

SHARP

Be Original.



111th ANNIVERSARY

Sustainability Report 2023



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Editorial Policy / Disclosure System

Editorial Policy / Disclosure System

Policy on Information Disclosure:

The Sharp Sustainability Report 2022 discloses information on initiatives that contribute to realization of a sustainable society as a tool for disclosing non-financial information (ESG information).

< Non financial information(ESG information) >

Sustainability



Sustainability Report 2023

Sustainability Report (This report)

- Sustainability Report
- Green Procurement
- CSR Procurement
- For Suppliers
- Recycle related information
- Environmental Information on products etc.

> [Sustainability](#)

< Financial / Non-Financial Information >

Investor Relation



Annual Report 2022
For the fiscal year ended March 31, 2022

Annual Report (Integrated Report)

- Annual Report(Integrated Report)
- Consolidated Financial Results
- Fact Book
- Corporate Governance etc.

> [Investor Relations](#)



Period Covered:

Fiscal 2022 (April 2022 to March 2023)

However, some actual facts prior to and after this period, as well as subsequent policies, objectives, and plans, are also included.

Coverage:

Sharp Corporation, along with its domestic and overseas subsidiaries and affiliates.

Referenced Guidelines:

- GRI Sustainability Reporting Standards (GRI Standards), Global Reporting Initiative (GRI)
- Environmental Reporting Guidelines (2018 Version), Ministry of the Environment, Japan

Content indexes between this report and the following guidelines and principles are disclosed on Sharp’s official website together with related information.

- > [GRI Standards Content Index](#)
- > [United Nations Global Content Index](#)
- > [ISO26000 Content Index](#)

Environmental and Social Activities Performance Data:

We share detailed environmental data on greenhouse gases, waste, water and social activities data on percentage of female managers, OHS related data and more on the Sharp Corporation website.

- > [Environmental and Social Activities Performance Data](#)

Scheduled Publication Date for Next Report:

September, 2024 (published annually since 1999)

Inquiries:

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ssr-info@sharp.co.jp

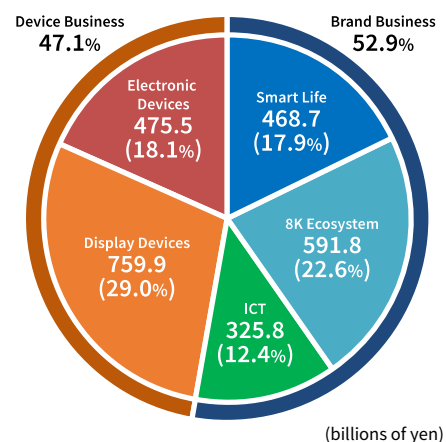
Company Information

Company Name	Sharp Corporation
Head Office	1 Takumi-cho, Sakai-ku, Sakai City, Osaka 590-8522, Japan
Tel	+81-72-282-1221
Management Representatives	Po-Hsuan Wu, President & Chief Executive Officer Masahiro Okitsu, Executive Vice President
Business Activities	Mainly manufacturing and sales of telecommunications equipment, electric and electronic application equipment, and electronic components.
Founding	September 15, 1912
Origin of Company Name	Mr. Hayakawa continued to research and improve the techniques for making metal writing instruments, and in 1915, he invented a mechanical pencil that, after further improvements, would take the world by storm. In 1916, Mr. Hayakawa's mechanical pencil was named the "Ever-Ready Sharp Pencil." The present name of the company and its trademark are derived from that product.
Incorporation	In May 1935, the structure of the company was modified to become a joint-stock corporation under the name Hayakawa Metal Works Institute Co. (capitalization: 300,000 yen.)
Capital Stock	5 billion yen (as of March 31, 2023)
Sales	2,548,117 million yen (consolidated) 555,491 million yen (unconsolidated) (the Year Ended March 31, 2023)
Employees	Consolidated: 46,200 Japan: 18,099 (Sharp Corporation 5,321 / other Consolidated 12,778) Overseas: 28,101 (Consolidated) (as of March 31, 2023)

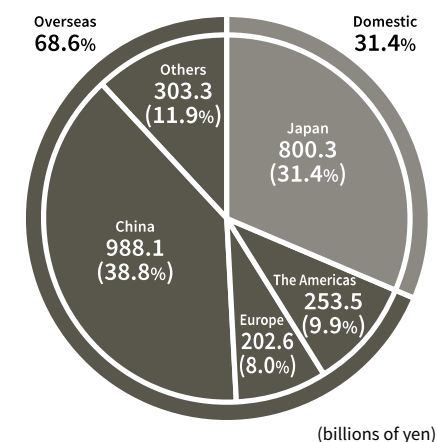
■ Main products / services (as of March 31, 2023)

Segments		Main products / services
Brand Business	Smart Life	refrigerators, superheated steam ovens, microwave ovens, small cooking appliances, air conditioners, washing machines, vacuum cleaners, air purifiers, fans, dehumidifiers, humidifiers, electric heating equipments, Plasmacluster ion generators, beauty equipments, LED lighting, electronic dictionaries, calculators, telephones, network control units, solar cells, storage batteries etc.
	8K Ecosystem	TVs, Blu-ray disc recorders, audio equipment, multi function printers, information displays, business projectors, POS system equipments, FA equipments, various options / consumables, office solutions, various software, masks etc.
	ICT	mobile phones, personal computer, tablet devices, routers etc.
Device Business	Display Device	display modules, in-vehicle cameras etc.
	Electronic Device	camera modules, sensor modules, optical sensor, optoelectronics device, CMOS image sensor, wafer foundry, semiconductor lasers etc.

■ FY2022 Sales by Segment



■ FY2022 Sales by Region



Related Information: > [Sharp at Glance](#)

Philosophy, Policy and Management

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Business Philosophy and Business Creed

Sharp Will Continue to Fulfill Its Social Responsibility through Its Business Activities

Business Philosophy

We do not seek merely to expand our business volume. Rather, we are dedicated to the use of our unique, innovative technology to contribute to the culture, benefits and welfare of people throughout the world.

It is the intention of our corporation to grow hand-in-hand with our employees, encouraging and aiding them to reach their full potential and improve their standard of living.

Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders ...indeed, the entire Sharp family.

Business Creed

Sharp Corporation is dedicated to two principal ideals:

"Sincerity and Creativity"

By committing ourselves to these ideals, we can derive genuine satisfaction from our work, while making a meaningful contribution to society.

Sincerity is a virtue fundamental to humanity ... always be sincere.

Harmony brings strength ... trust each other and work together.

Politeness is a merit ... always be courteous and respectful.

Creativity promotes progress ... remain constantly aware of the need to innovate and improve.

Courage is the basis of a rewarding life ... accept every challenge with a positive attitude.

“Make products that others want to imitate.” These words, spoken by Sharp founder Tokujii Hayakawa, exemplify his management concept of contributing to society through the company’s technologies and manufacturing. This concept is realized by being the first to make products that meet the needs of a new era and by becoming a corporation that is known and trusted by society. In 1973, Sharp articulated this spirit in the company’s business philosophy and business creed. This spirit has been passed down continuously over the generations, ever since the company’s founding over a hundred years ago.

The business philosophy represents the image that Sharp aims to present. As stated in the words “contributing to the culture, benefits and welfare of people throughout the world,” Sharp has always strived for mutual prosperity with society and stakeholders, ever since its founding. This philosophy is the foundation of corporate sustainability today.

The business creed represents the beliefs and attitudes that all employees must hold fast to in order to realize the business philosophy. Sharp is dedicated to the two principal ideals of “Sincerity and Creativity.” These ideals, which form the foundation of Sharp, involve thoroughly maintaining a customer’s perspective and bringing forth inventive products. Sharp will remain committed to fulfilling its social responsibility and to being a company that is known and trusted throughout society through business activities that abide by its business philosophy and business creed.

“Be Original.” Corporate Motto



Be Original.

From the beginning, Sharp has been driven by originality.

We originate technologies that enhance lifestyles,

Inspire innovations that support individual expression,

And create products that let you be you.

There is only one Sharp.

There is only one you.

SHARP

We have infused two meanings into the word “original.”

1. Tokuji Hayakawa, Sharp's founder, left us with a spirit of "sincerity and creativity." We will pass this spirit on to future generations as the original foundation of who we are.
2. Sharp is a company that is always there for people and that constantly creates new value. By offering various products and services that are uniquely Sharp, we are continuously creating "original products just for you"—products and services that enable all of our customers to fulfill their wishes and dreams.

The period at the end represents our firm commitment to taking on challenges and initiatives with a strong sense of purpose.

"Be Original." is Sharp's promise to our customers around the world that we will remain a brand that creates value that is rich in originality and that is uniquely Sharp.

The "Be Original." motto is the foundation for our actions. We will communicate this motto as Sharp's declaration to all of our stakeholders at every point of contact.

Message from the President & CEO

Contribute to a sustainable society through innovations in business and technology

I believe that it is Sharp's social responsibility to use its business to contribute to solving social problems; for example, by reducing our impact on climate change and respecting human rights.

Under our policy of ESG-focused management, which we announced last fiscal year, we are concentrating on three goals—improving technological strength, fostering global awareness, and making the most of our people—as we accelerate the creation of new businesses.

In April of this year, we reorganized our business group system into a new structure comprising the three brand businesses of the Smart Life & Energy Business, Smart Office Business, and Universal Network Business; and the two device businesses of the Display Devices Business and Electronic Devices Business. Under each of these are business units dedicated to new business areas.

And with the goal of taking Sharp's technological strength to the next level, we also established the Innovation Group, which ties together functions that support innovation company-wide.

These six business groups come together under “One Sharp” as we develop game-changing, innovative technologies and devices in numerous fields that will change people's lifestyles and work styles. This will ensure that we are always there for people and society and that Sharp achieves recognition as a company with a strong brand that continuously provides new value.

In May 2023, Sharp launched the Sustainability Committee, of which I am the chairperson. This committee will be the spearhead for a range of aggressive initiatives aimed at achieving a sustainable society. For example, the entire company will work to attain the medium-term environmental goals, which we set toward realizing our long-term environmental vision, SHARP Eco Vision 2050. One of these goals is achieving net zero CO2 emissions in Sharp business activities.

Robert Wu
President & Chief Executive Officer




As a signatory to the United Nations Global Compact since 2009, Sharp continues to support the 10 principles in the areas of human rights, labor, the environment, and anti-corruption. We also share the vision and mission of the RBA*, which we joined in 2021, throughout the entire Sharp Group. In this way, we will accelerate our efforts to effectively resolve global social issues.

Sharp's business philosophy states, “Our future prosperity is directly linked to the prosperity of our customers, dealers, and shareholders...”. With this in mind, we will continue working with all stakeholders in carrying out our ESG management so that we can achieve the SDGs and thereby help realize a sustainable and better world where no one on Earth is left behind.

August 2023

* RBA: Responsible Business Alliance—a nonprofit organization that pursues social responsibility across the global supply chain.

Management: Sustainability Management

Sharp's Sustainability Policy

Basic Philosophy on Sustainability

It has been Sharp's business philosophy since its founding to "contribute to the culture, benefits and welfare of people throughout the world" and to understand that "our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders." Based on this business philosophy Sharp has continued to meet the expectations and requirements of society and its stakeholders, and these aspirations for sustained mutual growth of the company and society are maintained as Sharp's basic philosophy on sustainability.

Related Information: > [Business Philosophy and Business Creed](#)

Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct

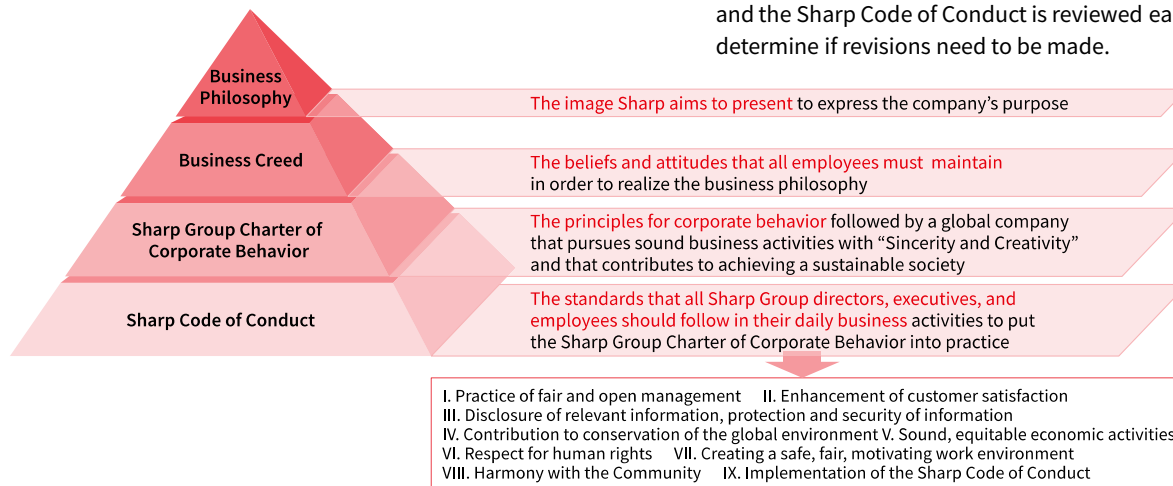
To concretize its business philosophy and business creed, the company has set out the Sharp Group Charter of Corporate Behavior to serve as the principles of behavior for Sharp Group companies, and the Sharp Code of Conduct to serve as a standard for all directors and employees. Sharp works to ensure that these guidelines permeate the Group as fundamental sustainability policies, and that the Group takes appropriate and sincere action in all of its business endeavors with a high ethical standard and full compliance with the law. Resolutions regarding the adoption of the Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct are issued by the boards of directors of Sharp Corporation and its main subsidiaries and affiliate companies in Japan and overseas. At overseas subsidiaries and affiliates, these documents are translated into local languages so that employees can fully understand and comply with them. The content of the Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct is reviewed each year to determine if revisions need to be made.

