

# Promoting Sustainability (ESG) Management



Please check the sustainability website for details.


[https://www.panasonic.com/global/energy/sustainability/sustainability\\_management.html](https://www.panasonic.com/global/energy/sustainability/sustainability_management.html)


The Panasonic Group has established its Basic Business Philosophy, which outlines its approach to management practices and the way employees carry out their work, and conducts its business based on this policy.

The Basic Business Philosophy (BBP) stipulates from the perspective of the environment and society that we make unparalleled contributions to solving global environmental problems, including climate change, and to the physical and spiritual health and well-being of people. Additionally, we will return the profits we obtain to society and invest in further contributions. From the perspective of governance, the BBP also stipulates autonomous responsible management, the practice of each employee's entrepreneurship, maximizing human resources and management based on collective wisdom, and the principle of "Fairness and Honesty" including compliance.

As one of the operating companies in the Panasonic Group, Panasonic Energy will help resolve environmental and social issues through its corporate activities in accordance with the above ideas. At the same time, we are committed to promoting ESG-focused management in order to establish a transparent and fair management foundation, realize a sustainable society, and enhance medium- to long-term corporate value.

This is in line with our Mission, which is to "achieve a society in which the pursuit of happiness and a sustainable environment are harmonized free of conflict," and represents an essential initiative for us.

 **The Basic Business Philosophy of the Panasonic Group**  
<https://holdings.panasonic.com/global/corporate/about/philosophy.html>

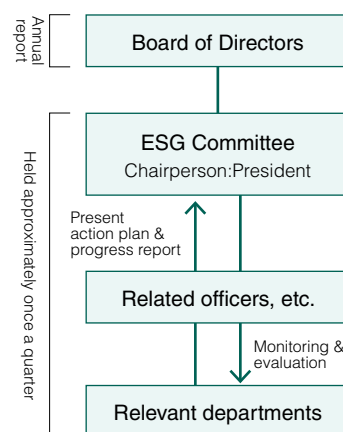
 **The Promotion of Sustainability Management of the Panasonic Group**  
<https://holdings.panasonic.com/global/corporate/sustainability/management.html>

## ESG promotion structure

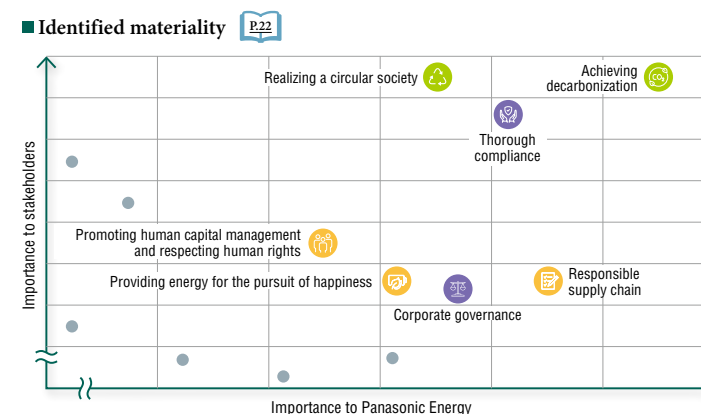
Panasonic Energy established its ESG Committee, chaired by the President, to formulate an overall ESG plan, monitor its progress, and evaluate its achievement status. In addition, based on the outcomes of its deliberations, the Committee makes annual reports and recommendations to the Board of Directors to ensure that ESG considerations are integrated into the management decision-making process.

In promoting specific measures, we designate Executive Officer, or other person to take charge of addressing each of the seven material issues, set medium- to long-term visions and key performance indicators (KPIs) for each material issue, and formulate action plans to achieve them. Based on progress reports from the aforementioned persons in charge, the ESG Committee monitors and evaluates activities, estimates the effectiveness of measures, and encourages their improvements. In these ways, we have established the PDCA cycle throughout the year.

## ■ ESG management promotion structure



In fiscal 2025, in addition to confirming the results of the previous fiscal year and reviewing progress, we conducted interim reviews of the three material issues that are particularly important for improving our company's growth potential—namely achieving decarbonization, realizing a circular society, and promoting human capital management and respecting for human rights—to identify any issues and advance the steady implementation of corrective measures. The issues we identified include: responding to increasingly complex laws and regulations and customer requirements, enhancement of non-financial goal setting and management, and instilling ESG values among our employees. The company has therefore resolved to redouble its efforts on each of these issues with the goal of achieving ESG-focused management that leverages growth.



## Dialogue with stakeholders

We place great importance on dialogue with a wide range of stakeholders around the world, including customers, investors, suppliers, governments, industry associations, NPOs and NGOs, local communities, and employees, and engage in dialogue at various stages of our operations. We also provide information on our activities to our stakeholders, and at the same time receive feedback from them regarding their expectations and concerns about us. We will incorporate such feedback into our business, product development, and ESG management activities to further enhance our corporate value.

## ■ Major stakeholders



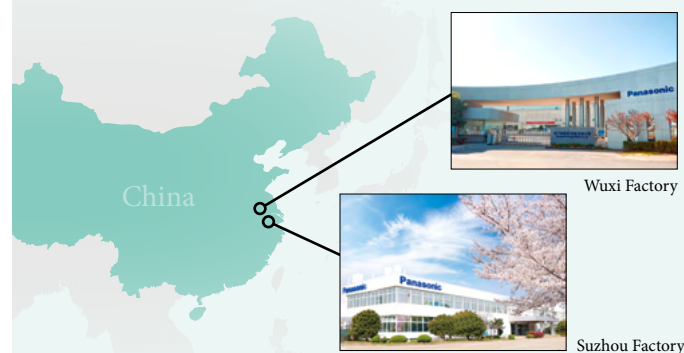
# Sustainability Initiatives at Our Sites in China

## Our China sites in Suzhou and Wuxi

We operate two manufacturing sites in China. Established in 2000, Panasonic Energy (Suzhou) Co., Ltd. (the Suzhou Factory) specializes in Li-ion batteries and manufactures cylindrical cells, pouch cells, and battery packs for a wide range of applications. It is also the only site producing pouch cells in the Panasonic Group.

Panasonic Energy (Wuxi) Co., Ltd. (the Wuxi Factory) was established the following year in 2001, and is a R&D and manufacturing site for Li-ion batteries, nickel-metal hydride batteries, and lithium primary batteries.

We have established integrated manufacturing systems at both sites, covering the full process from cells to battery packs. By leveraging equipment and materials procured in China, we capture China's unique speed and cost advantages to respond flexibly to market changes. Both sites also lead the Group in sustainability initiatives, with employee awareness survey scores for "employee engagement" and "empowering work environments" substantially exceeding the company-wide average.



## Locally-driven manufacturing

Under its own initiative, the Suzhou Factory has introduced automated inspection lines, flexible automated assembly lines for small lot and high mix manufacturing tailored to customer needs, and new

processing equipment for the latest high-capacity cells in its pouch cell manufacturing operations. In its pack manufacturing process, the factory achieved high manufacturing efficiency by having employees perform multiple tasks, thereby enabling the manufacturing line to operate with a small team.

The Wuxi Factory also independently developed and implemented highly flexible automated manufacturing lines to support high-mix, small-lot manufacturing. While steadily automating each stage of the manufacturing process, the local team focuses on reducing manpower and rectifying quality loss. By meeting Panasonic's safety and quality standards while actively leveraging general-purpose equipment available in China, the factory has established a supply system for global markets that emphasizes speed and cost advantages unique to China, enabling agile responses to market changes.

## Safety initiatives

We believe that the safety and health of our employees are the source of their happiness, and we are committed to implementing safety measures. For example, we work to raise safety awareness at the Suzhou Factory by displaying the number of consecutive days without lost-time injuries and fire incidents, and conducting emergency drills involving all employees. In 2024, we conducted 20 drills as part of the Safety Dojo, including simulated entrapment incidents, Cardiopulmonary Resuscitation (CPR), and emergency response training.

## Achieved net zero CO<sub>2</sub> emissions\*

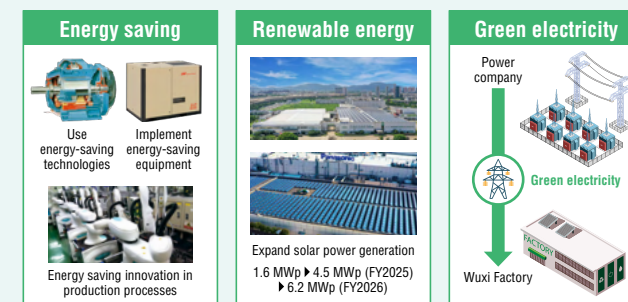
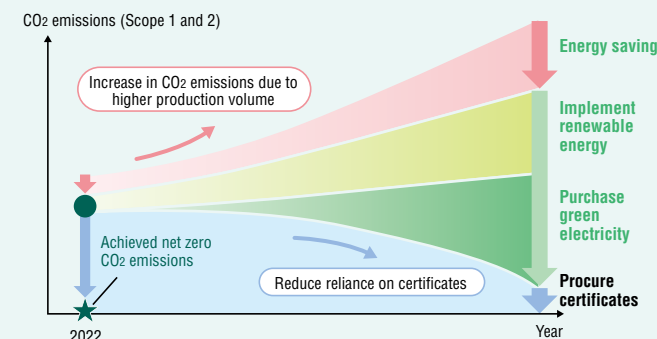
Through energy-saving initiatives and expanded use of renewable energy, the Wuxi Factory became the first Net Zero Factory\* in China within the Panasonic Group in 2020. This achievement is the result of various efforts, including the installation of LED lighting, use of inverters for power equipment, implementation of an AI-powered energy management system, innovations in manufacturing and production methods, the use of solar power generation, and procurement of electricity derived from renewable sources. The factory also uses a solar-powered streetlight system, assembling battery packs using in-house made cells to store solar energy during the day and supply

electricity to LED lights at night. Looking ahead, the factory aims to become a model green factory by lowering its purchase ratio of green power certificates and reducing its external reliance.

