




## Disclosure Based on TCFD Recommendations

### Response to TCFD

In May 2019, the Panasonic Group endorsed the TCFD<sup>\*1</sup> recommendations. Recognizing that risks and opportunities related to climate change are critical management issues, the Panasonic Group is identifying risks and opportunities based on the recommendations and examining the resilience of its strategies through scenario analysis.

Based on the above recognition and verification results, Panasonic Energy will deepen its consideration of risks and opportunities specific to our business and proactively disclose the required information. As recommended by the TCFD, we will disclose information on 'governance', 'strategy', 'risk management', and 'indices and targets' to strengthen our dialogue with our stakeholders.

<sup>\*1</sup> TCFD: an abbreviation of Task Force on Climate-related Financial Disclosures. The task force was set up by the Financial Stability Board (FSB) in response to a request by the G20 Finance Ministers and Central Bank Governors. TCFD published its recommendations in 2017.

 Panasonic Group "Environment : Response to TCFD"  
<https://holdings.panasonic/global/corporate/sustainability/environment/tcfid.html>

### Governance

At Panasonic Energy, the Board of Directors oversees risks and opportunities related to climate change based on reports and recommendations from the ESG Committee at least once a year.

Chaired by the president, the Committee includes all executive officers responsible for divisions related to climate change, such as business divisions, human resources, and legal affairs, as well as divisions in charge of the environment. The Committee formulates overall plans, monitors progress, and evaluates the status of achievement in a cross-organizational framework.

In parallel, we analyze risks and opportunities related to climate change and, based on the results, confirm the relevance of our business strategy from a resilience perspective.

In addition, to strengthen the commitment of our executive officers, performance-based remuneration (which is an incentive linked to short term and mid-long term business results) is structured to reflect climate change-related results as well as financial indicators.

### Strategy

To transition society to a low-carbon economy, we have set the following targets.


- FY2029: Net Zero Factories <sup>\*2</sup> All sites
- FY2031: Create approx. 45 million tons of avoided CO<sub>2</sub> emissions

To establish the above goals and verify the resilience of our strategy, we have conducted a scenario analysis in line with the framework of the TCFD recommendations.

<sup>\*2</sup> Factories that have achieved virtually zero CO<sub>2</sub> emissions by conserving energy, introducing renewable energy, and using credits.

The scenario analysis was conducted as follows, targeting the Mobility Energy Business and part of the Energy Solution Business, which account for a large proportion of our financial performance and contribute significantly to avoided CO<sub>2</sub> emissions.

- Assumed timeframe: FY2031 and FY2051
- Adopted scenarios: Risks and opportunities were identified based on a set of scenarios (including the 1.5°C scenario and the 4°C scenario), which were adopted in the Panasonic Group scenario analysis. For more details, please refer to the four scenarios in the Panasonic Group entitled "Environment: Strategy Resilience through Scenario Analysis."

 Panasonic Group "Environment : Response to TCFD"  
<https://holdings.panasonic/global/corporate/sustainability/environment/tcfid/resilience.html>

### Risk management

Panasonic Energy has established an Enterprise Risk Management Committee ("ERM Committee") to manage various risks, including those related to climate change, in an integrated manner.

Based on the PDCA cycle of risk management, the ERM Committee reports regularly to the Management Meeting and the Board of Directors on essential risks and the progress of countermeasures. Each year, the Committee identifies risk items in terms of "impact" and "possibility of occurrence" while also defining "operational risk" as events that have the potential to affect business activities and pose an operational threat.

In fiscal 2025, we again identified natural disasters such as earthquakes and tsunamis as important operational risks and managed progress on measures to deal with flooding and other disasters.

Regarding the transitional risks, such as an increase in the cost of compliance with environmental regulations, the relevant departments closely monitor trends and take appropriate measures while the Management Meeting continues to manage the progress. In compliance with the EU Battery Regulation in particular, we thoroughly manage risks to our business activities by managing the progress of measures and raising issues at quarterly meetings that include the relevant departments and management.

### Metrics and targets

In addition to disclosing actual GHG emissions (Scope 1, 2, 3), we have set a goal of achieving all of Net Zero Factories<sup>\*2</sup> by fiscal 2029 and are working hard to reduce emissions.

We have also set targets for GHG emissions outside of our own company, including the avoided CO<sub>2</sub> emissions that we contribute to society and the reduction of the carbon footprint of our products, including those upstream in our supply chain.

Furthermore, we have established our own "Environmental Contribution Index" (an index that indicates the ratio of avoided CO<sub>2</sub> emissions to the actual CO<sub>2</sub> emissions from our battery production), which is a composite of the above indicators. We are working to improve this to 10 in fiscal 2031. For more details of our efforts to set and achieve our goals, please refer to the Environmental page of this report.

# Contribution to the Environment

## Significant risks and opportunities and how to respond

The items identified as significant climate-related risks and opportunities are shown in the table below. For each item, the table shows the main applicable scenarios, the timing of occurrence, the impact, and our countermeasures. We prioritize our responses to these items based on the timing of their occurrence and their degree of impact.