Ensuring Adherence to the Sharp Code of Conduct

To deepen understanding of the Sharp Code of Conduct and ensure that all executives and employees act in accordance with it, compliance-related training based on the Sharp Code of Conduct is held every year in Japan. In fiscal 2022, Sharp carried out Sharp Code of Conduct compliance e-learning for eligible employees at Sharp Corporation and affiliate companies in Japan, as well as eligible labor union members. This e-learning saw participation by about 18,000 employees. The training covered a range of areas and how to deal with issues related to them: conducting business activities in line with the Sharp Code of Conduct; raising awareness of the whistleblowing system; labor and human rights issues such as working hours, pay, and benefits; compliance matters such as abidance with the Act against Unjustifiable Premiums and Misleading Representations, insider trading rules, and preventing fraudulent accounting; information security and confidential information management; and the furthering of ESG. We also spread knowledge about the Sharp Code of Conduct at overseas bases. This included distributing e-learning materials as part of efforts to ensure understanding globally at Sharp. The compliance training will continue to be held and expanded in content with the goal of ensuring that employees have a better understanding of compliance and fostering awareness for potential problems and ways to prevent them. The training is held as an in-house measure based on the Basic Policy for Internal Control. Training results are reported to the Internal Control Committee, which is chaired by the president & CEO, and to the Board of Directors.

Related Information: > [Sharp Group Charter of Corporate Behavior](#)
[Sharp Code of Conduct](#)

■ System for Sustainability Policy



Management: Sustainability Management

Sustainability Strategy and Implementation System

In line with Sharp’s basic philosophy towards sustainability, Sharp has positioned its role to contribute to the achievement of the Sustainable Development Goals (SDGs)—adopted by the UN in September 2015 with major expectations placed on corporations—in its medium-to long-term vision, and is moving forward with those efforts.

In fiscal 2018, Sharp accelerated its efforts towards this medium-to long-term vision through a two-pronged approach: creating solutions to social problems through business and technological innovation, and reducing social and environmental impact through sustainable business activities. Sharp is making efforts through a fundamental strategy of proceeding with sustainable management aimed at the achievement of the SDGs.

Under our policy of ESG-focused management, which we announced in fiscal 2022, we are concentrating on three goals—improving technological strength, fostering global awareness, and making the most of our people—as we accelerate the creation of new businesses.

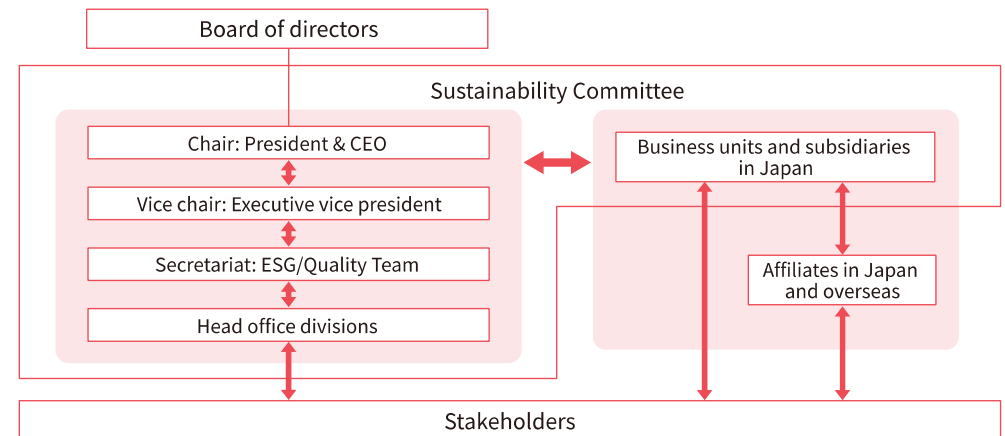
Through these efforts, we are contributing to solving the social issues facing us today: realizing a low-carbon world, solving medical and nursing care problems, eliminating labor shortages, and realizing a diverse range of lifestyles. These contributions will ensure that we are always there for people and society and that Sharp more quickly achieves recognition as a company with a strong brand that continuously provides new value.

■ Fundamental Strategy of Sustainable Management



To execute these strategies and manage them in a PDCA cycle, the company launched the Sustainability Committee, which is chaired by the president & CEO of Sharp and comprises members of top management, Head Office divisions such as environment, personnel, and procurement, business units, and subsidiaries. The committee engrains policies and visions into the Sharp Group, discusses crucial measures, and shares the latest trends in social issues. In addition, the committee reports important policies and decisions to the Board of Directors. Sharp will continue to step up its efforts in the SDGs and ESG and improve its ESG rating, while at the same time building a solid management foundation to support sustainable growth and contributing to the realization of a sustainable society.

■ Organization for Sustainability Management (as of August 2023)



Management: Sustainability Management

Participating in Various Initiatives

As a member of the global community, Sharp conducts business in way that respects international guidelines and norms.

United Nations Global Compact

We became a signatory to the United Nations Global Compact in September 2009. The Global Compact is a voluntary initiative that involves using a global framework to achieve sustainable growth. We carry out measures in line with the Global Compact’s 10 principles in the four areas of human rights, labor, the environment, and anti-corruption.

Related information: > [United Nations Global Compact](#)



TCFD (Task Force on Climate-related Financial Disclosures)

In August 2022, we declared our support for the TCFD recommendations. We are expanding and improving the disclosure of information related to climate change, in accordance with the framework set by the TCFD.

Related information: > [TCFD](#)



RBA (Responsible Business Alliance)

In December 2021, we joined the RBA, an alliance of companies that pursues social responsibility across the global supply chain. We endorse the RBA vision and mission.

Related information: > [Responsible Business Alliance](#)



SBTi (Science Based Targets Initiative)

In January 2020, we were certified for SBT WB2°C. This was a recognition that our targets for reducing greenhouse gas emissions are based in science and conform with the Paris Agreement.

Related information: > [SBTi](#)



RMI (Responsible Minerals Initiatives)

Since December 2021, we have been a member of the RMI, an international initiative for the responsible sourcing of minerals. We actively pursue due diligence in our procurement of minerals.

Related information: > [Responsible Minerals Initiatives](#)



GX League

In April 2023, we joined the Japanese Ministry of Economy, Trade and Industry’s GX League. The GX League is a forum that brings together corporations, government, and academic institutions. Through collaborations, the League seeks to reduce greenhouse gas emissions while building a society that can grow in measurable ways—the aim is to achieve a virtuous cycle encompassing the economy, environment, and society.

Related information: > [GX League](#)



Other groups Sharp is a member of:

- JEMA (Japan Electrical Manufacturers’ Association)
- JEITA (Japan Electronics and Information Technology Industries Association)
- JBMIA (Japan Business Machine and Information System Industries Association)
- JMC (Japan Machinery Center for Trade and Investment)
- JaCer (Japan Center for Engagement and Remedy on Business and Human Rights)

Management: Material Issues

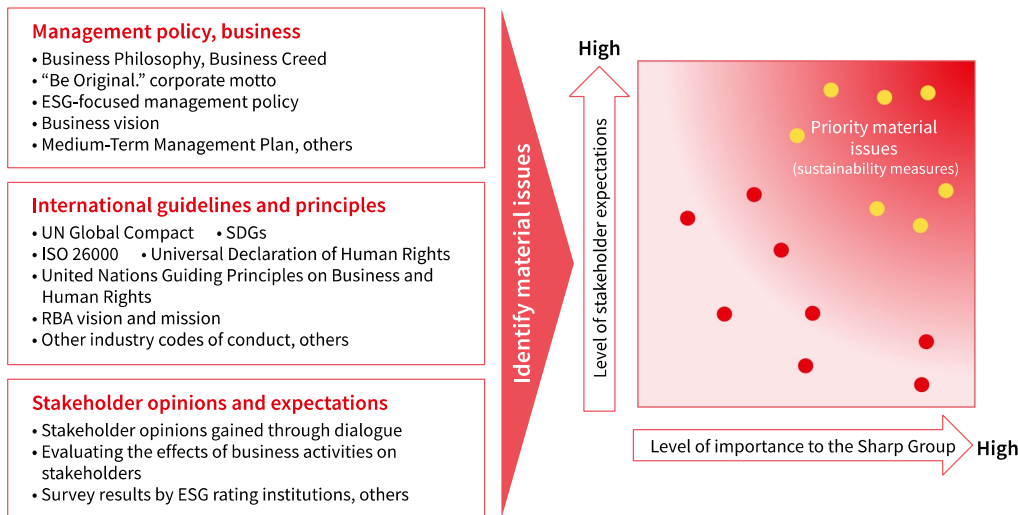
Identifying and Monitoring Material Issues

A succession of international long-term goals that seek solutions for social issues at the global level, such as the SDGs and the Paris Agreement*, have been announced, and there is a growing interest in human rights issues such as forced labor in global supply chains. As such, expectations continue to grow for companies to put forth an effort to address these goals and issues.

Against this backdrop, Sharp is identifying material issues for the sake of sustainable management with a view to solving global-level social issues and achieving medium-to long-term growth for the Sharp Group.

In identifying the material issues, we reviewed management policy, business strategy, and international guidelines and principles such as the UN Global Compact, the SDGs, and the RBA vision and mission. We also considered the opinions and expectations of various stakeholders, the effect of Sharp’s business activities on those stakeholders, and the results of assessments by ESG research and rating institutions.

■ Process for Identifying Material Issues



The material issues identified were mapped along the two axes of “level of stakeholder expectations” and “level of importance to the Sharp Group” and these were translated into sustainability measures to be taken in order of priority company-wide.

For each of the sustainability measures, business units and subsidiaries set their own targets, goals, KPIs, and action plans. The implementation and results of these are reviewed by the Sustainability Committee, which convenes twice a year.

* An international framework for the prevention of global warming agreed on at the 21st yearly session of the Conference of the Parties to the 1992 United Nations Framework Convention on Climate Change (COP21), held in Paris in 2015. The agreement was to hold the increase in the global average temperature to well below 2°C above pre-industrial levels.

■ Fiscal 2023 Company-wide Sustainability Measures

Sustainability measures	Related SDGs
Make products energy saving	7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
Reduce amount of virgin plastic in products and their packaging	8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 14 LIFE BELOW WATER
Create sustainable products	7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
Reduce greenhouse gas emissions associated with business activities	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 13 CLIMATE ACTION
Reduce waste associated with business activities	6 CLEAN WATER AND SANITATION, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Reduce ESG-related risks at Sharp factories in and outside Japan	1 NO POVERTY, 3 GOOD HEALTH AND WELL-BEING, 5 GENDER EQUALITY, 6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY
Reduce ESG-related risks across the supply chain	8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

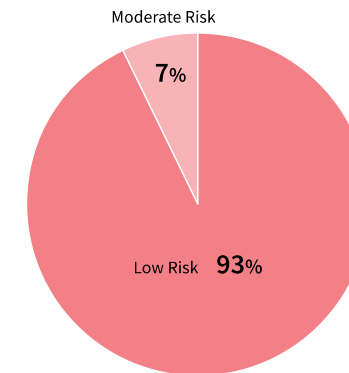
Management: Material Issues

Risk Evaluation in Line with International Standards

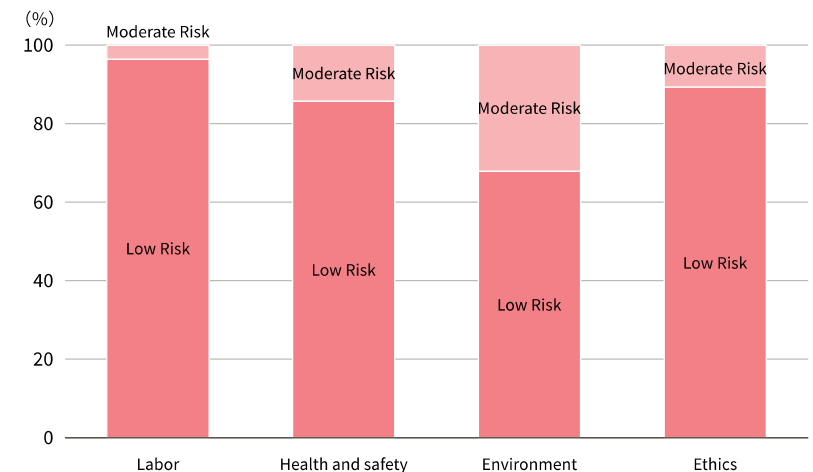
Sharp believes that to ensure global business expansion is accompanied by the creation of a sustainable society, it is extremely important to conform to international standards. Since fiscal 2015, the Sharp Group has been using the Sharp Supply-Chain CSR Deployment Guidebook, which was created in line with the RBA Code of Conduct (an international standard), as the guideline for its activities. It has been carrying out ongoing self-assessment surveys of Sharp production sites in Japan and overseas. These surveys are carried out based on the RBA's Self-Assessment Questionnaire and serve as a review and assessment of the status of activities at Sharp's production sites. Sharp uses the survey as a means of facilitating better understanding of international standards among local managers. In fiscal 2022, the survey was carried out at 28 plants in Japan and overseas. Following the survey, each plant was given feedback in the form of an overall and area-specific evaluation in three levels—low risk, moderate risk, and high risk—based on RBA criteria. Survey responses from the bases are reviewed by head office functional divisions. If it is determined that a base's efforts are inadequate or latent risks exist, the base in question is interviewed and provided with guidance for undertaking necessary improvement activities. As a result, the average score for all factories in fiscal 2022 was 91.2 (up from 90.6 the previous year), showing continued generally favorable assessments. Sites that got a “low risk” overall evaluation score comprised 93% of the total. No problems have been identified that pose an immediate, large risk for the Sharp Group as a whole. In fiscal 2023, as part of efforts to respond to customer requests and comply with product certification standards, certain factories in Japan and overseas will take RBA's VAP* audit to improve the objectivity and transparency of risk assessments. In addition to continuing to conduct surveys and audits, Sharp will use the RBA's risk assessment mechanism and tools to keep improving activities.

* Validated Assessment Program. A VAP audit is a local audit performed by a third-party auditing service certified by the RBA.