The Suzhou Factory also achieved Net Zero Factory status\* in 2022 by installing solar panels on the rooftops of its second and third buildings. It was subsequently honored as a "Jiangsu Province Green Factory" in 2023 and a "Suzhou City Zero Carbon Factory" in 2024. The factory is also developing a low-carbon supply chain by recycling its own waste, purchasing components made from recycled materials, and promoting decarbonization through optimized transportation methods. In addition, it actively engages with its major suppliers, who account for approximately 60% of total procurement value, to reduce CO<sub>2</sub> emissions across the supply chain.

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

## Long-term vision for CO<sub>2</sub> emissions reduction



# Contribution to the Environment



Please check the sustainability website for details.  
<https://www.panasonic.com/global/energy/sustainability/environment/approach.html>

## Approach to environmental initiatives —Two material issues for realizing our Mission—

Our Mission is to “achieve a society in which the pursuit of happiness and a sustainable environment are harmonized free of conflict.” With this in mind, we believe that our fundamental value is to play a leading role in transforming society into a sustainable one. At the same time, we have a responsibility to reduce our own environmental impact as we fulfill this role.

Based on our approaches and the expectations of our stakeholders, we have identified two material issues related to the environment: “Achieving decarbonization” and “Realizing a recycling-oriented society.” To maximize our contribution to the environment and minimize the environmental impact on each of these, we have set a total of six KPIs and their targets for fiscal 2031 as shown in the figure on the right.

With respect to the KPIs associated with the material issue “achieving decarbonization,” to expand avoided CO<sub>2</sub> emissions<sup>\*1</sup> from our products and solutions that are used by end users, we have set a target of 45 million tons<sup>\*2</sup> of avoided emissions in fiscal 2031. We also aim to reduce CO<sub>2</sub> emissions during battery production, including procurement of raw materials, production, and product distribution. To this end, we are pursuing initiatives such as expanding the number of our own Net Zero Factories<sup>\*3</sup> and increasing our electricity renewable energy ratio<sup>\*4</sup>, with the goal of cutting our carbon footprint in half<sup>\*5</sup> by fiscal 2031 compared to fiscal 2022.

With respect to the KPIs associated with the material issue “realizing a recycling-oriented society,” we had previously set a recycling rate (in-house waste) KPI. However, now that almost all of our sites have achieved a recycling rate of 99% or more (with less than 1% of in-house waste going to landfill), we decided that this KPI was no longer necessary, since we had a system in place within the company that could be sustainably maintained. Therefore, starting this fiscal year, our only recycling KPI will be our recycled material utilization rate. Going forward, we will strengthen our efforts to collect and recycle waste materials from the production process as well as used products, aiming to create a recycling loop through the reduction of natural resource consumption and waste. We believe that these initiatives will also contribute to reducing the carbon footprint of batteries.

For these two material issues, we have established our own unique composite indicator, the “Environmental Contribution Index.” This indicates the avoided CO<sub>2</sub> emissions in society through use of our batteries divided by net CO<sub>2</sub> emissions from our battery production. Our target value for fiscal 2031 is 10<sup>\*2</sup>, which we aim to achieve by maximizing our contribution to the environment and minimizing the environmental impact of battery production.

### ■ Environmental Contribution Index calculation formula

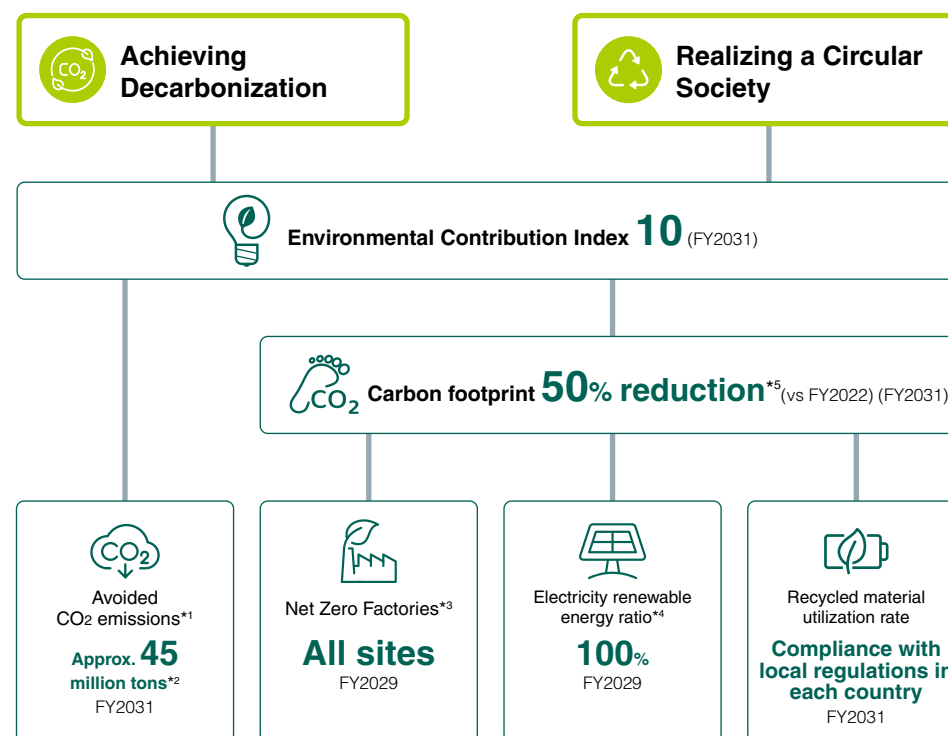
Environmental contribution amount  
**Avoided CO<sub>2</sub> emissions in society through use of our batteries**

Environmental impact  
**Net CO<sub>2</sub> emissions from our battery production**

FY2031  
**10**

“Achieving a society in which the pursuit of happiness and a sustainable environment are harmonized free of conflict”

## Two material issues on environment



- <sup>\*1</sup> The amount of CO<sub>2</sub> emissions reductions achieved for our customers and society as a result of the introduction of our products, compared to the baseline level where no products were introduced.
- <sup>\*2</sup> Target values revised based on market conditions in-vehicle business and other factors.
- <sup>\*3</sup> Factories that have achieved virtually zero CO<sub>2</sub> emissions by conserving energy, introducing renewable energy, and using credits.
- <sup>\*4</sup> Percentage of electricity, fuel, etc. used by Panasonic Energy that is derived from renewable energy sources (includes certificates, credits, and other externally procured items).
- <sup>\*5</sup> CO<sub>2</sub> emissions per unit capacity of lithium-ion batteries for automotive use produced at the North American factory.



## Achieving Decarbonization

### ■ Policy

Our Mission is to “Achieve a society in which the pursuit of happiness and a sustainable environment are harmonized free of conflict,” and therefore, responding to climate change, an urgent issue common to all humankind, is our most important challenge. To address this challenge, we will work to increase avoided CO<sub>2</sub> emissions (when our products and solutions are used by end-users) and reduce CO<sub>2</sub> emissions during battery production, including procurement of raw materials, production, and product distribution. By increasing our environmental contribution and reducing our environmental impact, we are working together as a Group and in collaboration with our stakeholders to maximize the value we provide.

| KPI   | FY2025             | FY2031                |
|---|--------------------|-----------------------|
| Environmental Contribution Index  | 4.9                | 10 <sup>*5</sup>      |
| Avoided CO <sub>2</sub> emissions <sup>*1</sup><br>(10,000t-CO <sub>2</sub> ) | 1,632              | 4,500 <sup>*5</sup>   |
| Net Zero Factories <sup>*2</sup>  | 17 sites           | All sites<br>(FY2029) |
| Electricity renewable energy ratio <sup>*3</sup>                              | 46%                | 100%<br>(FY2029)      |
| Carbon footprint <sup>*4</sup>  | Vs FY2022:<br>-22% | Vs FY2022:<br>-50%    |

<sup>\*1</sup> The amount of CO<sub>2</sub> emissions reductions achieved for our customers and society as a result of the introduction of our products, compared to the baseline level where no products were introduced.

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

<sup>\*3</sup> Percentage of electricity, fuel, etc. used by Panasonic Energy that is derived from renewable energy sources (includes certificates, credits, and other externally procured items).

<sup>\*4</sup> CO<sub>2</sub> emissions per unit capacity of lithium-ion batteries for automotive use produced at the North American factories.

<sup>\*5</sup> Target values revised based on market conditions in-vehicle business and other factors.



Please check the sustainability website for details.

