
</tbody>
</table>

Education for new hires

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 new employee training (in Japan) so that new employees can quickly become active at Panasonic; as well as business skills training that teaches IT, communications, languages, and other skills required to facilitate employee tasks; and Job-function-specific training so that employees can learn the specialized knowledge and skills needed for their jobs, 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.

Global Human Resources Development

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, Panasonic has established regulations for inter-regional personnel transfers and strives to place its employees wherever in the world they can best display their abilities. For example, Panasonic began full implementation of a program called “Working In Japan” in 2007, with the aim of accelerating the development of talent from overseas through the experience of working in Japan.

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 operates local elective management development training that is linked with the same training.
Efforts to Develop Employee Employability
Supporting Skills Development for Flexible Change in the Organization

In a business environment constantly subject to turbulent upheaval and to maintain competitiveness through flexible change, we find it important to support employees’ efforts to keep their skills up to date in a flexible fashion. For this, we offer training opportunities to develop new skills. For example, when we implemented structural reforms in recent years, we offered training to some of our engineers so that they could be redeployed in new business areas that we have earmarked as future focus points.

Career Create System Supports Employees’ Ambitions to Create New Careers

We at Panasonic 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 our Career Create 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, irrespective of age, gender, or nationality.

Career and Life Design Seminars

In these seminars, Panasonic educates the individuals who work for it so that they may be more employable throughout all of society and so that they may continue to challenge themselves for the future.

- Employees take stock of their careers up to that point, verify their core values and make an inventory of the skills that they possess. They ask questions about the issues faced in creating careers according to their generation, and engage in other activities designed to promote understanding of the importance of independent careers. And employees clarify their career visions for the next 5 and 10 years.
- Employees receive guidance concerning economic planning and self-discipline as regards their mind and body to increase their understanding of the importance of economic planning and healthy lifestyles in realizing their career visions.

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

At Panasonic Corporation and some Japanese affiliates, a “Role/Grade System” has been implemented. This system determines work/role grades for employees according to the size of the work or role they currently perform to form 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 systems, and fosters understanding among employees. By setting clear goals for employees to strive for, we encourage employees to be bold to achieve their goals. We believe this helps make both our people and our organization bolder. In these ways, both our people and our organization can reap the rewards of our ambitions, with the aim of building an organizational culture that is brimming with vitality.
HR Development and Diversity: Diversity

To exploit 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 of gender, age, nationality, or any other cohort. The company has implemented a “Role / Grade System” that determines compensation based on the work or role in which employees are currently engaged; 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.

In terms of senior management, a female director (current board member Hiroko Ota) was appointed in fiscal 2014, and, in fiscal 2016, a female executive officer (current executive officer Michiko Ogawa) has been named. 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 superiors. Furthermore, to raise the consciousness of all employees concerning the promotion of diversity, Panasonic has established that every July be Diversity Promotion Month, hosting forums and creating opportunities in the workplace for discussions on the theme of promoting diversity. As Panasonic welcomes 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. From November 2017, Panasonic has endeavored to create “A Better Workstyle” (meaning undertaking reforms that make work rewarding), with a focus on creating opportunities for growth by reaching outside of the company, supporting voluntary changes among employees, and encouraging an environment in which diversity thrives.

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

Average Number of Years of Service
Diversity in the United States

Diversity generates creativity and innovation in the work community. PNA is committed to building and maintaining a workforce as diverse as the communities we serve. The Inclusion & Diversity (I&D) programming at PNA includes the Business Impact Groups (BIGs) Women Connect, Veterans Group, and PRISM (LGBTQ), which launched in 2018. A new BIG targeted at our younger workforce is also in the plan for 2018-2019. These groups are just one way that we support the recruitment, retention, and internal advancement of a diverse workforce.

Our efforts in I&D have led us to receive many awards including:

- Woman Engineer Magazine Top 50 Employers
- STEM Workplace Diversity Magazine Top 50 Employers
- Minority Engineer Magazine Top 50 Employers

Here at PNA, 25% of our employees within underrepresented groups hold leadership positions throughout North America, and that number is improving every year. In addition, 29% of our workforce in North America is female. The insights and contributions made by our women leaders help move us forward. We are proud to share that our number of women in leadership roles has increased over the past three years, as well as our female workforce under age 30.

In 2017, our Talent team worked with the Marketing organization to produce a video called Wall of Inclusion. We invited employees in Newark & Harrison, NJ to create Post-It notes explaining what they love about working in an environment of diversity. The video allowed an opportunity to see how these notes were used to create a Panasonic Logo mural, but also gave many employees a moment on camera to share all that they gain from our commitment to continuing to make moves forward in Inclusion & Diversity initiatives.