Overall Assessment Ranking Ratio



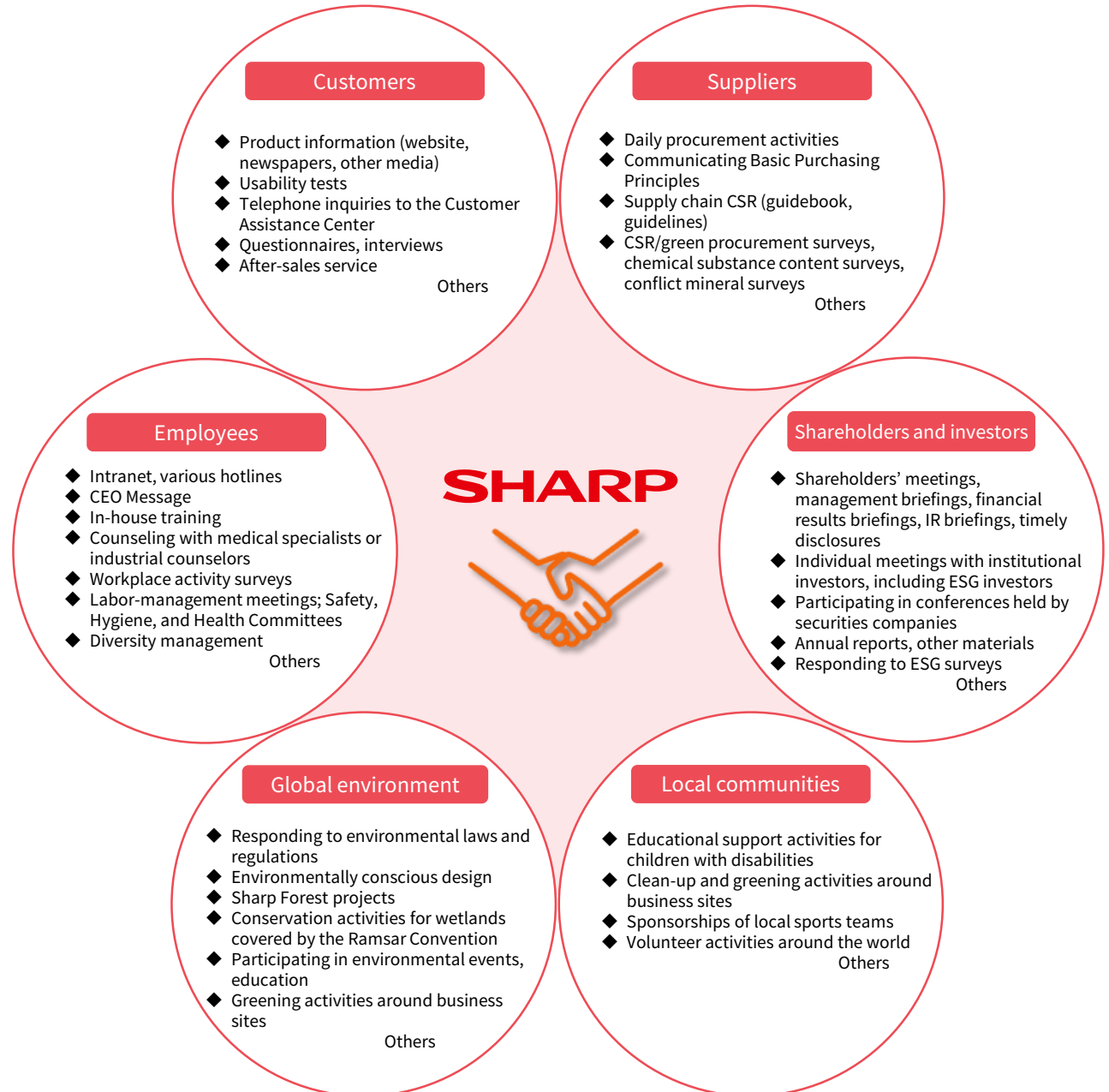
Area-Specific Assessment Ranking Distribution



Management: Stakeholder Engagement

Stakeholder Engagement

In order to ensure that, “Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders,” as stated in the company’s Business Philosophy, Sharp suitably discloses information to the diversity of stakeholders that it serves, including customers, suppliers, and local communities. Also, amidst the increasing focus on ESG-related investment, we strive to improve our ESG level by creating a range of opportunities for dialogue with shareholders and investors. We will continue to reflect stakeholder opinions in our corporate activities with the goals of helping society solve problems and achieving sustainable growth for Sharp.



Management: Third-party Evaluations

Third-party Evaluations

Thanks to continuously stepping up sustainability management initiatives, as of August 2023 Sharp has been included in the following ESG indexes and rating systems.

FTSE4 Good Index Series

An index designed to measure the performance of corporate social responsibility initiatives from an ESG perspective. It is operated by FTSE Russell, part of the London Stock Exchange Group. Sharp has been included in this index for 14 consecutive years.



FTSE4Good

FTSE Blossom Japan Index

An index reflecting the performance of Japanese companies that demonstrate strong ESG practices, operated by FTSE Russell. The Government Pension Investment Fund (GPIF) of Japan uses this as a stock index for ESG investments. Sharp has been included in this index for seven consecutive years.



FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

An index based on FTSE Russell's ESG assessment of a company's approach to risks and opportunities related to climate change. Companies in this index are considered to be highly carbon intensive (in terms of their greenhouse gas emissions per unit of sales). The GPIF of Japan uses this as a stock index for ESG investments.



FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

An environmental stock index adopted by the GPIF of Japan. Because of the level of environmental reporting and carbon intensity maintained by Sharp, the company has been selected as a constituent of this index since 2018.



MSCI ESG Leaders Indexes

ESG indexes operated by MSCI Inc., an American finance company headquartered in New York. They are composed of companies that have the highest ESG rated performance in each sector. Sharp has been included in these indexes for six consecutive years.



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MSCI Japan ESG Select Leaders Index

An ESG index for Japanese companies created by MSCI Inc. The GPIF uses this as a stock index for ESG investments.



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EcoVadis Sustainability Rating

EcoVadis evaluates the sustainability performance of supplier companies. Its aim is to improve those companies' environmental and social practices by taking into account the impact that global supply chains have on the environment and society. Sharp has received a Silver rating from EcoVadis.



Sharp and the SDGs

Business Philosophy and the SDGs	016
Contributing to the SDGs through Business	017

Sharp and the SDGs: Business Philosophy and the SDGs

In 1973, Sharp put into writing its business philosophy, which says the company will “contribute to the culture, benefits and welfare of people throughout the world” and that “our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders.” These and other vows of the business philosophy share the aims of the Sustainable Development Goals (SDGs), which the UN enacted in 2015.

Under its business philosophy, Sharp carries out ESG management with a two-pronged approach: creating solutions to social problems through business and technological innovation, and reducing social and environmental impact through sustainable business activities. This approach will help achieve the SDGs and thereby contribute to a sustainable and better world where no one on Earth is left behind.

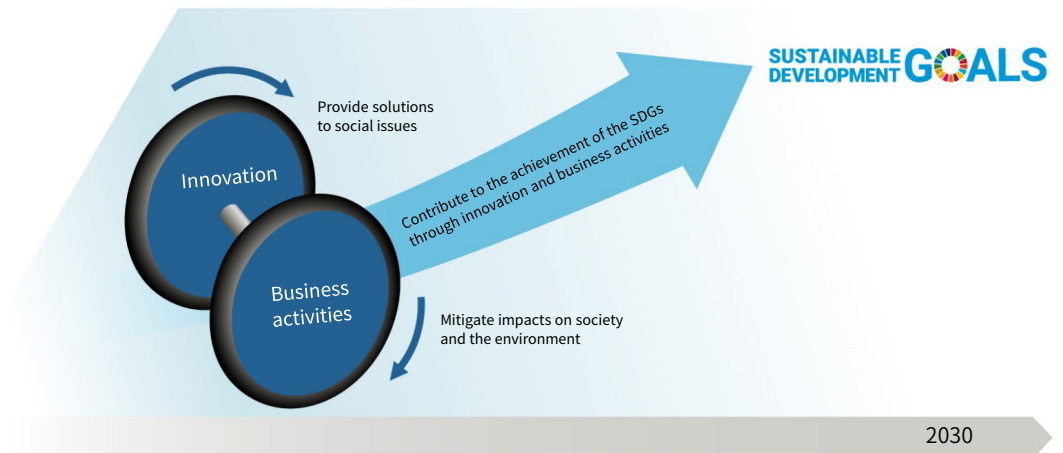
Business Philosophy

We do not seek merely to expand our business volume. Rather, we are dedicated to the use of our unique, benefits and welfare of people throughout the world.

It is the intention of our corporation to grow hand-in-hand with our employees, encouraging and aiding them to reach their full potential and improve their standard of living.

Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders ...indeed, the entire Sharp family.

SUSTAINABLE DEVELOPMENT GOALS



Sharp and the SDGs: Contributing to the SDGs through Business

Segment	Business Unit / Subsidiaries	Related SDGs																	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Brand Businesses	Smart Life & Energy	Smart Appliances & Solutions BU			●	●		●		●	●			●	●				
		Sharp Energy Solutions Corporation (SESJ)								●			●	●	●				
	Smart Office	Smart Business Solutions BU	●		●	●	●	●	●	●	●	●	●	●	●			●	●
		Dynabook Inc.				●			●	●	●	●		●	●				
	Universal Network	TV Systems BU			●					●	●		●		●				
		Mobile Communication BU			●					●	●			●	●				
Device Businesses	Display Devices	Sharp Display Technology Corporation (SDTC)				●			●		●	●	●	●				●	
		Sakai Display Products Corporation (SDP)	●		●		●	●	●	●	●	●	●	●	●	●	●		
	Electronic Devices	Sharp Sensing Technology Corporation (SSTC)								●	●								
		Sharp Semiconductor Innovation Corporation (SSIC)			●				●	●	●		●	●	●	●			
		Sharp Fukuyama Laser Co., Ltd. (SFL)				●					●		●	●	●	●			
	Corporate Research & Development Group			●	●		●	●	●	●	●	●	●	●				●	

Smart Appliances & Solutions BU

Offering support through AIoT for a safe, healthy, and comfortable lifestyle.
Yielding a smart life for the near future through people-oriented AIoT.



Business Overview

In our aim to help create a healthy and comfortable life, the Smart Appliances & Solutions BU supplies end consumers and B2B customers globally with a variety of appliances, such as air conditioners, refrigerators, washing machines, microwave ovens, and air purifiers.

Activity Status

We offer users a safe, healthy, and comfortable lifestyle in a variety of ways by applying AIoT^{*1} to conventional household appliances. Products include cooking appliances that propose healthful dishes that suit customers' lifestyles and preferences, refrigerators that propose meal plans to minimize waste while keeping food fresh with highly sealed construction and refrigeration control, air conditioners and air purifiers that provide a safe and comfortable indoor air environment, and washing machines and vacuum cleaners that help reduce household chores. We also strive to realize smart homes that integrate AIoT and storage batteries that further the use of renewable energy.

Further, we carry out ongoing eco-friendly practices at the development stage, such as the development of energy-saving technologies for refrigerators, air-conditioners, and washing machines, which use an especially large proportion of household energy; development of No-Holes Tub washing machines that save water; adoption of resource-saving designs; and active use of plastic recovered from used appliances in new appliances through repeated recycling using our closed-loop material recycling technology^{*2}.

In the production stage, we establish numerical objectives for each factory and work to achieve them in an effort to reduce the consumption of electricity and gas by the factories and reduce the volume of waste produced.

Our electronic dictionaries contribute to goal 4 (quality education) of the SDGs.

^{*1} AIoT is a word coined by Sharp, combining the words AI (artificial intelligence) and IoT (Internet of things). Sharp is pursuing a more people-oriented world through AIoT-driven devices and services.

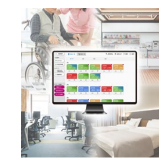
^{*2} Jointly developed with Kansai Recycling Systems Co., Ltd., a consumer electronics recycling company established in Japan with joint investment from Sharp and five other companies.

Major SDG Contribution Examples

- Ongoing development of AIoT-compatible models
 - Japan: In fiscal 2022, we developed 114 AIoT-compatible models. They include the Plasmacluster air conditioner, which is the first product of its kind to incorporate a CO₂ sensor to notify users when to ventilate the room and which provides a comfortable environment while automatically saving energy and ventilating the space. There's also the Plasmacluster refrigerator, which helps reduce food loss with an advanced AIoT function that lets users register food and then proposes dishes that can be prepared with remaining food before it expires or users forget about it.
 - Overseas: We are updating and expanding the range of services we offer that are tailored to the needs of overseas markets, including ASEAN, Taiwan, and North America.
- Launching a B2B AIoT business
SMART CONSOLE, Sharp's centralized management system, lets users check AIoT-compatible air conditioners and air purifiers as well as air quality and remotely operate those devices from a PC or tablet. It streamlines administrative work by reducing the workload associated with tasks like making sure employees don't forget to turn off equipment at medium-size nursing care facilities and offices.



Plasmacluster air conditioner with CO₂ sensor



SMART CONSOLE centralized management system

Awards and Honors

- Healsio Hotcook development team wins METI Minister's Prize at the 9th Monodzukuri Nippon Grand Awards

Sharp Energy Solutions Corporation (SESJ)

Providing eco-friendly, energy-producing solar power systems to countries around the world to help realize carbon neutrality. Making life easier with energy solutions (systems and services) that make smarter use of electricity.



Business Overview

SESJ carries on the philosophy of founder Tokuji Hayakawa as it operates energy solutions businesses in Japan and overseas.

Activity Status

As countries and companies accelerate their efforts to achieve carbon neutrality, SESJ is actively contributing to the drive to realize a decarbonized society by providing appropriate solutions.

- In the Japanese residential market, SESJ is evolving energy management technology for producing, storing, and intelligently using clean energy. In addition, it is working to realize smart living in which humans play the leading role while AI works with IoT devices to propose optimal lifestyles.
- The mobility sector is forecast to see widespread adoption of electric vehicles (EVs) and rapid market growth. In addition to developing systems that link homes and EVs, SESJ is working to develop high-efficiency solar cell for use on EVs.
- With regard to products for corporate customers, heightened attention on corporate efforts to advance environmental, social, and governance (ESG) issues and to achieve the SDGs is driving interest in companies' ability to produce renewable energy to cover their energy needs as a way to contribute to the environment. SESJ offers companies a solar power generation service featuring zero initial investment as one solution to meet these needs.
- In the global market, SESJ has established a joint venture in Thailand to operate a power retail business targeting corporate customers, the company's first foray into the sector. The venture has begun supplying clean energy produced by solar power systems installed on factories, and it is receiving numerous inquiries from Japanese companies that operate plants in Asia as well as from leading local companies. SESJ also continues to promote even more widespread adoption of renewable energy on a global scale by constructing megasolar installations in the ASEAN region and beyond.

Major SDG Contribution Examples

- Samegawa Aono Solar Power Plant*¹, a megasolar installation in the village of Samegawa in Higashishirakawa District, Fukushima Prefecture, for which SESJ received a development, design, construction, and maintenance management contract, began commercial operation in April 2023. With a large output of about 40.8 MW-dc power, the facility is expected to reduce anticipated greenhouse gas emissions by about 17,000 tons of CO₂ each year.
- SESJ released the NU-228AP, a monocrystalline solar module for residential use that can be easily and efficiently installed on homes with limited roof space, for example in urban settings.
- Sharp achieved a conversion efficiency of 32.65%, the world's highest*², in a lightweight, flexible, practically sized triple-junction compound solar module.