<https://www.panasonic.com/global/energy/sustainability/environment/decarbonization.html>

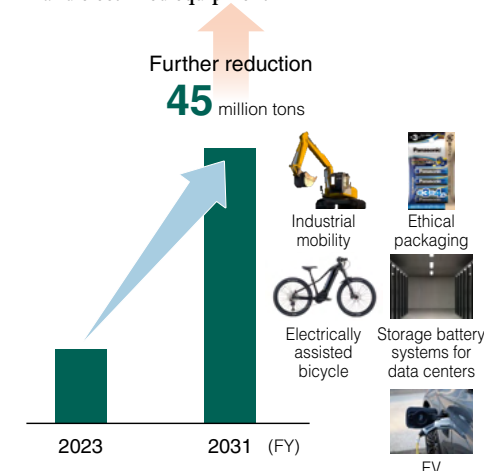
## Increasing avoided CO<sub>2</sub> emissions

### Contribution to the environment through our products

Panasonic Energy is working to increase avoided CO<sub>2</sub> emissions through mobility electrification and other initiatives to contribute to the environment through the spread of our products and solutions. To increase avoided CO<sub>2</sub> emissions, we are looking beyond products like our Li-ion batteries for vehicles and electrically assisted bicycles that reduce CO<sub>2</sub> emissions through product electrification, and are now considering products that can be expected to avoid CO<sub>2</sub> emissions through the energy saving benefits of replacing conventional products, including our storage battery systems for data centers,<sup>\*6</sup> whose avoided emissions we quantified for the first time in fiscal 2025. This brings our avoided CO<sub>2</sub> emissions to approximately 16 million tons in fiscal 2025.

By fiscal 2031, we aim to achieve avoided CO<sub>2</sub> emissions of 45 million tons by continuing to enhance our production capacity and expanding our products and solutions into areas such as industrial mobility, where electrification is progressing, thereby contributing to the decarbonization of society.

### ■ Increasing contribution from the spread of EVs and electrified equipment



### Relationship between the Inflation Reduction Act (IRA) and avoided emissions

The IRA is the largest investment the U.S. has ever made to tackle climate change.<sup>\*7</sup> The law is designed to reduce CO<sub>2</sub> emissions by 21 billion tons between 2023 and 2050 and to prevent \$5.6 trillion in global economic losses from climate change.<sup>\*8</sup>

The IRA provides tax credits and subsidies for industries that contribute to energy security and climate actions. Panasonic Energy benefits from a tax credit of \$35/kWh on our automotive batteries produced and delivered in North America.<sup>\*9</sup> We believe that this tax credit was made possible by our efforts to promote the spread of EVs in society and contribute to avoided CO<sub>2</sub> emissions through the manufacture of automotive batteries. As indicated, the amount of our tax credit under the IRA is proportional to the amount of avoided CO<sub>2</sub> emissions from our automotive batteries. We believe this is an example where our contribution to decarbonization through automotive batteries has been recognized by society in terms of monetary value.

<sup>\*6</sup> Reduction in the amount of electricity supplied over the lifetime of use by replacing centralized power sources with distributed power sources

<sup>\*7</sup> As of August 2022

<sup>\*8</sup> <https://home.treasury.gov/news/featured-stories/the-inflation-reduction-acts-benefits-and-costs>

<sup>\*9</sup> Section 45X



# Contribution to the Environment

## Reducing CO2 emissions during battery production

### Initiative policy

While contributing to avoided CO2 emissions in society through the widespread use of our products and solutions, we are also working to reduce CO2 emissions during battery production, including procurement of raw materials, production, and product distribution.

In our battery production process, we are working to reduce our environmental impact by both conserving energy and introducing renewable energy. Using environmental certificates and credits, we aim to achieve Net Zero Factories\*1 at all sites by fiscal 2029.

Furthermore, to reduce CO2 emissions across the entire supply chain, we are strengthening our reduction efforts in cooperation with our suppliers with the goal of cutting our carbon footprint (CFP) per unit battery capacity in half\*2 by fiscal 2031 compared to fiscal 2022.

### Initiatives in the battery production process

With regard to initiatives for conserving energy, we are promoting the reduction of energy loss during battery production and innovations in production methods. In addition to the reduction efforts at each site, we aim to maximize the reduction effect by spreading successful examples of improvements across the Company.

With regard to initiatives for introducing renewable energy, we are focusing on introducing renewable energy that does not rely on environmental certificates. In Japan, in addition to conventional solar power and onshore wind power, we have introduced off-site corporate power purchase agreements\*3 (PPAs) for geothermal energy. This has raised our in-house renewable energy self-sufficiency rate\*4 for electricity usage in Japan to approximately 30%, resulting in a reduction of approximately 50,000 tons of CO2 annually. In the future, we are considering expanding the system globally, taking into account the regional characteristics of each country.

### Initiatives in the procurement of raw materials

Most of the CO2 emissions associated with battery production are from resource extraction, raw material processing, and distribution processes prior to our manufacturing process. Based on this, we have made suppliers understand our CFP reduction policy through partner meetings and other means, and are collaborating with them to advance CO2 reduction efforts. Specifically, by improving production efficiency, introducing renewable energy, switching to low CFP materials, and engaging with upstream suppliers, we have achieved a 22% reduction in CFP\*2 for fiscal 2025 compared to fiscal 2022.

\*1 Factories that have achieved net zero CO2 emissions by conserving energy, introducing renewable energy, and using credits

\*2 CO2 emissions per unit capacity of Li-ion batteries for automotive use produced at the North American factories

\*3 A model in which an electric power company installs power generation facilities in locations away from the demand point and supplies the generated electricity to users

\*4 An indicator showing the proportion of renewable energy supplied from in-house power generation facilities. Does not include certificate-only procurement



Off-site PPA for onshore wind power



Off-site PPA for geothermal power



Partners' Meeting 2024

As part of our efforts to reduce our CFP in raw materials, in fiscal 2025 we signed investment and seven-year offtake agreements with Nouveau Monde Graphite of Canada. The integrated production of anode materials from mining to production in Canada, which has a high ratio of electricity derived from renewable energy sources, will make it possible to significantly reduce CO2 emissions.

We are also actively promoting the use of recycled materials produced from used Li-ion batteries, thereby contributing to further reductions in CO2 emissions.

Aiming to further reduce our CFP in the future, Panasonic Energy is accelerating efforts to expand the introduction of renewable energy, improve the ratio of local raw materials procurement, and use more recycled materials.

### Initiatives in product distribution

We are also promoting initiatives to reduce CO2 emissions in product distribution. In Japan, in addition to optimizing transportation methods and transportation routes, we have partnered with EcoTruck Co., Ltd on proof-of-concept trials to replace conventional diesel-fueled trucks with trucks fueled with biogas\*5, which can be regarded as having zero CO2 emissions during driving. We plan to roll out a partial deployment in fiscal 2026, and then, in the future, expand the rollout from product distribution to the procurement and distribution of raw materials.

### Initiatives to utilize next-generation energy

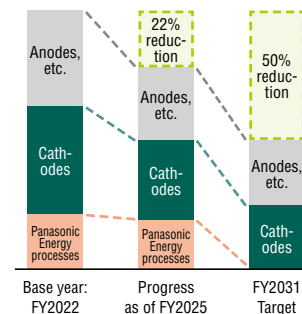
We are promoting the use of hydrogen as a next-generation energy source that contributes to the reduction of CO2 emissions in society. We have introduced pure hydrogen fuel cells at our Nishikinohama Factory in Japan and at Panasonic Energy Wuxi, China. The Nishikinohama Factory in particular is working to efficiently utilize renewable energy through optimal control of energy that is from the combination of photovoltaic power generation and storage batteries. At the Expo 2025 Osaka, Kansai, Japan, as part of an event under the theme “Change the Future! Hydrogen Week,” we offered off-site visit tours\*6 in partnership with Iwatani Corporation and Kawasaki Heavy Industries. Going forward, we will continue to contribute to decarbonization by utilizing next-generation energy.

\*5 Purified methane derived from biomass

\*6 Expo-related experiences and tours are accessible not only in Yumeshima, the site of the Expo, but also across Osaka Prefecture and other areas in the Kansai region

### Progress and targets for CFP reduction\*2

- Reduction by suppliers
- Local procurement
- Increase amounts of recycled materials used, etc.



Biogas truck



Hydrogen tank painted with the same design as Evolta NEO batteries (NISHIKINOHAMA Factory)




## 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>  |



## Realizing a Circular Society

### Policy

As a company that uses large amounts of natural resources in its business, we believe that using the earth's limited resources in a sustainable manner and passing them on to the next generation is crucial. For the future of children born today, we are increasing recycling to reduce the consumption of new natural resources while reducing waste to lower our environmental impact. We are also working to reduce CO<sub>2</sub> emissions related to the production of materials and disposal of products. We will advance these efforts in tandem with our commitment to achieving decarbonization.

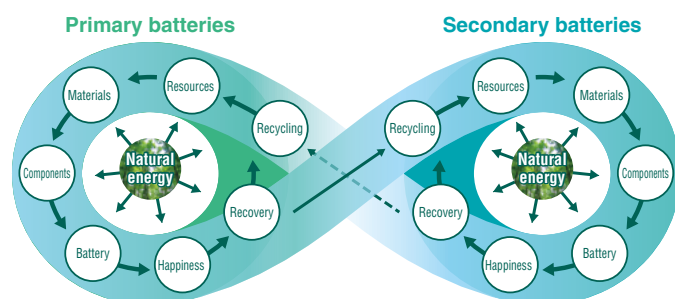


Image of the "Yarushika Circular Concept," which transcends the boundaries between primary and secondary batteries to realize resource recycling

| KPI                                | FY2025 | FY2031  |
|------------------------------------|--------|---|
| Recycled material utilization rate | —      | Compliance with local regulations in each country |

## Expansion of recycling

### Promotion of using recycled materials

In the production of batteries, Panasonic Energy is working to build a recycling loop that contributes to reducing natural resource consumption and waste, for example by our efforts to collect and recycle waste materials from the production process as well as used products and utilize them as recycled materials.

Going forward, we will continue to promote the use of recycled materials as electrode materials, aiming not only to decarbonize our products, but also to realize a recycling-oriented society.