View our Wall of Inclusion video here. https://vimeo.com/237451786/7239079828

Work-Life Management

Realizing Diversity in Working Styles—e-Work*

Panasonic promotes “e-Work” as an efficient way of working that exploits information and communication technologies to effectively utilize time in any location. It has implemented a Work-at-Home System that covers around 40,000 employees. The company has also created “Spot Offices”—places with equipment and a network connection where employees can work when traveling on business at 17 locations groupwide (16 of them in Japan).

The Spot Offices have reduced travel time and accelerated customer service, and Panasonic plans to create an environment in which employees can work even more efficiently. The company will increase productivity and improve the work-life balance for its employees through a number of flexible working styles.

*The term “e-work” refers generally to working from home, mobile work, work at satellite offices, remote conferencing, and other such initiatives.

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.

In order for childcare, family care, and work to coexist, employees need to actively respond to all aspects of their lives. However, this active response may not be sufficient in 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 family care.

Examples of Systems Supporting Work-Life Management

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 starting 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 work-hours; half-days; 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 the company will cover some of the costs for childcare during overtime work or when a child is ill

Child Planning Leave
System of leave for fertility treatments

A Comprehensive Program for Supporting a Balance between Nursing Care and Work
- Holding of seminars on nursing care, launching of portal site with information concerning nursing care
- Counseling for employees facing the prospect of nursing care, 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 up to a total of 365 days per person requiring nursing care, payment of 70% of wages plus an allowance for the employee-borne portion of social insurance premiums for leave totaling 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 of June 2017, employees with disabilities represented 2.15% of our workforce in Japan. For our group as a whole, the figure was 2.16%. These figures exceed both the legal employment rate (2.0%) and the national average employment rate (1.97%).

Employment of Workers with Disabilities (Japan)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Panasonic Corporation</td>
<td>2.07%</td>
<td>2.04%</td>
<td>2.15%</td>
<td>2.16%</td>
<td>2.15%</td>
<td>2.18%</td>
<td>2.15%</td>
</tr>
<tr>
<td>Key Group Companies</td>
<td>2.08%</td>
<td>2.11%</td>
<td>2.21%</td>
<td>2.24%</td>
<td>2.46%</td>
<td>2.50%</td>
<td>2.24%</td>
</tr>
<tr>
<td>Group (whole)</td>
<td>2.08%</td>
<td>2.06%</td>
<td>2.17%</td>
<td>2.18%</td>
<td>2.21%</td>
<td>2.23%</td>
<td>2.16%</td>
</tr>
</tbody>
</table>

In cooperation with local communities and governments and other authorities, we as a group manage seven special subsidiaries to promote the employment of workers with severe disabilities.

At these subsidiaries, special measures are taken to create an appropriate workplace, with specially designed workbenches and materials arrayed at heights suitable for people in wheelchairs. These companies also actively welcome interns, trainees, and observers.

In other group divisions, Panasonic promotes the creation of workplaces where all employees can learn together and where workers with disabilities can take an active part. Special training sessions are offered in sign language, sign-language interpreters are provided for skills development sessions, and educational materials have been created to improve employee understanding of people with disabilities.
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, renewing our position as an industry leader in formulating policies for the employment of older workers in Japan.

Next Stage Program

The Next Stage Program is a system that consists mainly of the Next Stage Partner Program, which allows workers who wish to continue working after mandatory retirement at age 60 to do so until age 65. In April 2008 we relaunched this as the New Next Stage Program. Our basic thinking here is 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 of longer-term careers, 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. As increasing numbers of people desire to continue working into their later years, social attitudes are changing. This has economic ramifications, in terms of retirement and pension benefits—as well as ramifications in terms of the emergence of older workers as a potential resource. We are striving to ensure that everyone who wishes to continue working beyond the age of 60 has the opportunity to do so, and we are finetuning the conditions of our Next Stage Partner System to accommodate this change.

We are also offering economic support for employees who wish to retire early 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


*LGBT: An acronym for lesbian, gay, bisexual, and transgender, LGBT is used in this section to refer to these and other sexual minority groups.
Treatment of Individuals in Panasonic’s HR Systems

Effective April 2016, Panasonic Corporation 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 more friendly workplace regardless of sexual orientation or gender identity, Panasonic has been conducting successive seminars geared toward HR functional divisions, managerial positions, and employees, since February 2016. Seminars for HR functional divisions offer not only basic knowledge 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 topics, including cases of sexual harassment or abuse of authority. (Employees may 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 more friendly workplaces regardless of sexual orientation or gender equality. 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, the company has cooperated with work with Pride on their Tokyo Rainbow Week exhibits and has provided ongoing cooperation for other events. Panasonic has made contributions to the policy working group for a corporate LGBT evaluation index held from December 2015 to May 2016 as a secretariat member.