Item		Impact on Panasonic Energy	1.5°C	4°C	Timing of occurrence	Impact	Countermeasures
Transitional risks	Cost of implementing carbon pricing	Increase in procurement costs due to the levy on the company and the price shift of the levy to suppliers/logistics providers due to the tightening of the carbon pricing system			Medium term	Large	<ul style="list-style-type: none"> <li>Promote energy conservation, utilize renewable energy</li> </ul>
	Higher costs of complying with environmental regulations related to products and services	Increase in costs to comply with stricter battery-related regulations (including carbon footprint disclosure and traceability management) and mandatory GHG emissions reporting			Short term	Small	<ul style="list-style-type: none"> <li>Introduce general-purpose system capable of responding to increasingly sophisticated regulations</li> </ul>
	Increase in R&D and capex costs for higher battery performance	Increase in R&D and capital investment costs to develop next-generation batteries for EVs and storage battery systems and to lead other companies in improving environmental performance			Short term	Medium	<ul style="list-style-type: none"> <li>Improve development efficiency through collaborative research with research institutes and partner companies</li> <li>Tradition of skills within the company through operation of the Academy of Battery Technology and Manufacturing</li> </ul>
	Increase in costs for energy conservation measures and renewable energy installations	Increase in procurement costs due to higher investment costs related to energy conservation/renewable energy and price shifting of GHG emission reduction costs from suppliers			Short term	Large	<ul style="list-style-type: none"> <li>Increase amount of renewable energy procurement</li> </ul>
	Lower sales due to delay in responding to social and customer needs	Lower sales due to failure to respond appropriately to changing needs of corporate customers who have to address market changes, new regulations, and demands from stakeholders			Short term	Large	<ul style="list-style-type: none"> <li>Ensure compliance with the EU Battery Regulation, GBA, RBA, etc.</li> <li>Lead policy frameworks through active participation in industry associations</li> </ul>
	Increase in procurement costs due to soaring raw material prices and material switching	Increase in raw material procurement costs resulting from intensified competition for raw materials due to increased demand for batteries and increased protectionism			Medium - to long - term	Large	<ul style="list-style-type: none"> <li>Expand battery reuse, establish recycling scheme</li> <li>Review manufacturing processes to help reduce process waste and loss</li> </ul>
Physical risks	Lower sales/increased costs due to damage to the company's sites and supply chain caused by severe wind and flood damage	Increase in opportunity loss and recovery costs due to damage to the company's sites and upstream/downstream supply chain caused by severe wind and flood damage			Short term	Medium	<ul style="list-style-type: none"> <li>Shorten the supply chain through local procurement</li> <li>Promote BCP measures for key parts and materials</li> </ul>
	Lower sales/increased costs due to damage to own facilities and supply chain caused by sea level rise	Opportunity losses and increased costs of recovery and countermeasures due to damage to the company's facilities and supply chain sites near the coast caused by sea level rise			Long term	Small	<ul style="list-style-type: none"> <li>Assess supplier risk</li> </ul>
	Lower sales/increased costs due to employee health risks from heat and cold	Opportunity losses due to disruption of employee health caused by extreme weather and increased capital investment costs for air conditioning and other equipment			Short and long term	Small	<ul style="list-style-type: none"> <li>Promote measures against infectious diseases in the workplace</li> <li>Conduct seminars and programs aimed at improving the mental and physical health of employees</li> </ul>
Opportunities	Cost reductions through increased resource efficiency and increased sales through improved production efficiency	Decrease in procurement costs due to recycling resources through resource recycling and increase in sales by developing the battery reuse market			Medium - to long - term	Medium	<ul style="list-style-type: none"> <li>Expand battery reuse, establish recycling scheme, control waste</li> <li>Boost energy density, increase lifespan, increase diameter</li> </ul>
	Decrease in energy procurement costs due to lower energy prices	Decrease in energy costs at the Company due to lower prices for renewable energy and in raw material procurement costs due to lower energy costs at suppliers			Medium - to long - term	Medium	<ul style="list-style-type: none"> <li>Review renewable energy options based on market prices and increase procurement volume</li> </ul>
	Increase in sales due to higher demand for environmentally conscious products and services	Increase in sales due to growing demand for products that contribute to GHG reduction, such as automotive batteries and stationary storage batteries for use alongside renewable energy sources			Short term	Large	<ul style="list-style-type: none"> <li>Expand lineup of environmentally friendly products and solutions</li> <li>Promote image as environmentally advanced company</li> </ul>
	Increase in sales due to higher demand for disaster preparedness products and services	Increase in sales due to higher demand for disaster preparedness products, such as storage batteries to prepare for disruptions in energy infrastructure and battery products that contribute to the weather observation/space business			Medium - to long - term	Large	<ul style="list-style-type: none"> <li>Expand industrial backup power supply and residential energy storage businesses</li> <li>Promote dry cell batteries as disaster preparedness measure</li> </ul>