### Initiatives related to secondary batteries

For secondary batteries, countries around the world are developing legal systems and mechanisms for recycling aimed at using resources more effectively and preventing environmental pollution. In fiscal 2025, in collaboration with Sumitomo Metal Mining Co., Ltd., we began operating a recycling scheme that recycles nickel, a rare metal, from battery waste materials, and re-uses it as a cathode material in our production processes.

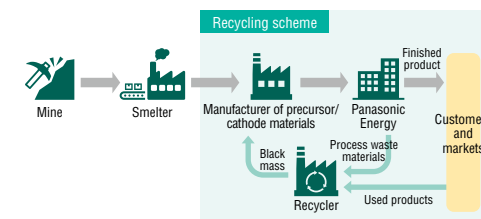
### Initiatives related to dry batteries

We are working to recover and recycle used dry batteries with the aim of unlocking new value for dry batteries which are primary batteries that cannot be used repeatedly.

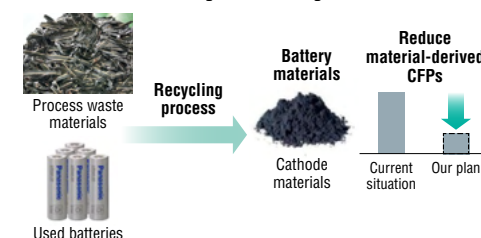
We started collecting used dry batteries made by Panasonic Energy in Thailand since 2022 in partnership with CP All Plc. (a convenience store operator) and in Japan since 2023 in partnership with AEON RETAIL Co., Ltd.

To recycle the used batteries collected, in Thailand, we are partnering with UMC Metals Ltd., a Thai steelmaker, to recover reusable materials. In Japan, we are partnering with Tokyo Steel Manufacturing Co., Ltd. to recycle batteries into steel materials, and we have also started working with TOMATEC Co., Ltd. to recycle used dry batteries into trace element fertilizer. In the future, the initiative with TOMATEC is expected to contribute to the development of agriculture and to ameliorating social problems such as hunger and poverty. We also started selling the EVOLTA NEO, which uses recycled zinc, in spring 2025.

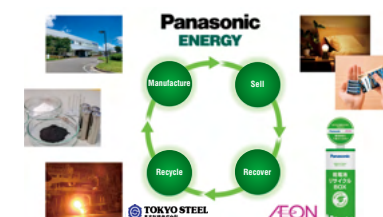
### Recycling scheme for cathode materials in cooperation with suppliers



### Recycling process for cathode materials in collaboration with partner companies



### Dry battery recycling process



### Process for recycling used dry batteries manufactured by Panasonic Energy into compound trace element fertilizer





# Working to Solve Social Issues



## Providing Energy for the Pursuit of Happiness

### ■ Policy

Electrical supply and power sources serve as the foundation for convenient, comfortable, safe, and secure lifestyles, which is why securing these has become an indispensable part of contemporary society. With a focus on building a better world through electricity, Panasonic Energy genuinely confronts the environmental issues being faced throughout the world, and continues to undertake the further challenge of engaging in businesses centered on batteries to realize a society in which enriched lifestyles and a sustainable environment are harmonized free of conflict.

As an example of these efforts, we support safe, secure social infrastructure that remains active even in the event of disasters and other emergencies, and contribute to sustainable urban development with the inclusion of disaster prevention. In addition, we contribute to solutions for hunger and poverty by supplying energy to regions without electricity. To enable these efforts, we will continue to undertake the challenge of developing world-first and one-of-a-kind technologies, and to encourage innovation.

| KPI  | FY2025*1 | FY2031*1 |
|--|----------|----------|
| Sales of stationary storage batteries that support clean energy  | 3.6      | 4.0      |
| Sales of healthcare storage batteries that support everyday life | 1.0      | 2.4      |
| Sales of dry batteries that provide support in emergencies*2     | 1.2      | 2.2      |
| Sales of batteries that protect the security of mobility*3       | 1.5      | 8.2      |

\*1 Sales volume with fiscal 2022 set as 1

\*2 Sales in the three key regions

\*3 Automotive batteries excluding those for drive applications

### ■ Initiatives

#### Social contribution through business activities

We also contribute to the happiness of people's lives in a wide range of fields.

Our high-quality, high-capacity Li-ion batteries and storage battery systems are also used in applications requiring stable operations, including data center power sources, home storage batteries, and medical and healthcare equipment. These products support social infrastructure and contribute to the expansion of clean energy and to lasting health for people.

We provide high durability, high reliability batteries as power sources for automobile tire air pressure sensors and emergency hotlines, which help deliver peace of mind for mobility. Our dry batteries also fulfill an important role in supporting lifelines as reserve stocks in the event of an emergency.

#### Social contribution activities

We engage in a wide range of social contribution activities for the varying challenges and demands of each region and country.

#### Factory tours and battery schools

Panasonic Energy has contributed to local communities through educational activities on the types, history, and proper ways of using batteries. Since 1966, we have organized battery workshops and factory tours as educational programs to extend classroom learning covering science, social studies, environmental studies, and other subjects.



Visit Battery School

#### ■ Cumulative number of participants at factory tours and battery schools (as of March 31, 2024)

|                 |                        |
|-----------------|------------------------|
| Factory tours   | 1,020,845 persons      |
| Battery schools | Japan 204,965 persons  |
|                 | Overseas 5,466 persons |

Please check the sustainability website for details.

<https://www.panasonic.com/global/energy/sustainability/social/happiness.html>

#### “Casa do Leo,” Leo’s House project

In Brazil, we hosted a “rounding project” that traveled all over the country teaching proper battery disposal and other environmental lessons. It was a program in which participants learned the importance of the circular economy and collected used dry batteries. More than 3,000 people participated in the 30-day event.



#### Support for the areas and people affected by the earthquake victims in central Myanmar

In response to the damage caused by the March 2025 earthquake, the Panasonic Group\*4 made donations totaling approximately 12 million yen. We have also donated approximately 900 Panasonic branded LED lights and lanterns and approximately 5,800 dry batteries as emergency support for the severe power outages caused by the earthquake.

\*4 Panasonic Holdings Corporation, Panasonic Asia Pacific Pte Ltd., Panasonic Singapore, Panasonic Energy (Thailand) Co., Ltd.



## Promoting Human Capital Management and Respecting Human Rights

### Promoting Human Capital Management

#### ■ Policy

To realize Panasonic Energy's Mission and Vision, the Company positions human resources as its most important management asset. In fiscal 2025, we continued to promote human resources and organizational initiatives based on the following two main pillars: "Individuals who take on challenges autonomously" and "An organization that enables employees to reach their full potential."

Through our initiatives at Mission Ownership Taskforce (see p. 45 for details) established in 2024 to fulfill our Mission, and through measures such as support for middle management in managing human resources and organizations, Panasonic Energy will further increase the enthusiasm of each and every employee to take on challenges, continue to strengthen its people, organization, and culture, and continue to evolve into a profitable, high-growth business.

| KPI   | FY2025                        | FY2031              |
|---|-------------------------------|---------------------|
| EOS Score:<br>Employee engagement (global)                                    | <b>70pt</b>                   | 85pt*               |
| EOS Score:<br>Employee enablement (global)                                    | <b>65pt</b>                   | 80pt*               |
| Percentage of women in<br>managerial positions<br>(non-consolidated)          | <b>7.3%</b>                   | 15%                 |
| Rate of childcare leave taken among<br>men and women<br>(consolidated, Japan) | <b>Women 100%<br/>Men 86%</b> | Men / Women<br>100% |
| Health management index<br>(non-consolidated)                                 | <b>56.9pt</b>                 | White 500           |
| Number of fatalities due to industrial<br>accidents (global)                  | <b>1 incident</b>             | 0 incidents         |
| Number of industrial accidents<br>(lost time incidents in Japan:consolidated) | <b>3 incidents</b>            | 0 incidents         |

\* Numerical targets have been revised to include global sites

## ■ Individuals who take on challenges autonomously

### Maximizing our "human competitiveness"

#### Identifying and training management executives to support the business

In the company's rapidly changing business environment, it is essential to have management executives who can drive business growth by responding to these changes flexibly and quickly from a medium- to long-term perspective. To this end, we are promoting the development of a robust pipeline of next-generation management personnel.

To ensure the next generation of management personnel in terms of both quality and quantity, we actively seek out candidates at a young age and help them develop their individual capabilities through new experiences.

Specifically, we define succession requirements for business division directors and CxO positions with business responsibilities as target positions, while also selecting succession candidates for immediate appointment and 3-, 5-, and 10-year time horizons.

Then, once the abilities and skills to be acquired corresponding to the requirements for successors have been identified, career development plans centered on challenging assignments that will achieve dramatic growth are thoroughly discussed and implemented by our entire management team, including the President, the business division directors, and the CTO, CMO, and CHRO.

We also offer a variety of executive development training programs to support the career development of management succession candidates.

Our Management of Technology training is intended to deepen our technology and manufacturing capabilities, based on the idea that these are among our core competitive strengths, as well as to advance the development of human resources who can create innovation by envisioning management strategies based on technical and manufacturing competitiveness.

We also conduct tutoring activities for the next generation of young management candidates, with our management executives serving as instructors. In these tutoring activities, students experience regular dialogues and brainstorm sessions on issues, receive opportunities to expand their horizons in a completely new way that is not an extension of their daily work, and participate in discussions and interactions with leaders of the same generation from overseas companies and other companies. In this way, they develop a broad perspective and hone leadership skills that can be deployed globally.