Samegawa Aono Solar Power Plant



NU-228AP solar module installation (conceptual image)



Compound solar module for future mobility

Awards and Honors

- BLACKSOLAR ZERO residential solar module wins New Energy Foundation Chairman's Prize at the 2022 New Energy Awards
- Sharp's "Compound solar module for future mobility" concept wins a 2023 iF Design Award*³

*¹ Operated by Samegawa Energy LLC, which was formed through a joint investment with Fuyo General Lease Co., Ltd.

*² As of June 6, 2022, for solar modules at the research level (based on Sharp findings).

*³ The iF Design Award is one of the world's most prestigious product design awards.

Smart Business Solutions BU

By strengthening B2B solution proposals built on the customer’s perspective, we are contributing to the resolution of business and social issues by providing safe, secure environments that let people concentrate on their jobs no matter when or where they are.



Business Overview

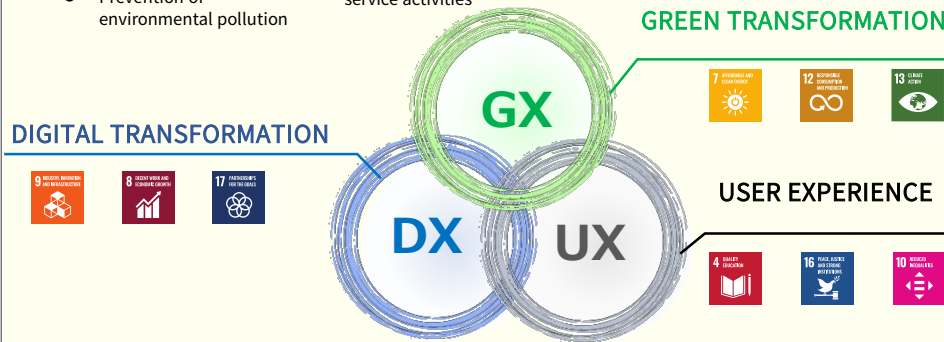
As changes in the social environment drive demand for a variety of reforms in the workplace, the Smart Business Solutions BU works to solve a variety of issues facing customers and society by fostering business transformations through eight solutions that combine technologies, products, and services. We will continue to contribute to the resolution of social issues by providing unique products, services, and solutions based on Sharp’s business creed of “Sincerity and Creativity” and the SDGs policies described below as we strive to realize a sustainable society.

Activity Status

Sharp’s SDG Policies

Target Social Issues

- Environmentally friendly products
- Changing workstyles
- Compliance with legal requirements
- Prevention of environmental pollution
- Reduction of environmental impacts
- Aging of the population and labor shortages
- Environmental and community service activities
- Reduction of greenhouse gas emissions
- Prevention of resource scarcity
- Rapidly rising distribution volume



Eight solution domains for resolving issues

- (1) Smart offices/IT services (2) Environment (3) Public (4) Digital imaging
(5) Security (6) Retail (7) Smart factories (8) Logistics

Major SDG Contribution Examples

We carry out life cycle assessments (LCAs) designed to reduce environmental impacts throughout the product life cycle, starting during the earliest stages of design and development and going beyond the domain of initiatives at Sharp’s plants, in line with the Sharp Green Product concepts*1 that were established companywide in 1998. We also strive to ensure assessments comply with international standards and to visualize their results.

- **EcoLeaf environmental label*2**
Sharp has registered with the EcoLeaf environmental labeling program, which is dedicated to the disclosure of quantitative information about environmental impacts throughout the life cycle of products and services. In addition to assessing and evaluating environmental impacts in a quantitative manner and working on an ongoing basis to efficiently lower environmental impacts, we strive to disclose information in a highly reliable manner.
- **Chinese manufacturing plant SOCC starts producing solar power**
A 4.73 MW solar power system installed at SOCC, Sharp’s flagship multifunction printer (MFP) production plant, began operating in January 2023. By switching to locally produced power for its annual use of about 3 million kWh, the facility is expected to reduce its greenhouse gas emissions by about 1,830 tons of CO₂ per year.



Bird’s-eye view of the SOCC plant

Awards and Honors

- Six models of A3 digital MFP win a 2022 Good Design Award



BP-70C/60C/50C/40CC/70M series

*1 See page 066.

*2 Organized by the Sustainable Management Promotion Organization.

Dynabook Inc.

Dynabook is making people’s lives and society better by “changing the world through computing and services,” developing “true computing that reflects real needs and that supports communities,” and offering “new added value and services developed from the user’s standpoint.”



Business Overview

Dynabook plans, develops, manufactures, sells, supports, and services personal computers and system solutions. We are pursuing the fusion of hardware (“dynabook as a Computing”) and services (“dynabook as a Service”) and strengthening the technology that supports this endeavor.

Activity Status

Since developing the world’s first laptop computer in 1985, Dynabook has leveraged its innovative technologies and expertise to plan, develop, manufacture, and sell PCs that people turn to in their everyday lives and to provide after-sales support. In recent years, we have worked actively in building the foundation for industrial and technological innovation to realize a sustainable society. Efforts include manufacturing PCs that accommodate today’s diversifying work styles and providing solutions that help resolve labor shortages and streamline work at manufacturing plants.

Specifically, Dynabook is applying its proprietary “empower” technology to work towards SDGs 8 (decent work and economic growth) and 9 (industry, innovation and infrastructure) by offering mobile notebook PCs that deliver high performance. We are also contributing to SDGs 12 (responsible consumption and production) and 13 (climate action) by, for example, achieving year-on-year reductions in greenhouse gas emissions during the manufacturing process, lowering the amount of waste from factories sent to landfills, increasing use of recycled materials, and reducing use of plastic materials.

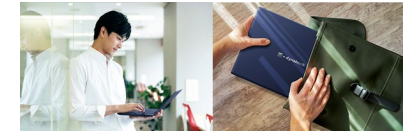
In its solutions business, Dynabook proposes AI solutions, an area in which it has extensive experience at its own computer manufacturing plants, to bring the digital transformation (DX) to manufacturing with a focus on AI technology and edge computing devices. In addition, its life cycle management (LCM) service is contributing to SDGs

7 (affordable and clean energy) and 12 (responsible consumption and production) by, for example, proposing an economical, effective approach to computer management.

In the area of culture and education, we help with the development of, and services for, ICT-driven school education environments, thereby working toward SDG 4 (quality education).

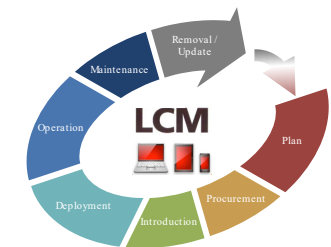
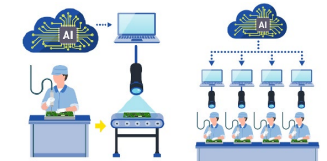
Major SDG Contribution Examples

- Personal computers
We launched the dynabook R9 and R8, a pair of high-end 14-inch mobile notebook PCs featuring the latest 13th-generation Intel® CPUs and Dynabook’s proprietary “empower” technology. These models boast light weight, fast processing speeds, robust enclosures, and exceptional ease of use. They allow processor-intensive creative work and concurrent use of multiple applications while facilitating lifestyles that aren’t bound by restrictions of place or time.



dynabook R9 • R8

- Solutions business
 - Providing the manufacturing industry with solutions that use image recognition AI to improve work quality
Dynabook is helping companies boost production efficiency while maintaining product quality by providing an AI defect inspection system that automatically detects defects in about half the time as can be accomplished with visual inspections (based on Dynabook results) and an AI worker movement detection system that helps reduce forgotten steps and backtracking.
 - Strengthening and expanding an LCM service
Dynabook launched a new portal website as part of its LCM service, by means of which it manages companies’ computer fleets across the entire equipment life cycle, from deployment to disposal, to aggregate information for centralized management.



LCM service

- Culture and education
Dynabook goes beyond supplying highly capable computers by supporting initiatives to bring ICT to education by leveraging proprietary functionality and services by, for example, supplying learning apps and account management tools.

TV Systems BU

Promoting innovation, better health, and environmental protection with ideas that make life more convenient and comfortable.



Business Overview

The TV Systems BU develops and sells products, such as TVs and wearable neck speakers, with unique features that put them ahead of what other companies are offering. We continue to work to expand the possibilities of AV equipment.

Activity Status

TVs, which are our core product, are not simply terminals for receiving broadcast waves; rather, they are devices with a broad range of ever-evolving uses, from entertainment to support with daily living, thanks to their increasing size and definition, broadband connectivity, streaming service features, smartphone-like apps, and much more.

TVs are found in 92.5%*1 of households in Japan and are the electric home appliance with which we interact the most in our daily lives, as evidenced by the fact that we spend around three hours per day watching broadcast television (including recorded programs)*2.

In addition to developing basic functionality, i.e., picture and sound quality, for TVs and audio products, we pursue the following ESG and SDGs-related manufacturing and solutions in order to deliver ideas that will make life more convenient and comfortable.

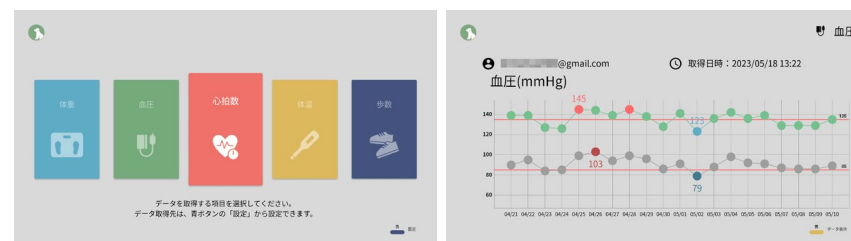
- Incorporating TV-driven health promotion solutions and health-conscious functionality
- Improving energy-saving performance
- Reducing usage of virgin plastic and using more recycled materials

*1 Source: Prevalence and ownership of major durable consumer goods (total households), Consumer Confidence Survey (March 2023), Cabinet Office.
*2 Source: Average usage of major media, Information and Communications in Japan 2022 White Paper, Ministry of Internal Affairs and Communications.

Major SDG Contribution Examples

- Installing the health care-related AQUOS Health Viewer app on big-screen TVs
This app can be linked with smart watches, bodyweight scales, and blood pressure monitors to display large, easy-to-understand graphs on the TV, showing daily changes in number of steps, heart rate, body weight, body temperature, and blood pressure measured by these devices*3. It also provides other functionality such as sharing of measured data with family members to support daily health management.

*3 Capable of linking with devices that are compatible with the Google Fit™ health management app operated by Google LLC.



App screen (image)

- Incorporating Relaxed View image quality mode, which does not hinder the onset of sleep in the hours leading up to bedtime
This mode automatically adjusts the TV image quality to a color temperature more conducive to falling asleep during the hours set by the user.
- Using recycled plastics
In fiscal 2023, recycled plastics are adopted for the stand covers of new TVs sold in Japan. For fiscal 2024 and beyond, we plan to use an increasingly larger amount of these plastics.

(1) Collect used home appliances. (2) Produce recycled plastics. (3) Reuse in TV components



Mobile Communication BU

Using communication technology to build a society where everyone has an equal opportunity to find decent quality of life and work.



Business Overview

The Mobile Communication BU aspires to be a business unit that leverages communication technology to keep on producing new value. By developing diverse networked devices like smartphones routers and creating solutions and services, we provide products and services that inspire people to live more joyful lives.

Activity Status

Japan today is facing a variety of challenges and changes: in addition to a diminishing workforce due to low birthrates and an aging population, and diversifying work styles to accommodate birth, childcare, and family care needs, there are ongoing work style reforms and developments in ICT, such as telecommuting, remote and non-contact solutions, and the growth of DX. In addition, as the population grows increasingly older, there is also heightened interest in healthy life expectancy.

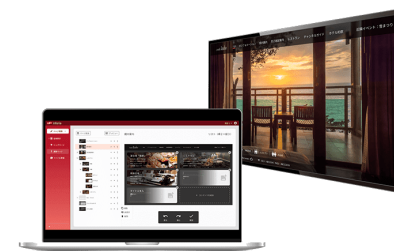
At the same time, efforts to tackle global environmental challenges, such as curbing greenhouse gas emissions, using more renewable energy, developing energy-saving technologies, promoting recycling, and reducing plastic waste, are beginning to pick up speed worldwide.

We will continue to apply the technology and know-how our business has cultivated over the years to pursue new developments in communication networks, such as 5G, so that we can continue to provide products and solutions that help address these social and environmental challenges. Examples of our efforts include:

- Developing corporate solutions that support work style reform
- Developing digital health solutions that contribute to extended healthy life expectancy
- Creating industry-leading energy-saving products (smartphones, routers)
- Using environmentally friendly materials and recycled plastics in more products
- Reducing greenhouse gas emissions accompanying business activities

Major SDG Contribution Examples

- Inforia for Hotel in-room information service
Facilitates non-contact/non-face-to-face customer reception and better operational efficiency.
- “home 5G” router for NTT Docomo
With simple installation that requires only a power outlet to plug it into, this router turns users’ homes into an ultra-high-speed Wi-Fi environment convenient for telework and online learning.
- Medical Listening Plug in-the-ear hearing aid
Helps in the realization of an “ageless society” by giving users better hearing for longer.
- AQUOS series smartphones
The casing of the AQUOS wish3 uses recycled plastic, and this environmental-mindedness extends to the slim packaging that cuts down on paper usage. Environmental-mindedness is displayed in the AQUOS R8 pro through the use of plant-derived plastics in the buttons, and the use of recycled plastic in the casing and sensors of the AQUOS R8.



Inforia for Hotel in-room information service



AQUOS wish3 smartphone recycling (conceptual image)

Sharp Display Technology Corporation (SDTC)

Capitalizing on display and display application technology cultivated over many years to create new products, services, and solutions, which help to address social challenges and which contribute to the realization of a sustainable society.



Business Overview

SDTC develops, manufactures, and sells state-of-the-art display modules of all sizes and for a wide range of applications to meet the diverse needs of global users. Products include head-mounted displays, smartphones, tablets, PCs, vehicular on-board devices, and large-screen TVs.