Students interacting with leaders from overseas and other companies

## Creating an organization and culture that enables employees to reach their full potential

### Towards the fulfillment of the Mission/Vision

The Forest Conference, which was launched in fiscal 2023 to spread the Mission, Vision, Will (MVW) and Seven Pillars of Transformation, has been held a total of 48 times as of the end of fiscal 2025, with 686 employees participating. It is a forum where management and employees can discuss the fulfillment of MVW in a way that transcends departmental boundaries. In addition, in October 2024, we established a “Mission Ownership Taskforce” as a new organization directly under the President. At the Mission Ownership Taskforce 17 leaders and more than 100 members selected from each department discuss and implement cross-Company initiatives intended to inspire each employee to deeply identify with MWV, feel a strong sense of mission ownership within their heart, and utilize their own individuality, ability, and skills to the fullest, and to evolve the Company into one that takes on challenges autonomously to achieve its Mission.



Mission Ownership Taskforce activities: Once a month, leaders and members selected from each department gather to actively discuss and implement specific activities



### Creating an organization where a diverse workforce can thrive

In fiscal 2025, we offered its female employees a program that combines coaching with opportunities for self-understanding and career reflection, with the goal of creating a company where a diverse group of employees can coexist in harmony, individuals will be happy and fulfilled in their work, and the environment will be conducive to sustainable challenges. We are working to increase the percentage of women in managerial positions (7.3% at the end of fiscal 2025) through measures that encourage employees to take on challenges.

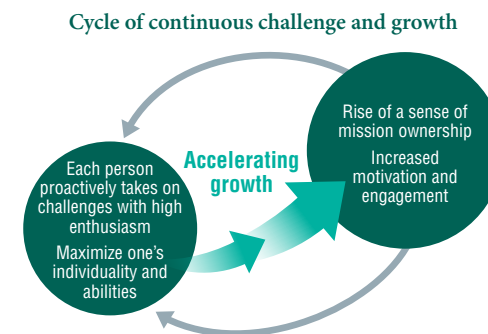
In terms of organizational building, in fiscal 2025 we introduced an organizational management tool at all our sites in Japan, and we are conducting organizational surveys three times a year to collect data for continuous improvement activities. We also provide organizational development training for department and section managers to improve their organizational management skills, as well as personal coaching opportunities for 100 department and section managers who wish to take part in.

## An organization that enables employees to reach their full potential

### Creating systems and environments to support taking on challenges

#### Revision of the performance evaluation and remuneration systems

We are working to create systems and environments that foster a “cycle of continuous challenge and growth” in which employees challenge themselves to achieve high goals and are adequately rewarded for their achievements, further increasing their motivation to take on the next challenge and accelerating growth. In fiscal 2025, we revised our goal management system to include “challenging goals,” which are ambitious initiatives that cannot be achieved by simply extending our past and present. We also transitioned to a role- and job-based human resource management for managerial positions, revised our remuneration levels and systems based on market value, and launched the Middle and Senior Partnership Program (an extended employment system) to extend the retirement age to 65 years old for applicants who meet certain job and personnel requirements.



#### Introduction of discretionary working hours system

To accommodate diversifying values and working styles, we have decided to introduce a discretionary work hour system on a trial basis. The system increases employees’ discretion over their working hours within certain limits, while prioritizing the prevention of overwork and ensuring their health. Eligible employees are provided with a remuneration system that provides incentives based on performance and results, instead of allowances based on overtime hours. We plan to pursue full-scale implementation of the system after identifying and examining employee needs and problems in the trial run.

By providing options for working styles that allow individuals to pursue results without being constrained by time, we will create an environment where each and every employee can demonstrate their individual abilities to the fullest.

#### Establishment of side job system

We are establishing a new “external side job system” with the aim of allowing employees to acquire experience and skills that are difficult to obtain within the Group. The new external side job system is intended to complement our existing internal and Group-wide job transfer (open recruitment) and side job systems. By accommodating employees’ desire to take on a broader range of challenges and grow, we will support them in acquiring diverse experiences, accelerating their growth, and realizing the career goals they aspire to. intended to inspire each employee to deeply identify with MWV, feel a strong sense of mission ownership within their heart, and utilize their own individuality, ability, and skills to the fullest, and to evolve the Company into one that takes on challenges autonomously to achieve its Mission.



# Working to Solve Social Issues

## Creating systems and environments to support taking on challenges

### Supporting career realization and promoting human resource development

To help individuals realize their medium- to long-term career vision, we support them in developing the career they desire. At Panasonic Energy, we formulate individual human resource development plans for the autonomous career and skill development of all employees through regular one-on-one meetings between superiors and subordinates. We also support development and growth by providing—irrespective of role, age or gender—a variety of training opportunities that meet the motivation of each individual to learn.

In fiscal 2025, we fully implemented the Learning Management System called “Manabico” to visualize the development system and centrally manage various training courses, and started supporting employees’ autonomous learning. We will continue to support learning by enhancing content to support each individual’s autonomous career development.

Setting three years as the training period for new graduates, we ensure that new employees acquire the skills necessary for their work. We have introduced a mentor system and put in place a system by which senior employees with whom they are familiar are able to provide consultation and support for concerns related to their non-work lives and careers.

Mid-career recruits are able to adapt smoothly to our culture and climate through, for example, opportunities for communication with management, the understanding of our Mission and Vision, and Group management philosophy training. We are working to make the most of the individuality, desire, and ability that each person possesses.

### Supporting the growth of battery industry personnel

Panasonic Energy’s Mission is to “achieve a society in which the pursuit of happiness and a sustainable environment are harmonized free of conflict.” To fulfill this Mission and to cultivate personnel that will contribute to the development of the battery industry, in fiscal 2025 we established the MIRAI Scholarship program. The aim of the program is to support human resources who can make a significant contribution to the development of the battery industry in the future. The scholarship winners chosen by the selection committee are awarded a one-year grant of 500,000 yen and provided with an environment in which they can concentrate on their research activities.

The program also facilitates ongoing interactions between scholarship winners and engineers of Panasonic Energy who are active globally at the front lines of the battery business. To support their future plans, scholarship winners are given access to our in-house community of engineers and given opportunities to interact with current engineers, which allows them to learn about the benefits of working at a battery manufacturer, to receive advice on research activities, and to brainstorm about their future vision. Through this scholarship program, Panasonic Energy will continue to actively support the development of future battery industry personnel who will achieve its Vision: “Energy that changes the future.”

## Building safe, secure, and healthy foundations

### Creating safe and secure workplaces

To create safe and secure workplaces, the Company has set its KPIs as zero fatalities due to industrial accidents (global) and zero lost time incidents in Japan. In fiscal 2025, there was one industrial accident fatality (global), and there were three lost time incidents in Japan. As part of our current efforts to thoroughly strengthen measures to prevent industrial accidents, we have classified the occurrence of accidents related to equipment safety or chemical substances at overseas subsidiaries as an “Emergency” and launched the Emergency Safety Measures Project to promote the eradication of industrial accidents throughout the Company. We are also continuously strengthening our efforts to further improve the risk sensitivity and safety awareness of each and every employee. With regard to disaster preparedness, we are implementing physical countermeasures against earthquakes and tsunami flooding in our buildings and facilities in preparation for a major earthquake, while at the same time working to raise awareness among employees through disaster preparedness activities.



Comprehensive equipment inspection in the Emergency Safety Measures Project



Group leaders from each site meet to exchange opinions at on-site inspections



Improving risk awareness through virtual reality (VR)

### Promotion of “Health and Productivity Management”

To improve the well-being of employees, we have positioned the physical and mental health promotion for employees and their families as well as the enhancement of job satisfaction and purpose in life as important issues, and are fostering a healthy workplace culture in which employees can play active roles. Specific examples of activities to maintain and improve employee health include online seminars on sleep, nutrition education, and walking, as well as “walking events” for employees and their families.



Walking event party





## Promoting Human Capital Management and Respecting Human Rights

### Respecting Human Rights

#### ■ Policy

The Panasonic Group has established the Panasonic Group Human Rights and Labour Policy, which refers to the content of the following international standards and incorporates the opinions of outside experts. The policy is predicated on compliance with international standards and the applicable laws in countries where we do business and includes our commitment to respecting internationally recognized human rights to identify, prevent, and correct risks related to human rights, to promote remedies for people affected by those risks, to create working environments where people are fulfilled by their work, and to engage in dialogue related to these topics with all our stakeholders. In accordance with this policy, we have established internal rules to develop a promotion system and promote specific initiatives for respecting human rights and creating working environments where people are fulfilled.

The Panasonic Group Code of Ethics & Compliance (Code of Ethics & Compliance) stipulates the promises that each employee must fulfill while also including respect for human rights as a part of our social responsibilities, and we are making efforts to raise awareness of them among all our employees.

[Main international standards used as reference]

- The United Nations' Guiding Principles on Business and Human Rights
- The United Nations' International Bill of Human Rights (Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, and International Covenant on Economic, Social and Cultural Rights)
- ILO Declaration on Fundamental Principles and Rights at Work and ILO Core Conventions

| KPI   | FY2025 | FY2031 |
|---|--------|--------|
| Percentage of implementation of self-assessments related to human rights and labour (overseas manufacturing subsidiaries) and percentage of executed corrective plans | 100%   | 100%   |

#### ■ Initiatives

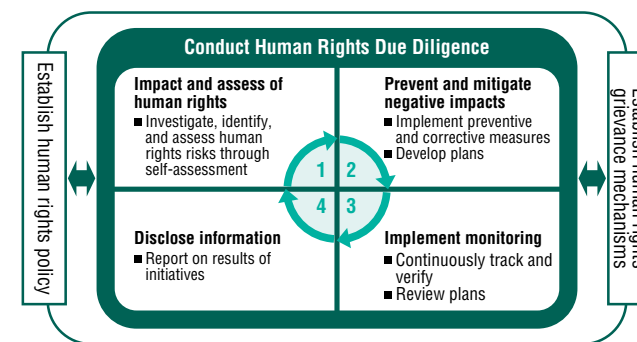
### Human rights due diligence

#### Risk assessment (self-assessments)

Panasonic Energy has established a Human Rights Due Diligence system based on the United Nations Guiding Principles on Business and Human Rights to respect and ensure the human rights of people associated with our business activities, products, services, and transactions. The system is intended to identify, prevent, and reduce negative impacts related to human rights with regard to the relevant business, correct issues, and explain the response results to the relevant stakeholders. Reflecting the issues that have been identified based on the requirements of society and the operation of the system, we continuously implement and improve the system with the advice of outside experts.

Since fiscal 2022, we utilized a self-assessment tool—based on the international standards of the Responsible Business Alliance (RBA) and the adaptation to our Company—to conduct self-assessments related to human rights and labour at our Group's manufacturing companies. In fiscal 2023, we conducted a self-assessment focused on the International Labour Organization (ILO) core labour standards by using the questionnaires that we reviewed to identify issues more clearly. This revised self-assessment was then repeated in fiscal 2024. In fiscal 2025, we conducted self-assessments covering 16 subsidiary locations (6 domestic sites and 10 overseas sites). Through this self-assessment, it was confirmed that there were no events that could be considered forced labour or child/juvenile labour. In the years to come, we will continuously promote initiatives to improve our work environments on an ongoing basis.

#### ■ Overview of initiatives for respecting human rights



#### Grievance mechanism

The Panasonic Group has established a global hotline (with service in 32 languages) to ensure that complaints about human rights violations are addressed and to enable redress for our employees, business partners, and other external stakeholders.

#### Implementation of human rights education

We provide training in 22 languages of our Code of Ethics & Compliance, including "Respecting Human Rights," and provide regular opportunities (including when first starting work and upon promotion) to ensure employees know about the topic of respect for human rights included in the Code.

We also provide training for all seconded employees, including management personnel, posted to overseas subsidiaries to ensure they understand our initiatives including the Panasonic Group Human Rights and Labour Policy, as well as international standards and the laws of each country regarding corporate responsibility to respect human rights.



Panasonic Group Human Rights and Labour Policy  
<https://holdings.panasonic/global/corporate/sustainability/social/human-rights/policy.html>



## Responsible Supply Chain

### ■ Policy

We procure raw materials such as active materials for batteries as well as various components ranging from various processed parts to electronic devices, from about 1,000 suppliers in Japan and overseas at 20 global production sites. We recognize that, in the procurement process, we are required to fulfill our corporate social responsibility throughout the entire supply chain. To fulfill this social responsibility, we build partnerships with our suppliers on a global basis, we maintain and improve the quality of purchased products and maintain competitive prices to create the product value required by our customers based on mutual trust and cooperation. At the same time, we comply with laws and regulations, social norms, and corporate ethics, and fulfill social responsibilities, such as human rights, environmental conservation, and information security. We promote responsible procurement activities while building a sustainable supply chain with low environmental impact with our suppliers.

| KPI  | FY2025 | FY2031 |
|--|--------|--------|
| Written CSR consent acquisition rate from tier 1 suppliers               | 100%   | 100%   |
| Ratio of tier 1 suppliers with an A-rank CSR self-assessment             | 87%    | 100%   |
| Ratio of assurance provided by conducting CSR audits of tier 1 suppliers | 34%    | 100%   |
| CMRT/EMRT collection rate  | 100%   | 100%   |
| Utilization ratio of conformant/active smelters                          | 90.8%  | 100%   |

### ■ Initiatives

#### Compliance with supply chain CSR guidelines and risk reduction through self-assessment and audits

To demonstrate its approach to CSR procurement and clearly communicate its requirements to suppliers, the Panasonic Group has established CSR Guidelines in accordance with international norms and principles regarding human rights, including the UN Guiding Principles on Business and Human Rights, and requires compliance with these Guidelines. In line with the Panasonic Group's activities, the Group has started to conclude basic transaction agreements that require new suppliers to comply with the Guidelines. We have also requested that existing suppliers submit a written agreement to comply with the Guidelines. As of the end of March 2025, we were able to obtain written agreements from all tier-1 suppliers. We have asked our 351 tier-1 suppliers to carry out regular self-assessments using a CSR assessment sheet based on the Guidelines. The assessment results are classified into three ranks, A, B, and C, in ascending order according to risk. As of the end of March 2025, 307 companies (87%) were ranked A, 39 companies (11%) were ranked B, and the remaining five companies had yet to submit a self-assessment result sheet. We will continue to request submissions from suppliers who still need to do so. For ranked B suppliers, our Procurement Department works together with them to promote risk reduction by implementing improvement activities aimed at strengthening the CSR management system. In the event that a supplier receives a ranked C, we will review our transactions with them. Furthermore, starting in fiscal 2024, we took the initiative to initiate on-site CSR audits of our suppliers. Going forward, we will continue to conduct on-site CSR audits to identify supply chain risks and take countermeasures against them.

#### Responsible minerals procurement

The supply chains of minerals which are the main materials in batteries pose a variety of CSR risks such as human rights violations and environmental destruction, and appropriate due diligence is essential. We have formulated a responsible mineral procurement policy in accordance with OECD guidelines, and every year with the cooperation of our suppliers, we identify smelters and verify whether they comply with RMAP\*<sup>1</sup> or have acquired other certifications. In addition to encouraging non-compliant smelters' participation in RMAP, in the unlikely event that conflict-affected minerals are found, we would ask that they take steps to change suppliers or eliminate the use of such materials. Going forward, we will continue to collect survey forms from all suppliers, with the aim of procuring only from conformant/active smelters\*<sup>3</sup>.

\*1 RMAP: Responsible Minerals Assurance Process program stipulated by RMI\*<sup>2</sup>

\*2 RMI: Responsible Minerals Initiative, an organization that provides industry-standard survey tools, etc. for companies to conduct responsible mineral procurement

\*3 Conformant smelters: Smelters that have been audited to be RMAP compliant  
Active smelters: Smelters that are at the preparation stage to be audited by RMI

\*4 CMRT, EMRT: RMI-issued conflict minerals survey forms



Please check the sustainability website for details.

[https://www.panasonic.com/global/energy/sustainability/social/supply\\_chain.html](https://www.panasonic.com/global/energy/sustainability/social/supply_chain.html)

#### ■ Activities Regarding Gold, Tantalum, Tin and Tungsten

| Item  | Data  |
|---|-------|
| CMRT* <sup>4</sup> collection rate                | 100%  |
| Ratio of conformant/active smelters* <sup>3</sup> | 94.1% |

#### ■ Cobalt and mica related activities

| Item                                | Data  |
|-------------------------------------|-------|
| CMRT* <sup>4</sup> collection rate  | 100%  |
| Ratio of conformant/active smelters | 80.6% |

# Strengthening Governance



## Corporate Governance

### Policy

Since its founding, the Panasonic Group has been guided by the management philosophy of “contributing to the progress and development of society and the well-being of people worldwide through its business activities.” Then, in April 2022, the Group shifted to an operating company system (holding company system) with Panasonic Holdings Corporation as the parent company, in order to advance our corporate management from a medium- to long-term perspective, as the changes in the business environment become more drastic and uncertain each year. Panasonic Energy, one of the Group’s operating companies, views corporate governance as an important foundation. We are striving to build and strengthen an effective corporate governance structure by setting up the Board of Directors, which makes decisions on important business operations related to the entire Company and supervises the directors’ execution of their duties, and the Audit & Supervisory Board System, which is independent from the Board of Directors and audits the directors’ execution of their duties, as well as the Nomination and Compensation Advisory Committee and other important committees.

### Initiatives

#### Corporate governance structure and initiatives

##### Board of Directors, Audit & Supervisory Board, and other meeting bodies

The Board of Directors consists of 5 directors and 3 Audit & Supervisory Board members (as of April 2025). As the decision-making body for important management issues, the Board of Directors makes prompt and accurate judgments and promotes appropriate business operations.

The Audit & Supervisory Board monitors the status of governance operations, among other duties, on an autonomous and independent basis. Through activities such as regular on-site inspections and attendance at major meetings, the Audit & Supervisory Board audits daily management activities, including the status of the execution of duties by directors.

We have also established a Management Meeting, consisting of executive officers and Audit & Supervisory Board members, to make prompt and appropriate decisions. The following additional, committees were set up and are operating to further strengthen our governance system: a Nomination and Compensation Advisory Committee to strengthen objectivity and transparency in the appointment, dismissal, and compensation of directors and executive officers; an ERM\* Committee to identify, assess, and formulate measures to address cross-organizational risks at the Panasonic Energy Group; and an ESG (Environmental, Social and Governance) Committee, which is responsible for planning and evaluating ESG-related matters.