Activity Status

The history of LCDs at Sharp goes back to 1973 and the development and release of the world's first LCD-equipped COS*¹ pocket calculator. Since then, Sharp has continued, as a leading LCD company, to open up a new era in the field of LCDs by pursuing ever more sophisticated technologies that lead to new products that enrich people's lives. SDTC is focused on strengthening display technology development in areas indispensable to technological progress, such as ultra-low power consumption, environmental resistance, high definition, and high-speed drive. This allows us to create innovative devices, which help ensure a competitive advantage for the three brand businesses fundamental to the growth of Sharp—Smart Life & Energy, Smart Office, and Universal Network—and which lead to new products, services, and solutions that provide support for daily life and business and allow Sharp to continue providing new value to the world. At the same time, through its business activities, Sharp is pursuing the twin sustainable management goals of “creating solutions to social problems through business and technological innovation,” and “reducing the social and environmental impact of business activities through sustainability measures.” These efforts are aimed at building a prosperous society where everyone can live safely and securely and at advancing a variety of business fields towards achievement of the SDGs, helping ensure Sharp is a company that contributes to society, the future, and the global environment.

*¹ COS: Calculator on substratum. All of the calculator system elements, i.e., the display, drive unit, key contacts, etc., are organized on a single substrate.

Major SDG Contribution Examples

- Contributing to carbon neutrality and reducing environmental load
 - Development and mass production of a next-generation LC-LH*² indoor photovoltaic device (fiscal 2023)
We achieved the development and mass production of this photovoltaic device by combining a dye-sensitized solar cell*³ capable of high-efficiency power generation under weak indoor light with LCD manufacturing technology cultivated by Sharp over many years. Replacing disposable batteries with LC-LH helps reduce environmental load.
 - Development and commercialization of ePoster (fiscal 2024)
We combined an ultra-low power display with LC-LH to bring to market ePoster digital signage. This product does not require a power line or primary battery.
- Supporting the creation of a safe and sustainable transportation system
 - Development and mass production of a vehicular on-board sensing camera (fiscal 2023)
The development and mass production of a vehicular on-board sensing camera for advanced self-driving applications and ADAS*⁴ applications will help contribute to the expansion of means of transportation that will reduce traffic accidents and better accommodate the needs of vulnerable members of society.

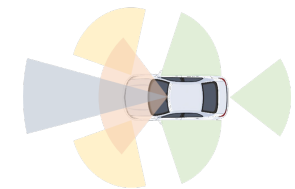


CEATEC
AWARD

LC-LH



ePoster



Vehicular on-board sensing camera

Awards and Honors

- LC-LH indoor photovoltaic device wins Minister of Economy, Trade and Industry Award at CEATEC 2022

*² LC-LH: Liquid and crystal light harvesting.

*³ A type of organic solar cell that converts light absorbed by dyes into electricity.

*⁴ ADAS: Advanced driver assistance systems.

Sakai Display Products Corporation (SDP)

Pursuing energy-saving, zero-emissions activities at our large LCD plant while conserving energy and resources for products manufactured at the large LCD plant in order to develop environmentally friendly business activities, which contribute to SDGs achievement.



Business Overview

SDP is a leading LCD company and the first in the world to utilize 10th-generation (G10) mother glass.

The use of G10 mother glass allows for more efficient production of large displays (70-inch, 60-inch, 42-inch, etc.) for large-screen TVs, electronic whiteboards, and digital signage. Through the development, manufacture, and sale of these displays, SDP is contributing to society by helping develop visual culture and the IT industry.

Activity Status

- SDP is pursuing energy-saving, zero-emissions activities at its large LCD plant.
 - (1) Reduction of greenhouse gas emissions through energy-saving measures
 - (2) Reduction of waste through zero-emissions activities
 - (3) Compliance with the international CSR standards of the RBA*1 Code of Conduct (undergoing RBA audits and then taking corrective action)
- SDP works to conserve energy and resources for products manufactured at its large LCD plant.
 - (1) Development of low-power-consumption displays contributing to the realization of a sustainable society
 - Reflective displays that do not require a backlight
 - Power-saving displays utilizing IGZO*2 technology
 - (2) Reuse of packaging boxes used for overseas shipping of displays, and introduction of recycled raw materials
 - (3) Use of VE*3 design when developing new models to reduce the number of mounted components

*1 RBA: Responsible Business Alliance—a nonprofit organization that pursues social responsibility across the global supply chain.

*2 IGZO: An oxide semiconductor comprising indium, gallium, zinc, and oxygen.

*3 VE: Value engineering. VE efforts focus on the relationship between function and cost in order to better understand and improve the value of products and services.

Major SDG Contribution Examples

- Reduction in power usage at the large LCD plant

As a result of the following efforts, average daily usage has been reduced 5.8% compared with fiscal 2021.

 - Reduction in power usage (-75 MWh/day) as a result of reducing the fan filter unit air volume
 - Reduction in power usage (-9 MWh/day) as a result of efficient air conditioner operation
- Reduction in chemical liquid industrial waste as a result of changing the metal wire etching solution
 - A new chemical solution for etching metal wires was chosen in August 2022, and a mass production trial period began in April 2023. As a result of the change in chemical solution, a roughly 7% annual reduction in liquid waste is anticipated.
- Development of low-power-consumption displays contributing to the realization of a sustainable society
 - Reflective displays are low-power-consumption displays that do not need a backlight, as they use reflected external light. By capitalizing on high outdoor visibility, these displays are expected to be utilized in outdoor signage and other applications.
 - Displays incorporating IGZO technology have high electron mobility, enabling TFT miniaturization and, thus, a large aperture ratio that saves on the amount of back lighting. They also save energy by taking advantage of a characteristic resistance to current leakage even when displaying still images.



Reflective display-mounted outdoor signage



Reflective IGZO display with high outdoor visibility

Sharp Sensing Technology Corporation (SSTC)

Producing unique camera modules and sensing modules that contribute to the advancement of self-driving, XR, smart homes, and other technologies that enrich our daily lives.



Business Overview

SSTC pursues the development and designing in of ultra-high-speed AF polymer lenses*¹ and ultra-compact camera modules, which will help with the advancement of XR*² devices, the key to the spread of the metaverse.

SSTC is accelerating the pace of development and commercialization of on-board camera modules*³ that ensure greater safety and security when driving and of unique camera modules for devices intended for smart homes and offices.

Activity Status

SSTC develops, manufactures, and markets camera modules for smartphones, tablets, and other IT equipment. In 2000 Sharp released the world's first mobile phone with a camera, which was equipped with a camera module developed by SSTC. The camera module we developed at that time had a resolution of only 0.11 megapixels. We pursued higher and higher image quality and eventually came out with a camera module with a 1-inch, 20.2-megapixel sensor in 2021, followed by a camera module equipped with a 47.2-megapixel sensor in 2022. This gave image quality equivalent to that of a single-lens-reflex camera and let users easily take high-resolution photographs.

SSTC is also applying the elemental technologies that it has cultivated over the years to developing camera modules and sensing modules for XR devices, in-vehicle devices, and smart home and office devices. It is through the creation of devices such as these that SSTC is helping to enrich society.

*¹ Lenses that focus by changing the lens thickness.

*² A general term for technology that fuses the real world with the virtual world.

*³ Camera modules that monitor the driver and passengers.

*⁴ As of December 2022, based on Sharp findings.

Major SDG Contribution Examples

- Development of a camera module for XR devices
 - RGB (red, green, blue) camera modules with polymer lenses focus by changing lens thickness. They can focus more quickly than conventional cameras and are more pleasant to use as they are less prone to inducing motion sickness.
 - We developed an ultra-compact camera module, which, at approximately 1.96 mm, is the world's thinnest*⁴, making possible smaller and lighter devices.



VR head-mounted display

- Development of an on-board camera module that monitors the driver and passengers
A camera module system integrated with the display helps ensure greater safety and security when driving.



Image is for illustrative purposes.

Incorporation into an on-board display

- Development of a unique camera module for smart homes and offices
This camera module is installed in electrical appliances, digital signage, and elsewhere to help with the creation of new services that have a more personal feel.



Incorporation into digital signage

Sharp Semiconductor Innovation Corporation (SSIC)

Contributing to a sustainable society by developing devices that impact society in a positive way while creating and expanding new businesses with the potential to form new ecosystems.



Business Overview

SSIC creates, develops, and sells the key devices that underpin so many of Sharp’s unique products. They include the PCI module, sensor devices used primarily in home appliances, such as robot vacuum cleaners, and communication modules for infrastructure monitoring systems.

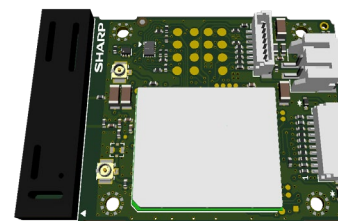
Activity Status

We are developing and selling devices and modules that will serve as technological infrastructure for DX and digital healthcare solutions utilizing 8K+5G and AIoT*¹.

- We are making possible health support in a variety of situations by utilizing sensors that apply existing optoelectronics technology to develop devices with bio-sensing functionality and building solutions that can monitor people’s state of health.
- We are developing infrastructure monitoring IoT communication devices that enable us to contribute to the development of society through industry DX solutions.
- As a Sharp Group company, we will contribute to the digital healthcare field by developing devices for in-house products, such as key devices for Plasmacluster, a unique feature of Sharp products.
- The resulting expansion in the range of unique, proprietary devices, particularly for major global corporations, can be expected to spur reforms in a variety of lifestyle settings and improve both social activities and quality of life.
- We will contribute to the development of our communications-based society by creating new technologies (Beyond 5G) for next-generation communications.

Major SDG Contribution Examples

- Providing IoT communication modules for infrastructure applications
We will realize continuous, interruption-free IoT equipment using IoT adapters as an alternative to non-mobile communications infrastructure (ADSL/ISDN).
- Rolling out new opto-device products in new fields
We will facilitate the evolution of new products, including ToF*² ranging sensors for robot vacuum cleaners, photointerrupters for smart water meters, and proximity sensors for TWS*³ earphones.
- Ongoing R&D work for development of a B5G SoC*⁴
We were selected to carry out work under the R&D of B5G IoT, SoC, and IoT Solution Building Platforms Enabling Continuous Evolution, a program of the National Institute of Information and Communications Technology (NICT). Having passed the R&D stage gate evaluation with the highest rank, we continue to be contracted by NICT to carry out research and development. We are working to accelerate establishment of next-generation technologies to replace current 5G communications in Japan.



IoT communication module



Various sensors (optical sensor, others)

*¹ AIoT is a word coined by Sharp, combining the words AI (artificial intelligence) and IoT (Internet of things). Sharp is pursuing a more people-oriented world through AIoT-driven devices and services.

*² ToF: Time of flight. A method for measuring distance from a target object by measuring how long it takes light from an optical source to reflect off the target and return to a sensor (optical detector).

*³ TWS: True wireless stereo.

*⁴ SoC: System on a chip.

Sharp Fukuyama Laser Co., Ltd. (SFL)

Semiconductor business: Aggressively expand production capacity in order to contribute to the growth of a semiconductor industry that sustainably supports the foundations of society.

Laser business: Create novel laser devices focused on those technologies, such as 5G and EV, essential to the society of tomorrow.



Business Overview

SFL's wafer foundry business involves the development of semiconductor manufacturing processes and manufacturing based on customer design data. SFL's semiconductor laser business provides light sources for industrial use in copper processing and FPC substrate processing and for use in lighting and measurement.

Activity Status

The semiconductor business involves the development of manufacturing processes for LCD driver ICs*1 associated with LCD image display and control used in a wide range of fields, including consumer and industrial, and power supply ICs*2, which play an important role in ensuring stable power supply to electronic devices and efficient energy management, as well as the manufacture and sale of wafers. Through this business, SFL contributes to the realization of SDG 9 (industry, innovation, and infrastructure).

The laser business involves the development, manufacture, and sale of high-powered blue laser diodes for the copper processing needed to manufacture the thin electrical wiring of environmentally friendly EVs, and of green laser diodes, which serve as a light source for laser levels used at construction sites and elsewhere to measure and check horizontal and vertical axes alignment. Through this business, SFL contributes to the realization of SDG 11 (sustainable cities and communities).

These businesses drive industrial and technological innovation, and through the contributions we make to building a healthy and comfortable society for all, we are working to improve the social value of our company.

*1 Integrated circuits that send the electrical signals that operate LCDs.

*2 Integrated circuits responsible for controlling power supply in electrical appliances.

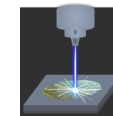
Major SDG Contribution Examples

- Expansion in production of the semiconductors upon which society depends
 - We contribute to a stable supply of LCD driver ICs and power supply ICs by increasing production capacity
 - We develop next-generation manufacturing processes for power supply ICs in order to achieve greater power savings



Semiconductor plant

- Development and expanded sales of semiconductor lasers, which contribute to sustainable cities and communities
 - We developed a high-powered blue laser diode for the copper processing of thin electrical wiring used in EVs.
 - We expanded sales of green laser diodes for use with levels.



High-power blue laser diode

- Resource recycling centered on reducing and recycling waste
We promote safety awareness and risk communication through plant wastewater sampling and analyses conducted jointly by local residents, government, and Sharp.



Plant wastewater sampling and analyses

- Participation in local cleanups
Employees took part in Fukuyama City's Ashida River Conservation Day cleanup. SFL helps keep the city clean by picking up trash and preventing waste from getting into rivers and oceans.



Employees participating in a local cleanup

Corporate Research & Development Group

By using society-changing, proprietary, world-first, and world's-best technology to build entirely new ecosystems and create and expand new businesses, we are contributing to a sustainable society.



Business Overview

The Corporate Research & Development Group is working to create innovative technologies that will serve as the fundamental engine for innovation company-wide, as well as to build platforms centered on Sharp's unique technologies. Our aim is to help make society both people and environmentally friendly by tackling the challenge of new business creation and accelerating the pace of innovation achievement through the rapid deployment in society of the fruits of development.

Activity Status

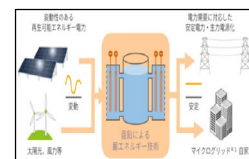
In order to realize a sustainable society, we pursue the development of innovative technology in four areas that will help address the increasingly diverse and complex challenges facing society, as well as generate new business.

- Lifestyle innovation
In this area, we are focused on digital healthcare business that will improve quality of life and on helping to address societal challenges through improvement of air, food, and water quality.
- Green innovation
In this area, we are focused on achieving carbon neutrality via the creation of energy generation, storage, and conservation technologies, as well as pursuing greater technological innovation via the 3Rs (reduce, reuse, recycle).
- Industry DX and AI applications
 - We are working to expand the application of AI technology in industry DX solutions that will provide labor savings and greater operational efficiency.
 - We are working on people-friendly AI applications that will provide functional innovation in household appliances, and on strengthening AIoT*1 platforms.
- Communication innovation
Sharp holds a total of more than 6,000 patents in more than 50 countries. These patents play an essential role in communications standards including 5G. In addition, Sharp is actively involved in the development of international standards, creating technology to be used for next-generation communications and video encoding standardization.

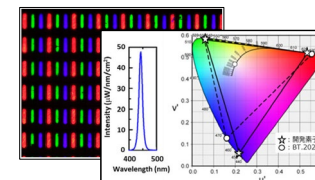
*1 AIoT is a word coined by Sharp, combining the words AI (artificial intelligence) and IoT (Internet of things). Sharp is pursuing a more people-oriented world through AIoT-driven devices and services.

Major SDG Contribution Examples

- Spreading the use of renewable energy and achieving carbon neutrality
With the aim of realizing and rapidly commercializing innovative power storage technology, Sharp has begun developing energy storage technology that utilizes a flow-type zinc-air battery well-suited to large-scale power storage.
- Development of a new, self-illuminating display, which reduces environmental load
Sharp has succeeded in patterning RGB (red, green, blue) pixels using quantum dots with a narrow spectral width and that do not contain cadmium. It is aiming to rapidly commercialize this technology as a “nano LED” next-generation, high-efficiency display.
- Deployment of next-generation mobile communications technology in society
Sharp is performing validation testing of local 5G-driven, wide-area rangeland management that will help reduce the labor required for rangeland mowing and snow removal.
- Development of 5G wireless communications/video standards patents and standardization technology
Sharp owns standard-essential patents declared for 1,846 patent families for 5G standards (13th largest globally, 2nd largest in Japan)*2. It uses these to help with the wireless communication standardization technology and standardization that underpin social infrastructure.



Energy storage technology utilizing zinc (image)



Quantum dot light-emitting element RGB pixels and blue quantum dot emission spectrum and color gamut



Local 5G validation testing

Awards and Honors

- 2022 Industrial Science and Technology Policy and Environment Bureau Director-General's Award*3, given to industry standardization projects

*2 As of June 2023. Based on findings from a third-party institute.

*3 Awarded by the Ministry of Economy, Trade and Industry for achievements in industry standardization activities, such as standards formulation and conformity assessment activities.

Environmental Initiatives

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0.43%
Final Landfill
Disposal Rate



17.6%
reduction
Greenhouse gas emissions
(Base year: FY2021)

Environmental Initiatives: Environmental Vision

SHARP Eco Vision 2050 Long-term Environmental Vision



To accelerate our efforts toward the long-term environmental vision, Sharp is formulating medium-term environmental goals that define specific activities and quantitative targets in each field. To address climate change, Sharp aims to achieve net zero CO₂ emissions from its business activities by 2050, with interim reduction targets of 40% by 2030 and 60% by 2035^{*4}. Sharp is aiming to solve social problems and continuously boost corporate value by deepening ties with stakeholders through business activities and environmental conservation efforts.

- *1 Subtracting the amount of absorption from the amount of greenhouse gas emissions, so that the total is effectively zero.
- *2 An economic system aimed at eliminating wastes and circulating resources. Waste products and raw materials are considered new resources and are thus recycled.
- *3 The Paris Agreement sets forth the long-term targets of keeping the rise in global average temperature well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C.
- *4 See page 033.

The international community has recognized the urgent need to address increasingly serious environmental problems, such as climate change, resource depletion, and plastic pollution. This awareness is accelerating global action to solve these social problems, including efforts associated with the achievement of the Sustainable Development Goals (SDGs) and carbon neutrality^{*1}, and the creation of a circular economy^{*2}. In 2019 Sharp formulated SHARP Eco Vision 2050, a long-term environmental vision based on its Basic Environmental Policy of “Creating an Environmentally Conscious Company with Sincerity and Creativity,” which was established in 1992. Sharp is working toward realizing a sustainable global environment by pursuing long-term goals set in three fields of action with 2050 as the target year: climate change, resource recycling, and safety and security.

In the field of climate change, while keeping in mind the 1.5°C target^{*3} stipulated in the Paris Agreement, Sharp aims to become carbon neutral in its business activities. It also seeks to broaden and disseminate clean energy-related products and services and to reduce greenhouse gas emissions from its products and services. In the resource recycling field, Sharp pursues a circular economy by endeavoring to use recycled materials in all product parts and to achieve zero final landfill disposal from its business activities. In the safety and security field, Sharp strictly manages chemical substances that may affect people’s health, the natural environment, and ecosystems and restricts their use to eliminate the risk of negative effects.

Environmental Initiatives: Environmental Vision

Long-term Environmental Goals

To bring about SHARP Eco Vision 2050, we have stipulated long-term goals in three fields of action. In pursuing these goals, we will strive to create more clean energy than the total amount of energy consumed in Sharp's entire supply chain, while minimizing the environmental impact of our business activities.



Climate Change

Sharp has up to now striven to use less energy in its business activities and to make products that are increasingly more energy efficient so as to reduce the amount of energy consumed by households and society as a whole.

We began developing solar cells after founder Tokujii Hayakawa said, "All the products we make use electricity. As our company grows, we will need more electricity, so why don't we make electricity ourselves?" Since then, we have spent more than half a century working to spread solar power generation.

It is precisely because Sharp makes products that use electricity that we have a responsibility to reduce the environmental impacts resulting from this electricity use.

By promoting the world goal of carbon neutrality, Sharp is taking on the challenge of achieving the following two goals by 2050 and thus becoming carbon-free throughout its supply chain, including its own business activities.

Goal

- Achieve net zero CO₂ emissions in Sharp business activities.
- Create more clean energy than the total amount of energy consumed in Sharp's entire supply chain.



Resource Recycling

Sharp has up to now provided the world with all kinds of value through the creation of new products. At the same time, we have used many resources to do so.

Sharp should continue to provide its stakeholders with all kinds of value by making the most efficient use of finite resources around the globe.

By making more efficient use of resources and continuing to offer maximum value with minimal resources, Sharp is taking on the challenge of achieving the following two goals by 2050 and thus building a circular economy and realizing a recycling-oriented society.

Goal

- Use no newly extracted resources* for making products.
- Achieve zero final disposal to landfill of waste generated in Sharp business activities.

* Excludes those not suitable for recycling from an environmental standpoint.



Safety and Security

Sharp uses various chemicals in production processes in its factories, and the products themselves contain various chemicals. Such chemicals must be strictly managed because some of them can have negative effects on people's health, the natural environment, or ecosystems.

Sharp's business activities must not have a negative effect on people's health, the natural environment, or ecosystems.

As well as complying with current international standards, Sharp has established its own even stricter in-house standards. Under these far-sighted standards, we thoroughly manage relevant chemicals with the goal of eliminating any negative effects that chemicals may have on people's health, the natural environment, or ecosystems.

Goal

- Properly manage chemicals in order to protect people's health, the natural environment, and ecosystems.

Environmental Initiatives: Climate Change

Sharp's Stance on Climate Change

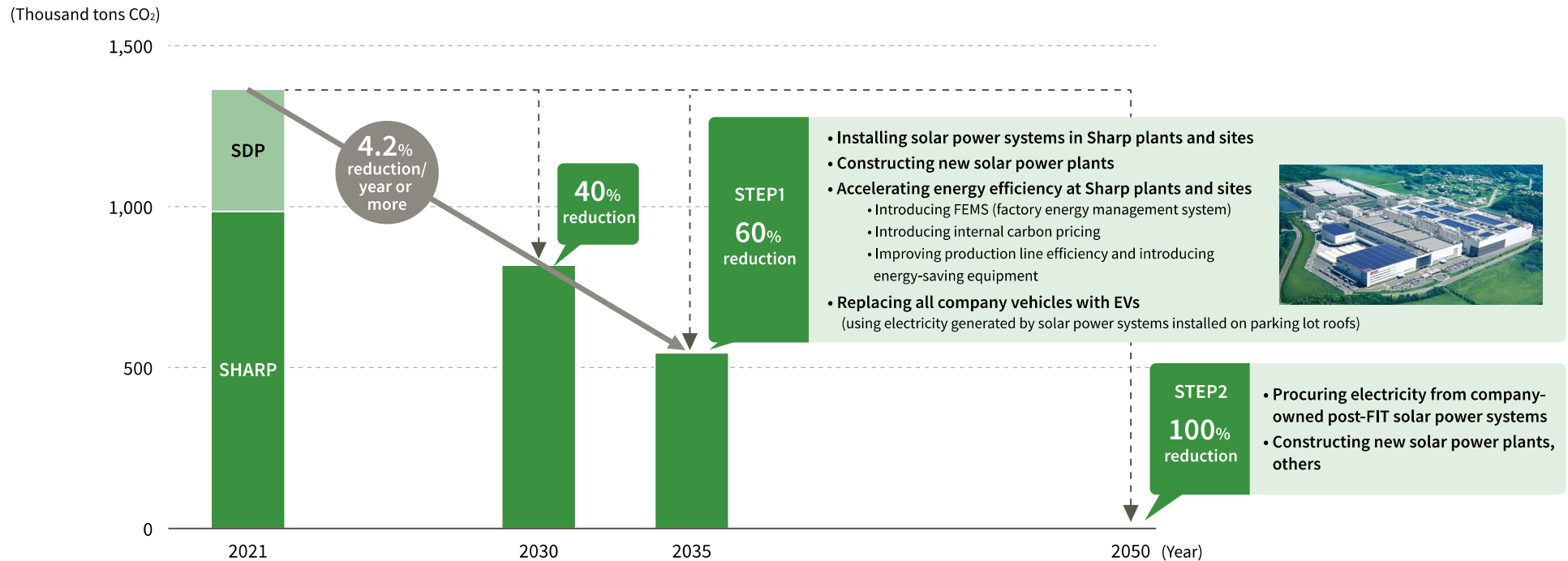
Medium-term Environmental Goals

Climate change is the most pressing and important issue currently facing humanity. It is driving an increase in natural disaster severity that significantly impacts, both directly and indirectly, not only our daily life but business as well. Sharp recognizes that climate change is a material management issue and is working to address this issue through its long-term environmental vision, SHARP Eco Vision 2050, which was created in 2019 and which encompasses a goal to “Achieve net zero CO₂ emissions in Sharp business activities.” To achieve our long-term environmental vision, we have also set new medium-term environmental goals—a 40% reduction in CO₂ emissions by 2030 and a 60% reduction by 2035*.

Going forward, Sharp will continue to steadily reduce CO₂ emissions by installing solar power systems in our plants and other sites, saving energy, building new solar power plants, and converting the company fleet to electric vehicles (EVs).

* Compared with fiscal 2021. Includes emissions from fiscal 2021 onwards from Sakai Display Products Corporation, which became a wholly owned subsidiary of Sharp Corporation in June 2022.

■ Medium-term Environmental Goals for Achieving Net Zero CO₂ Emissions from Corporate Activities



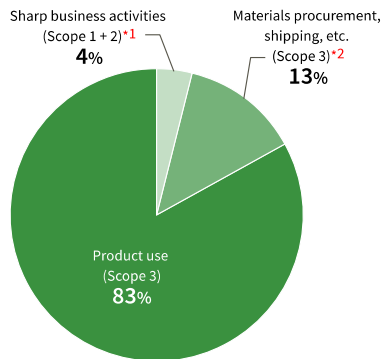
Environmental Initiatives: Climate Change

Sharp's Stance on Climate Change

Reducing Environmental Impact Associated with Product Usage

When greenhouse gas emissions for the entire Sharp value chain are calculated and analyzed, the results show that more than 80% of emissions are associated with the use of sold products. Based on this fact, Sharp has identified reducing environmental impact associated with product usage by customers (i.e., improving product energy efficiency) and Sharp business activities (i.e., manufacturing) as material issues in addressing climate change.

Breakdown for Sharp Greenhouse Gas Emissions (Fiscal 2022)



Ways to reduce GHG emissions by creating environmentally conscious products

- Quantifying and analyzing GHG emissions throughout the product life cycle
- Incorporating AIoT*3 devices and cloud technology to reduce GHG emissions during product use
- Reducing GHG emissions through the provision of conducive products and services (e.g., solar power systems and storage batteries)

Participation in Climate Crisis Initiatives and Other Efforts

Sharp participates in the Science Based Targets initiative (SBTi)*4, which is focused on pursuing action that will achieve real and reliable results in the fight against climate change. Sharp has been certified for SBT WB2°C*5 (well below 2°C) and is now preparing to get certified for the 1.5°C target*6. This will align the company with medium-term environmental goals we set in June 2022. We also aim to use 100% renewable energy in business activities and are preparing to join RE100, a global initiative for 100% renewable electricity.

In Japan, Sharp participates in the Liaison Group of Japanese Electrical and Electronics Industries for Global Warming Prevention*7, which is a group focused on strengthening industry-wide decarbonization action. The members of this group share information about the latest energy-saving initiatives being implemented in factories, and they engage in discussion related to policy recommendations. Sharp also participates in the Japanese Ministry of Economy, Trade and Industry's GX League*8, which fully launched in fiscal 2023. Through this, Sharp is ramping up its efforts to contribute to global carbon neutrality.



- *1 Direct GHG emissions from business activities.
- *2 Indirect GHG emissions from energy usage in business activities.
- *3 AIoT is a word coined by Sharp, combining the words AI (artificial intelligence) and IoT (Internet of things). AIoT is a vision of how products and services will connect to artificial intelligence via the cloud and become a people-oriented existence. AIoT is a registered trademark of Sharp.
- *4 This climate change-related initiative is a collaborative effort of the United Nations Global Compact (UNGC), the CDP, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). The SBTi promotes the establishment of science-based GHG emissions reduction targets in conformance with the Paris Agreement.
- *5 A target of keeping the increase in global average temperatures to well below 2°C above pre-industrial levels.
- *6 A target of limiting the increase in global average temperatures to 1.5°C above pre-industrial levels.
- *7 This group comprises companies from electrical and electronics industry associations in Japan, such as the Japan Electrical Manufacturers' Association (JEMA) and the Japan Electronics and Information Technology Industries Association (JEITA). The Liaison Group undertakes industry-wide efforts aimed at preventing global warming—for example, proposing action plans to achieve carbon neutrality.
- *8 GX stands for 'green transformation'—an initiative to transform society into being carbon neutral by 2050. The GX League is a forum where companies pursuing sustainable growth collaborate with other companies, government, and academic organizations that share the same GX goals.