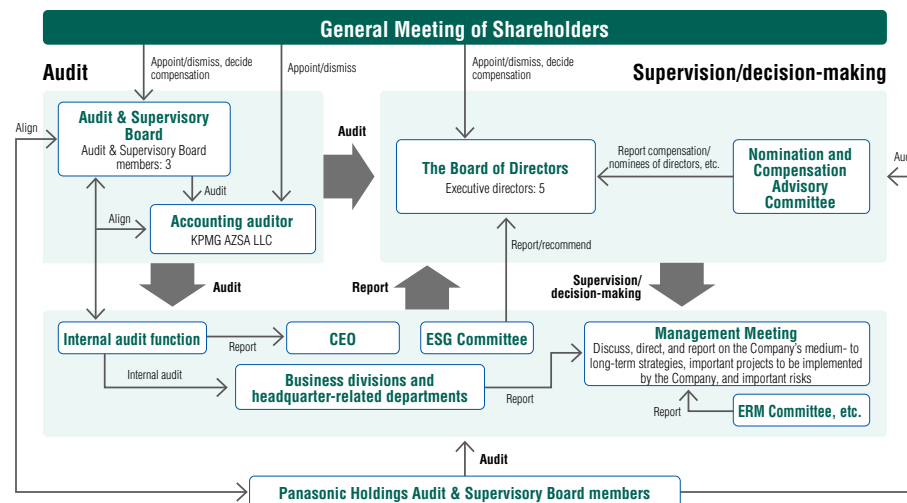
\* ERM: Enterprise Risk Management



Please check the sustainability website for details.

[https://www.panasonic.com/global/energy/sustainability/governance/corporate\\_governance.html](https://www.panasonic.com/global/energy/sustainability/governance/corporate_governance.html)

### Corporate governance structure (as of April 2025)



### Executive remuneration system

The remuneration system for executive officers consists of basic salary and performance-based remuneration. Performance-based remuneration is determined based on the degree of achievement against financial targets, such as operating cash flow and EBITDA, and non-financial targets, such as KPIs in the function for which the executive officer is responsible and environmental contribution from an ESG perspective. We are working to enhance corporate value from a non-financial perspective by incorporating environmental contributions, serious accidents, and compliance as ESG perspectives in our non-financial targets.

### Internal control

The Board of Directors has formulated the “Basic Policy for the Establishment of Internal Control Systems” to ensure the adequacy of business operations and reporting systems, to ensure the legality and efficiency of the execution of duties by directors, to manage risks, and to ensure the independence and effectiveness of corporate auditors. Based on each of these basic policies, the Company establishes and operates various regulations, committees, etc., provides education, conducts audits including those of subsidiaries, and operates a fraud prevention hotline, as well as a transaction and contract risk management. Then, we are striving to ensure sound, efficient business operations, and reinforce our management foundations, by strengthening governance.

### ERM Committee

Recognizing that accurately managing risks and taking appropriate countermeasures is an important management issue, the Company has established an ERM Committee, chaired by the Officer in Charge of Risk Management and composed of the heads of the legal, human resources, accounting, and similar departments, as well as Audit & Supervisory Board members. The ERM Committee reports regularly on significant risks and the progress of countermeasures based on the PDCA cycle of risk management to the Management Meeting, which supervises and verifies these efforts. Specifically, the Committee assesses a wide range of risks from the perspectives of both the degree of impact at the time of occurrence and the likelihood of occurrence. Based on the results of these assessments, the Management Meeting identifies key risks, the owners of the identified key risks are responsible for formulating and implementing countermeasures and monitoring their progress in order to ensure continuous improvement.

# Strengthening Governance

## ■ Director profiles

### Kazuo Tadanobu

Representative Director,  
President  
Chief Executive Officer (CEO)



Apr. 1992 Joined Matsushita Electric Industrial Co., Ltd.  
Jul. 2020 Vice President of Industrial Solutions Company,  
Panasonic Corporation  
Oct. 2021 President of Energy Company of the company  
Apr. 2022 Representative Director, President, and Chief Executive Officer (CEO) of  
Panasonic Energy Co., Ltd. (incumbent)

### Masaru Miki

Director, Managing Executive Officer  
Chief Human Resources Officer (CHRO)  
In Charge of General Affairs



Apr. 1991 Joined Matsushita Electric Industrial Co., Ltd.  
Jun. 2014 Seconded to Panasonic India Private Ltd.,  
Director, Chief Human Resources Officer (CHRO) of the company.  
Apr. 2017 Seconded to Panasonic India Private Ltd., Director, Chief Human Resources  
Officer (CHRO) of the company / General Manager, Global Human  
Resource Department of Panasonic Corporation  
Oct. 2021 Managing Officer of Energy Company  
Apr. 2022 Managing Executive Officer of Panasonic Energy Co., Ltd.  
Chief Human Resources Officer (CHRO) of the company (incumbent)  
Apr. 2024 Director, Managing Executive Officer of the company  
Jun. 2025 Representative Director, Managing Executive Officer of the company  
(incumbent)

### Yasuaki Takamoto

Representative Director,  
Executive Vice President Director,  
Mobility Energy Business Division



Apr. 1993 Joined Matsushita Electric Industrial Co., Ltd.  
Apr. 2019 Vice President of US Company, Panasonic Corporation  
Oct. 2021 Executive Vice President of Energy Company of the company  
Apr. 2022 Representative Director,  
Executive Vice President of Panasonic Energy Co., Ltd.  
Jun. 2025 Director, Executive Vice President of the company (incumbent)

### Masaaki Mizoguchi

Director, Managing Executive Officer  
Chief Financial Officer (CFO)



Apr. 1994 Joined Matsushita Electric Industrial Co., Ltd.  
Apr. 2016 Director of Panasonic Liquid Crystal Display Co., Ltd., AIS Company,  
Panasonic Corporation  
Oct. 2021 Managing Officer of Energy Company  
Apr. 2022 Director, Managing Executive Officer, and Chief Financial Officer (CFO) of  
Panasonic Energy Co., Ltd.

### Kunio Tanaka

Director, Managing Executive Officer  
Chief Strategy Officer (CSO)  
In charge of Brand Strategy



Apr. 1983 Joined Matsushita Electric Industrial Co., Ltd.  
Apr. 2017 Managing Officer, AIS Company, Panasonic Corporation  
Apr. 2019 General Manager, Global Business Promotion Department, Corporate  
Strategy Division and Vice President of Panasonic North America, US  
Company of the company  
Oct. 2021 Managing Officer of Energy Company  
Apr. 2022 Director, Managing Executive Officer, and Chief Strategy Officer (CSO) of  
Panasonic Energy Co., Ltd. (incumbent)





## Thorough Compliance

### Pursuit of Quality and Product Safety

#### Policy

As the level of quality demanded by society increases, product safety and superior quality are important elements that demonstrate our brand power.

We have positioned quality as the driving force behind the advancement of our business, defining quality as “our competitive edge to win customer trust and satisfaction,” and setting our quality policy as “maximizing our competitive edge to achieve 100% customer satisfaction.” Maximizing competitiveness requires maximizing the sum of the competitiveness of all job functions, including design, manufacturing, quality, sales, among others, and we are promoting initiatives from the following perspectives to maximize our competitiveness.

**Defense:** Initiatives to make existing frameworks and processes more robust\*1

**Offense:** New initiatives aimed at advancing our business

**Foundation:** Initiatives that form the basis for business promotion

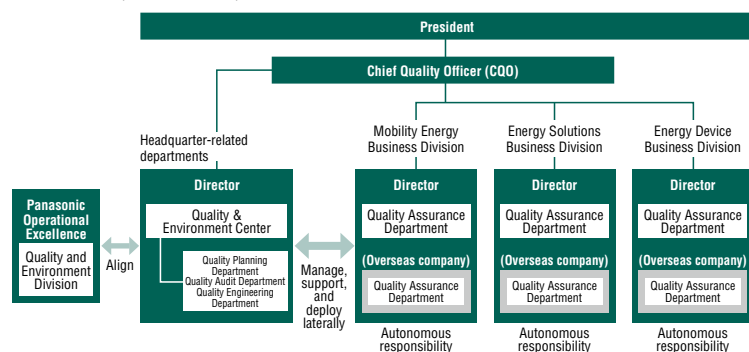
Through these activities, we aim to eliminate all serious product incidents.

\*1 The strength of a system or machine against external forces.

| KPI                                   | FY2025 | FY2031 |
|---------------------------------------|--------|--------|
| Number of serious product incidents*2 | 0      | 0      |

\*2 Number of new product incidents leading to safety-related recalls

#### Our quality assurance system



## Initiatives

### Activities to ensure product quality and safety

#### Making quality assurance processes more robust

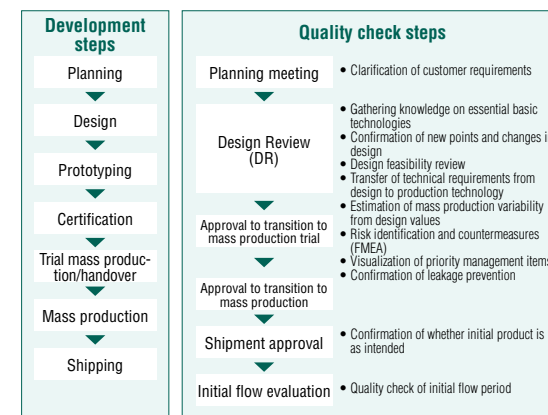
To establish a quality assurance process, we have built and operate a quality management system that complies with ISO 9001, IATF 16949, and other global standards in each business division, and regularly check its effectiveness through internal and external audits. We also conduct our own quality audits of business division through our Quality & Environment Center to identify weaknesses and issues in terms of quality assurance and compliance, and work to make improvements toward better quality assurance company-wide through operations and monitoring, including the horizontal rollout of best practices.

#### Strengthening product safety design and manufacturing

The environment, fields, and devices in which batteries are used are changing with the evolution of society. To address these changes in the design process, we identify and verify risks together with our customers (B-to-B and B-to-C) and suppliers of parts and materials. The identified risks are then fed back to product design, component design, and process design to confirm their validity as key verification items in the development process. To prevent problems in the manufacturing process as well, we identify risks and take countermeasures by visualizing key data (DX) and FMEA\*3 in all processes from source to shipping, thereby bolstering management. We are also committed to developing human resources capable of putting these initiatives into practice by providing training in quality tools and statistical management methods, as well as support for hands-on activities.

\*3 Failure Mode and Effects Analysis

#### New product development flow



#### Fostering a quality-oriented culture and developing human resources

We regularly hold various training sessions and events for all employees to foster a culture of placing the highest priority on product quality and compliance. At the Product safety forum, we strive to raise awareness and pass on lessons learned through activities such as reviews of past quality issues and technical lectures related to product safety. Furthermore, in order to develop human resources that can achieve the quality we aim for, we are building an education system according to rank and skill, implementing quality-related measures, and hosting various events, etc. For employees in technical roles, we provide training in the basics of statistical quality management methods as well as the fundamentals of quality. For young quality personnel, we have established training courses that enable intensive learning and are working to enhance their development.



Please check the sustainability website for details.  
[https://www.panasonic.com/global/energy/sustainability/governance/quality\\_safety.html](https://www.panasonic.com/global/energy/sustainability/governance/quality_safety.html)



## Thorough Compliance

### Compliance with Laws and Regulations

#### ■ Policy

The Basic Business Philosophy of the Panasonic Group describes the ideas and action guidelines that are important to us in carrying out our business activities while practicing compliance, such as ensuring social justice, realizing co-existence and mutual prosperity with our stakeholders, respecting diversity, contributing to ensuring harmony with the environment, and fulfilling our corporate social responsibility. We believe it is important not only to comply with laws and social morality, but also to always think about what is right for society from selfless motives and act with integrity and fairness. In accordance with the Basic Business Philosophy of the Panasonic Group, we carry out fair business practices in all situations based on the belief that compliance is the foundation of our business activities, and fulfill our Mission of “achieving a society in which the pursuit of happiness and a sustainable environment are harmonized free of conflict.”

| KPI   | FY2025 | FY2031 |
|---|--------|--------|
| Number of serious legal and compliance violations <sup>*1</sup> | 0      | 0      |

<sup>\*1</sup> The criteria are based on internal rules and regulations, etc.

#### Thorough compliance with the Code of Ethics & Compliance

The Panasonic Group Code of Ethics & Compliance embodies the Basic Business Philosophy of the Panasonic Group and defines the commitments that each Panasonic Group company must fulfill, the responsibilities that all employees must fulfill, and the additional responsibilities that all officers and organization leaders must assume with respect to the organizations for which they are responsible, which are essential for carrying out our business activities while ensuring compliance. As a company, we are engaged in various activities and undertakings to thoroughly enforce the Code for all employees.



Please check the sustainability website for details.  
<https://www.panasonic.com/global/energy/sustainability/governance/compliance.html>

### ■ Initiatives

#### Initiatives to ensure thorough compliance with the Code of Ethics & Compliance

##### Education and awareness

We conduct a variety of compliance-related training programs for all global employees. Compliance-related content is incorporated in new employee training, rank-specific training such as for new positions, and training for overseas assignments and similar programs. We also provide risk-based, field-specific compliance training, including anti-cartel and anti-bribery training, security export control training, subcontracting law, etc., as needed. In particular, we designate September of each year as “Compliance Month” for an opportunity to reconsider on the importance of compliance.

##### Establishment and operation of compliance system

The Panasonic Energy Group ensures the legality of the execution of duties by officers, employees, and others by thoroughly promoting compliance awareness, implementing initiatives in accordance with the policy, and establishing an effective governance system, including an appropriate monitoring system. Furthermore, we have established a system that ensures effective auditing by having Audit & Supervisory Board members collaborate with the accounting auditor and internal auditing departments in accordance with the Audit Plan formulated annually. We have also established a various committees system to ensure compliance with laws and regulations, including the Compliance Committee, the Trade Compliance Committee, and the Subcontract Act Compliance Committee. Through these committee activities, we are ensuring the thorough implementation of our policies, share information on incidents, laterally deploy measures to prevent recurrence, and conduct education.

##### Effective operation of the whistleblowing system

We have established a global hotline (EARS) as a communication channel for both internal and external parties to report and consult on suspected misconduct. All reports received by EARS are properly investigated in accordance with the relevant rules and regulations, and feedback is provided to the whistleblower. In addition, a system is in place, which is designed to ensure prompt escalation to the Compliance Committee and senior management as necessary. Whistleblowers can report anonymously to EARS. Retaliation against whistleblowers is clearly prohibited in our internal rules and regulations and is communicated to all employees, providing an environment where whistleblowers can secure psychological safety upon reporting incidents. There were no significant legal or compliance violations in fiscal 2025.

##### Initiatives for compliance with laws and regulations in the supply chain

In response to the international security situation and increasing social demands on human rights issues, policies, laws and regulations in various countries and regions are growing and becoming more complex. By monitoring these policies and regulations globally, the Company strives to understand their impact on its business and respond in a timely manner. In particular, with respect to policies and regulations that may affect the entire supply chain, the Legal and Procurement divisions play a central role in establishing a company-wide compliance system, reporting to the Board of Directors and the Management Meeting, and determining how to respond.

#### ■ Trend in number of reports <sup>\*2</sup>

|        | 1H | 2H |
|--------|----|----|
| FY2023 | 45 | 61 |
| FY2024 | 46 | 47 |
| FY2025 | 63 | 68 |

<sup>\*2</sup> For fiscal 2024 and later, the standard applied until fiscal 2023 has been changed. Cases reported to EARS and the Equal Partnership Consultation Office were counted.



## Thorough Compliance

### Ensuring Information Security

#### ■ Policy

In today's world, where the convenience of digitalization has also brought with it the great risk of losing trust due to information leaks, the financial impact of information security on our business is significant and must be a point of focus. We position information security as one of our important management strategies and ensure information security by establishing an information security system, educating our employees, appropriately managing our information assets, and responding to cyberattacks, etc.

We believe that it is important to work together as a company for everything we do. Our such efforts will be centrally managed and improved to a high standard by adopting initiatives in line with the Panasonic Group's management systems as a reference. In addition, we will build systems and rules optimized for the Company by drawing on the collective wisdom of our employees, thereby protecting the information of our customers around the world and everyone involved in our business. To work toward fulfilling our Mission of "achieving a society in which the pursuit of happiness and a sustainable environment are harmonized free of conflict," we aim to ensure customer satisfaction and trust by having zero information security incidents\*.

\* Refers to the following incidents that threaten the safety of information held and managed by the Panasonic Group, including trade secrets, personal information, customer information, etc. (including information of other parties).

- Information leaks or suspected leaks outside of the Company
- Unauthorized access or suspected unauthorized access to the Company's information from inside or outside the Company
- Destruction or falsification of information, or suspected destruction or falsification of information

| KPI                                       | FY2025 | FY2031 |
|---|--------|--------|
| Number of information security incidents* | 6      | 0      |

\* The criteria are based on internal rules and regulations, etc.



Please check the sustainability website for details.  
[https://www.panasonic.com/global/energy/sustainability/governance/information\\_security.html](https://www.panasonic.com/global/energy/sustainability/governance/information_security.html)

#### ■ Initiatives

### Aiming to become zero information security incidents

#### Information security governance

The Company has appointed a Chief Information Security Officer (CISO) as the officer in charge of information security and personal information protection, directly reporting to the President who is responsible for managing the Company. The promotion system is designed to enable the Information Security Promotion Manager and the Information Security Promotion Office, appointed by the CISO, to interact with the workplace to gather collective wisdom and engage in initiatives through committee activities.

With regard to information assets, the leader of the organization that owns the information establishes the confidentiality, scope of disclosure, and handling of the information, and manages it in accordance with the provisions of the Panasonic Group Global ISM (Information Security Management) Regulations and related rules. Departments that hold information conduct periodic inventory checks to identify confidential information and check its management status, thereby proving that the confidential information is properly managed in the Company.

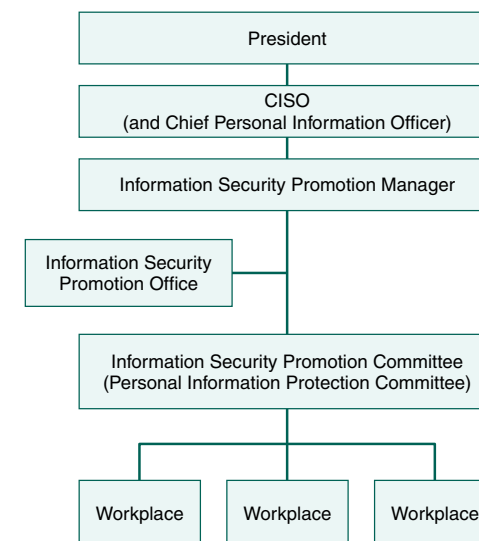
In the area of cyber security, we promote vulnerability countermeasures to ensure the safety of the systems and facilities that manage our information assets, as well as the products and services we provide to our customers.

#### Education and training

The Information Security Promotion Office regularly plans and implements education and training to prevent information leaks. Specific initiatives include e-learning programs, targeted attack e-mail drills, and seminars by outside instructors to train management and organization leaders. We have also produced an educational manga in 6 languages to enable all employees to learn about information security in a fun way, and are distributing it globally.

Through these measures, we are working to thoroughly enforce our information security rules and raise employee awareness.

#### ■ Structure of information security promotion system



Production: Trend-pro Inc.