Progress towards Science Based Targets (WB2°C Target)

	Target	Fiscal 2022 Results	Base Year Comparison
Scope 1 + 2	By fiscal 2031, reduce GHG emissions by 33% compared with fiscal 2018	1,125 thousand tons CO ₂	4% increase
Scope 3 (Category 11)	By fiscal 2031, reduce GHG emissions by 33% compared with fiscal 2018	25,800 thousand tons CO ₂	6% reduction

Environmental Initiatives: Climate Change

TCFD-based Information Disclosure

Action on the TCFD Recommendations

The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB), an organization promoting international financial stability. In 2017 the TCFD released recommendations for companies to disclose information on the risks and opportunities of climate change. Sharp has declared support for the TCFD recommendations and is expanding disclosure of climate-related information in accordance with the framework set by the TCFD.



1. Governance

Climate-related issues are monitored and countermeasures supervised by the President & CEO, who chairs the Sustainability Committee^{*1}. The committee includes senior executives and members from head office departments, business units, and subsidiaries. The committee works to thoroughly implement policies and visions related to aspects of ESG such as climate change; it deliberates on and promotes active measures; and it shares the latest trends on societal issues.

Through monitoring and review by management at committee meetings, Sharp continuously strengthens climate change action to play a part in making society sustainable.

2. Strategy

Sharp sees climate change as both a risk and an opportunity in the medium to long term. We are studying strategies and learning about organizational resilience in the context of climate change-related risks and opportunities. To understand long-term impacts up to 2050, we analyzed climate change scenarios outlined by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) (1.5°C scenario^{*2} and 4°C scenario^{*3}). The following page provides detailed information about those risks and opportunities, along with a summary of associated measures.

3. Risk Management

Sharp identifies and assesses climate-related risks in accordance with the Rules of Business Risk Management^{*4}, in which the basic approach to risk management has been established. Specifically, Sharp identifies climate-related risks that are highly likely to occur based on its analysis of climate scenarios forecast for the future. Sharp reports its findings as necessary to senior executives and the Internal Control Planning Division, which serves as the risk management secretariat. It also facilitates necessary improvement measures in partnership with involved departments.

4. Metrics and Targets

Sharp’s long-term environmental vision, SHARP Eco Vision 2050, aims to achieve net zero CO₂ emissions from business activities by 2050. To reach this target, Sharp has set a medium-term environmental goal of reducing CO₂ emissions by 60%^{*5} by 2035. This goal, which is based on the SBT 1.5°C target, reflects our aim of reducing annual CO₂ emissions by at least 4.2%.

*1 See page 009.

*2 IEA Net Zero Emissions by 2050 Scenario; SSP1-1.9 scenario from the IPCC 6th Assessment Report (AR6).

*3 RCP 8.5 scenario from the IPCC 5th Assessment Report (AR5).

*4 See page 123.

*5 Includes emissions from fiscal 2021 from Sakai Display Products Corporation, which became a wholly owned subsidiary of Sharp Corporation in June 2022.

■ Progress towards Reducing GHG Emissions (Fiscal 2022 Results)

Base Year (fiscal 2021 results ^{*5})	Fiscal 2035 Target (60% reduction compared with fiscal 2021)	Fiscal 2022 Results	Base Year Comparison
1,365 thousand tons CO ₂	546 thousand tons CO ₂	1,125 thousand tons CO ₂	17.6% reduction

Environmental Initiatives: Climate Change

TCFD-based Information Disclosure

■ Business Risks and Opportunities; Sharp's Response

Scenario	Factors	Changes	Impacts on Sharp	Risk or Opportunity	Degree of Impact	Time Until Impact Becomes Apparent*	Sharp's Response
1.5°C	Introduction of carbon pricing	Increased raw material procurement costs	Costs passed on to purchase prices due to carbon tax levied on Sharp-purchased products	Risk	Large	Short term	<ul style="list-style-type: none"> ● Seek to use raw materials with low GHG emissions ● Find suppliers that strive to reduce environmental impact ● Optimize purchase volume (thorough inventory control)
		Increased direct operational costs	Increased payment costs due to carbon tax levied in line with Sharp's Scope 1 and 2 emissions	Risk	Large	Short term	<ul style="list-style-type: none"> ● Reduce GHG emissions through further energy savings ● Further investment into low-carbon facilities and equipment by introducing internal carbon pricing
	Pressure to decarbonize and pursue environmental friendliness in the supply chain	Decline in competitiveness due to failure to meet user needs for environmental friendliness	Decrease in sales due to failure to meet user expectations for environmental friendliness	Risk	Medium	Short term	<ul style="list-style-type: none"> ● Understand market needs through ongoing communication with users ● Ongoing R&D in energy savings
		Increased costs associated with switching to environmentally friendly materials	Increased costs associated with switching to electric furnace materials, recycled plastic, and bio-plastic, which emit less CO ₂	Risk	Medium	Medium term	<ul style="list-style-type: none"> ● Find suppliers that provide low-cost environmentally friendly materials ● Maintain consumer price elasticity through disclosure of the use of environmentally friendly materials
		Increased energy procurement costs due to switching to renewable energy	Increased costs associated with in-house power generation, power purchase agreements (PPA), switching to renewable energy, and purchase of environmental value certificates	Risk	Small	Medium term	<ul style="list-style-type: none"> ● Reduce GHG emissions through further energy savings ● Seek partners in low-cost PPA and renewable energy projects
	Expansion of the renewable energy market	Increased demand for solar power-related products and systems from producers and users of renewable energy	Increased possibility for revenue growth by expanding product and system offerings	Opportunity	Medium	Short term	<ul style="list-style-type: none"> ● Ongoing development of solar power-related products and systems in response to market demand
		Increased demand for zero energy houses (ZEH)	Increased possibility for revenue growth by strengthening offerings of flat-rate solar power services for homes and home energy management systems (HEMS)	Opportunity	Medium	Short term	<ul style="list-style-type: none"> ● Provide energy solutions (systems, services) that meet market demand
Expansion of environmental protection businesses	Expansion of circular economy business models	Increased support from customers by establishing a waste-free circular economy business model, amid growing efforts for decarbonization in society	Opportunity	Small	Medium term	<ul style="list-style-type: none"> ● Further pursue the recycling of waste plastic by leveraging closed-loop material recycling and other technologies ● Aggressively create new business opportunities through ongoing information gathering on solar cell recycling 	
4°C	Intensifying weather-driven disasters	Disruptions in the supply chain	Intensifying weather-driven disasters affect Sharp suppliers and bases and the supply chain, leading to a loss in sales opportunities for Sharp	Risk	Medium	Long term	<ul style="list-style-type: none"> ● Purchase from multiple sources and regions ● Survey the status of our main suppliers' business continuity plans (BCP) and reinforce measures ● Further upgrade BCPs at Sharp bases

* Short term: three years or less; medium term: by around 2030; long term: by around 2050.

Environmental Initiatives: Climate Change

Greenhouse Gas Emissions Based on the GHG Protocol Initiative

Sharp calculates greenhouse gas emissions based on the GHG Protocol^{*1} and then works to limit those emissions resulting from customer use of Sharp products and from Sharp's business activities, including those in the supply chain.

^{*1} The GHG Protocol is an international standard for calculating greenhouse gas (GHG) emissions. It was jointly established by the World Business Council for Sustainable Development (WBCSD), a coalition of the world's leading companies, and the World Resources Institute (WRI), a United States-based think tank.

^{*2} Flat-panel TVs, air conditioners, refrigerators/freezers, washing machines/dryers, air purifiers, Plasmacluster Ion generators, microwave ovens, copiers/MFPs, solar cells.

^{*3} Annual power consumption of each product × number of units sold × product life × CO₂ emission coefficient.

^{*4} TVs (CRT TVs, flat-panel TVs), air conditioners, refrigerators/freezers, washing machines/dryers.

Greenhouse Gas Emissions by Scope 1/2/3 Categories Based on the GHG Protocol Initiative (Fiscal 2022)

Category	Emissions (Thousand Tons CO ₂)	Notes
Scope 1 (direct GHG emissions from business activities)	331	Emissions from combustion of fuel, etc.
Scope 2 (indirect GHG emissions from energy usage in business activities)	794	Emissions from the use of electricity
Total of Scope 1 and Scope 2	1,125	
Scope 3 (indirect GHG emissions from outside the scope of business activities)	1. Purchased goods and services	3,232 Emissions from the manufacture of materials procured for the main products ^{*2} that the Sharp Group sold in the reporting year
	2. Capital goods	121 Emissions from the construction, manufacture, and transportation of Sharp Group capital goods (such as equipment, machinery, buildings, facilities, and vehicles)
	3. Fuel- and energy-related activities (not included in Scope 1 or 2)	207 Emissions from the procurement of fuels (natural resource extraction, manufacture, and transportation) consumed in the generation of electricity and heat the Sharp Group procures from other companies
	4. Upstream transportation and distribution	203 Emissions from the transportation of Sharp Group parts and materials and products manufactured
	5. Waste generated in operations	2 Emissions from waste disposal and treatment by the Sharp Group
	6. Business travel	2 Emissions from business travel by all employees of Sharp Corporation
	7. Employee commuting	5 Emissions from commuting by all employees of Sharp Corporation
	8. Upstream leased assets	— Included in Scope 1 and 2 CO ₂ emissions
	9. Downstream transportation and distribution	29 Emissions from the transportation (from retailers to end consumers) of the main products ^{*2} that the Sharp Group sold in the reporting year
	10. Processing of sold products	260 Emissions from processing at destination of Sharp Group products
	11. Use of sold products	25,800 Emissions ^{*3} from the use of the main products ^{*2} that the Sharp Group sold in the reporting year
	12. End-of-life treatment of sold products	3 Emissions from recycling 4 types of appliances ^{*4} that Sharp Corporation sold in Japan
	13. Downstream leased assets	— Not applicable
	14. Franchises	— Not applicable
	15. Investments	— Not applicable
Scope 3 total	29,864	
Scope 1 + 2 + 3 total	30,989	

Environmental Initiatives: Climate Change

Reducing Business Activity-Linked Greenhouse Gas Emissions

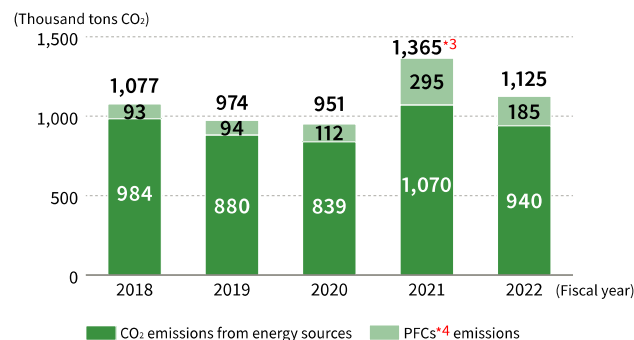
Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2025
■ Reduce greenhouse gas emissions by 4.2% (baseline year: fiscal 2021)	■ Reduced greenhouse gas emissions by 17.6% (baseline year: fiscal 2021)	★★	■ Reduce greenhouse gas emissions by 16.8% (baseline year: fiscal 2021)

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

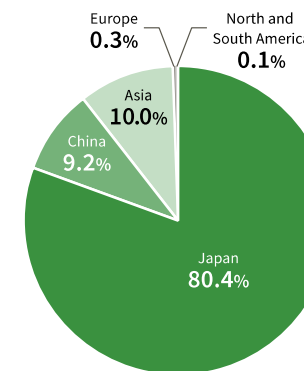
Under SHARP Eco Vision 2050—our long-term environmental vision—Sharp is aiming to achieve net-zero CO₂ emissions in its business activities. To achieve our long-term environmental vision, we have set medium-term environmental goals—a 40% reduction in CO₂ emissions by 2030 and a 60% reduction by 2035. We are also working to reduce GHG emissions associated with business activities. The Sharp Group’s GHG emissions from business activities in fiscal 2022 was down 17.6% to 1,125,000 tons CO₂ compared to the previous fiscal year.

Each Sharp production base is strengthening efforts involving all equipment and systems—ranging from production lines to utility systems for supplying electricity, gas, and water—to boost energy efficiency and reduce GHG emissions. In particular, the LCD and electronic component plants consume large amounts of energy. The plants’ production, engineering, and environmental departments work together to reduce consumption of base-load energy. Efforts include installing inverters*¹ and optimizing the air conditioning in clean rooms*². To achieve its environmental goals, Sharp will continue to install solar power systems in its plants and other sites, introduce factory energy management systems, streamline production lines, and install energy-saving equipment in utility systems.

■ Sharp Group’s GHG Emissions



■ GHG Emissions by Region (Fiscal 2022)



*¹ A device to control the number of motor rotations.
 *² A room where the temperature, humidity, and cleanliness are kept at controlled levels.
 *³ Includes emissions in fiscal 2021 from Sakai Display Products Corporation, which became a wholly owned subsidiary of Sharp Corporation in June 2022.
 *⁴ HFCs, PFCs, sulfur hexafluoride (SF₆), nitrogen trifluoride (NF₃).

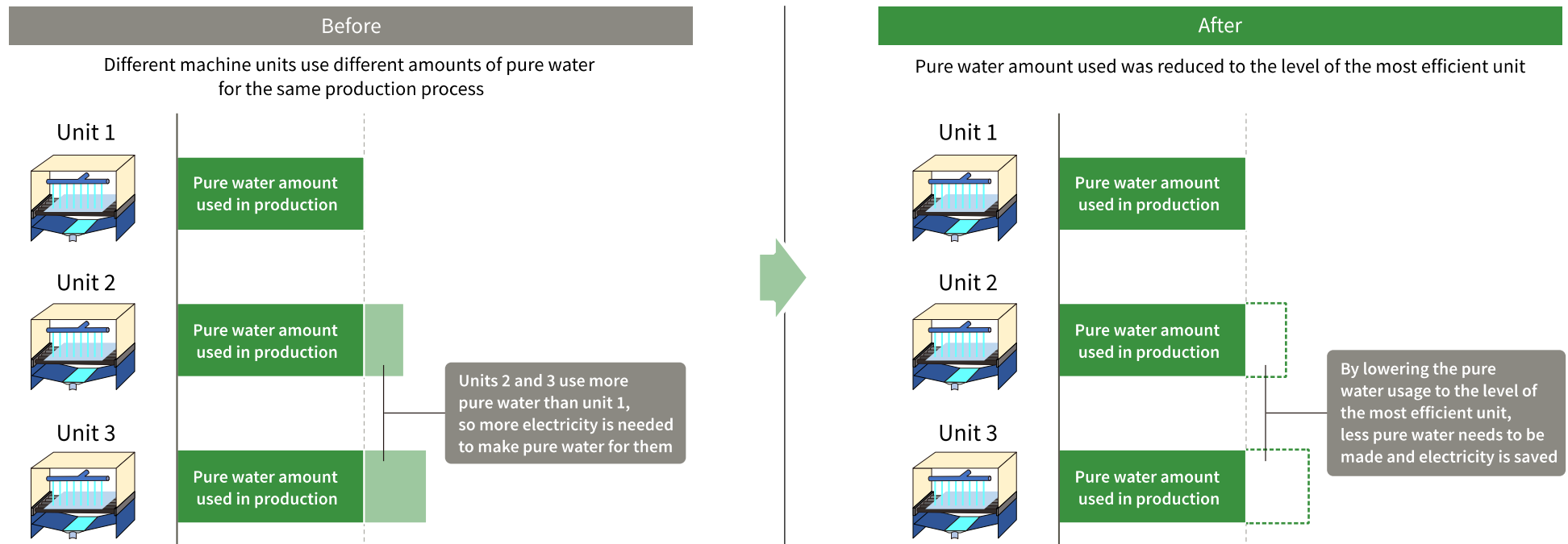
Environmental Initiatives: Climate Change

Reducing Business Activity-Linked Greenhouse Gas Emissions

Example

Reducing Greenhouse Gases in the Production Process

The Kameyama Plant (Kameyama, Mie Prefecture) recycles all pure water used in the production process by recovering it after use, removing impurities to once again make it pure water, and then reusing it. Previously, different units of the same machine used different amounts of pure water even though performing the same production process. But after adjusting the operating parameters of the various machine units and repeatedly confirming quality, the amount of pure water used was reduced to a unified low level. This allowed the plant to reduce the electricity needed to make pure water, resulting in an annual greenhouse gas reduction of 187 t-CO₂.



Environmental Initiatives: Climate Change

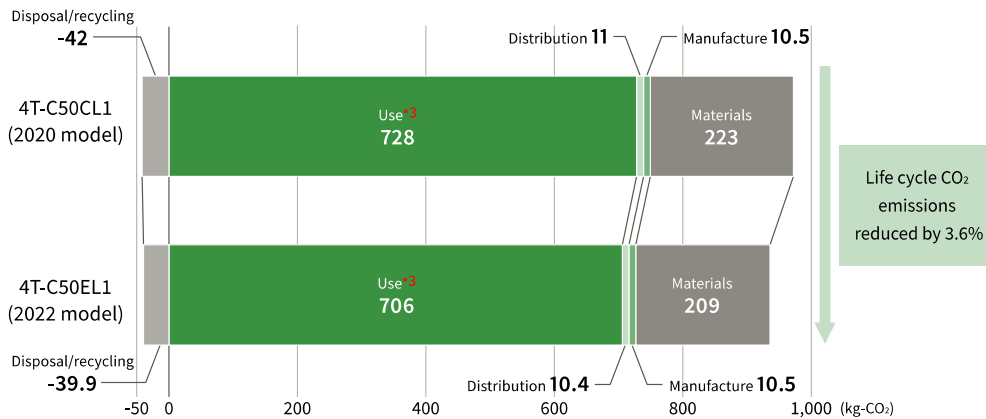
Product Life Cycle Assessment

Identifying and Reducing Environmental Impacts throughout the Life of Products

Sharp performs a life cycle*¹ assessment (LCA) on its products to identify their impact on the environment throughout their service life and uses the results in product planning and development.

Consumer electronics generally have a large impact on the environment during use. Thus, by focusing on improving their energy savings, overall environmental impact can be effectively reduced. A decrease in the environmental impact of 4K*² LCD TVs was achieved by improving energy efficiency and reducing the products' weight.

LCA Data for 4K LCD TVs



*¹ The life of a product from materials and parts procurement to manufacture, distribution, use, disposal, and recycling.
 *² Ultra-high-definition video standard with a resolution of 3,840 × 2,160 pixels (8.29 million pixels). This is four times the resolution of current 2K full high-definition broadcasts (1,920 × 1,080 pixels; 2.07 million pixels).
 *³ CO₂ emissions during use are calculated using a CO₂ emission coefficient (adjusted) announced by Japan's Electric Power Council for a Low Carbon Society (ELCS).

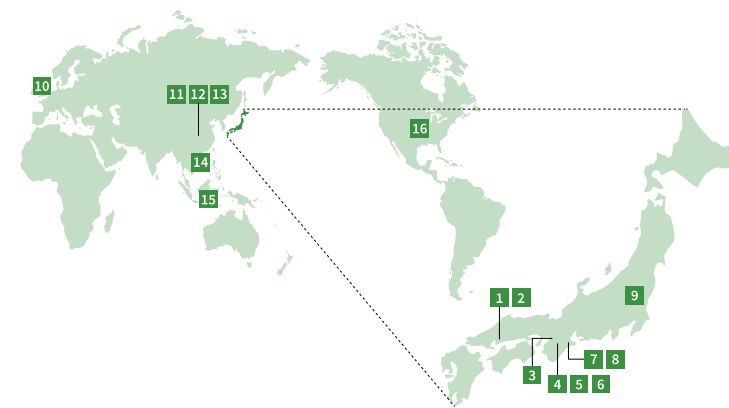
Utilizing Renewable Energy

Sharp has introduced the use of PV systems, green power, and other power sources to its domestic and overseas production bases and is advancing the use of renewables to do its part to create a decarbonized society. In fiscal 2022, the launch of new PV systems at plants in Thailand and Indonesia greatly increased the amount of Sharp's electricity generation to 5.06 million kWh. Sharp also purchased 5.18 million kWh of green power.

This is equivalent to the annual energy consumption amount*⁴ of roughly 3,000 average households in Japan. Sharp will continue to expand the use of renewable energy sources.

*⁴ Calculated from data from the Federation of Electric Power Companies of Japan.

Solar Power Systems at Sharp Bases Worldwide



Domestic bases	
No.	Name
1	Hiroshima
2	Fukuyama
3	Yao
4	Katsuragi
5	Nara
6	Tenri
7	Kameyama
8	Mie
9	Tochigi
Overseas bases	
No.	Name
10	SUKM (UK)
11	Pinghu (China)
12	NSEC (China)
13	SOCC (China)
14	SATL (Thailand)
15	SEID (Indonesia)
16	SMCA (US)



Solar power systems installed on the roofs of Sharp production bases (left: Kameyama in Japan; right: NSEC in China)

Environmental Initiatives: Climate Change

Utilizing Renewable Energy

Example

BLACKSOLAR ZERO Residential Solar Cell Module Wins New Energy Foundation Chairman's Prize in 2022 New Energy Awards

Sharp's BLACKSOLAR ZERO residential solar cell module received the New Energy Foundation Chairman's Prize in the Products and Services category at the 2022 New Energy Awards. The awards are organized by the New Energy Foundation and supported by the Ministry of Economy, Trade, and Industry (METI).

This awards program seeks to accelerate society's adoption of solar power and other renewable energy by honoring outstanding developments in renewable-energy-related products and services, and applications of distributed energy.

BLACKSOLAR ZERO can be efficiently installed on various shapes of roofs thanks to its Roofit design: four types of modules, each a different size or shape, are combined to match the exact size and shape of a roof. This squeezes maximum power generation from available roof space and makes it possible to achieve large power generation capacity even for installations on limited-space or complex-shaped roofs, such as those in urban areas.

The New Energy Awards judging panel also gave high marks to the look of BLACKSOLAR ZERO. With all four module types completely black, a unified sense of design is realized. Joints between adjacent modules are inconspicuous and the installation harmonizes beautifully with the roof.

Sharp will continue to contribute to the creation and spread of clean energy through greater dissemination of its solar power generation and storage battery systems.



Conceptual image of BLACKSOLAR ZERO installation

Environmental Initiatives: Climate Change

Utilizing Renewable Energy

Example

Installing Solar Power Systems at Production Bases

Sharp's production bases are installing solar power systems to make full use of renewable energy and help achieve a decarbonized society. In December 2022, Thai production base SATL installed a PV system with an output of roughly 2.45 MW-dc. This system is expected to generate around 3,480 MWh annually, which is enough to cover about 10% of the plant's electricity use. In January 2023, the SOCC production base in China installed a 4.73 MW-dc PV system, which is expected to generate around 4,950 MWh annually. This is enough to cover about 50% of the plant's electricity use. Sharp will continue to actively use renewable energy sources.



Solar power systems installed on the roofs of Sharp production bases
(left: SOCC in China; right: SATL in Thailand)

Environmental Initiatives: Climate Change

Reducing Logistics-Related Environmental Impact

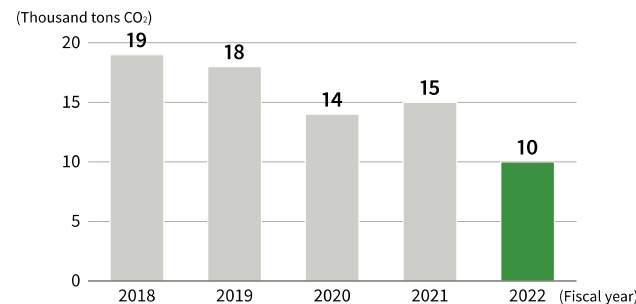
Reducing the Environmental Impact of Logistics in Japan

Sharp observes a rule set forth in the Japanese Act on the Rational Use of Energy (Energy Conservation Act) that requires specified shippers to reduce energy intensity by 1% or greater per year. All Sharp Group companies in Japan are working to reduce the environmental impact and costs associated with logistics.

In fiscal 2022, Sharp Group greenhouse gas (GHG) emissions from shipping activities in Japan were down 34% from the previous fiscal year to 10,000 tons CO₂. For Sharp Corporation, energy intensity was improved by an average of 8.6% for the most recent five years (fiscal 2018 to 2022). Sharp is steadily implementing a modal shift^{*1}, a change from conventional trucking to more environmentally friendly modes of transport, such as shipping (non-international coastal trading vessels) and rail (Japan Railways containers). And, by unloading imported goods at harbors chosen for their proximity to their main sales locations, Sharp is reducing re-transport between distribution centers. These efforts enable Sharp to reduce the environmental impact of its distribution activities. For shipments, Sharp has been certified with an Eco Rail Mark^{*2} by the Ministry of Land, Infrastructure, Transport, and Tourism and the Railway Freight Association.

^{*1} To shift freight transport from conventional trucking to more environmentally friendly modes of transport, such as rail and shipping.
^{*2} Products or companies that use a certain amount of rail transport for freight are given Eco Rail Mark certification. The mark is used on items such as product packaging and brochures to inform the public that a company uses environmentally friendly modes of transport.

■ GHG Emissions from Freight Shipments (Japan)



Reducing the Environmental Impact of International Logistics

Sharp has a wide range of initiatives to reduce the amount of GHGs that are emitted as a result of international shipping. The company is reducing airfreight volume as it switches to environmentally friendly modes of transport, and it is also improving load efficiency. Further, it is reviewing shipping routes and switching to harbors that are closer to the final destinations for products. Sharp is also switching to suppliers located closer to its factories. In fiscal 2022, Sharp's GHG emissions from international transport were 138 thousand tons CO₂.



Eco Rail Mark certification

Environmental Initiatives: Resource Recycling

Minimizing and Recycling Business Activity-Linked Waste

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
■ Final landfill disposal rate of less than 0.5%	■ Final landfill disposal rate 0.43%	★★★	■ Final landfill disposal rate of less than 0.5%

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Curbing the Amount of Waste, etc. Generated by the Sharp Group

Sharp has been working to reduce waste and to recycle as much of it as possible in an effort to contribute to building a circular economy.

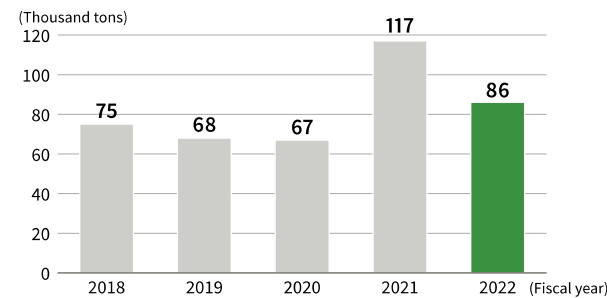
In fiscal 2022, the amount of waste, etc. generated by the Sharp Group decreased by 27% compared to the previous fiscal year to 86,000 tons, due to disposal of old equipment and expansion of production. The amount of recycling decreased by 15% from the previous fiscal year to 62,000 tons. Meanwhile, by reducing landfill disposal rates at overseas bases, the Sharp Group's final landfill disposal rate was 0.43%, thus achieving zero discharge to landfill* on a global scale.

Sharp will continue to strengthen waste-reduction efforts at overseas bases while maintaining global zero discharge to landfill.

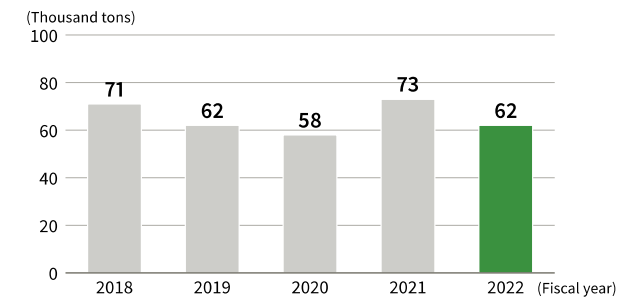
Appropriate Storage and Management of PCB Wastes

In Japan, Sharp properly stores and manages waste PCB (polychlorinated biphenyls) in accordance with the Act on Special Measures Concerning Promotion of Proper Treatment of PCB Wastes. Sharp has completed processing of all high-concentration waste PCB in fiscal 2022. As for the remaining low-concentration waste PCB, Sharp is on track to finish processing them at the earliest date possible.

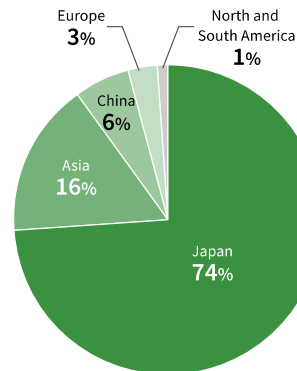
■ Amount of Waste, etc.



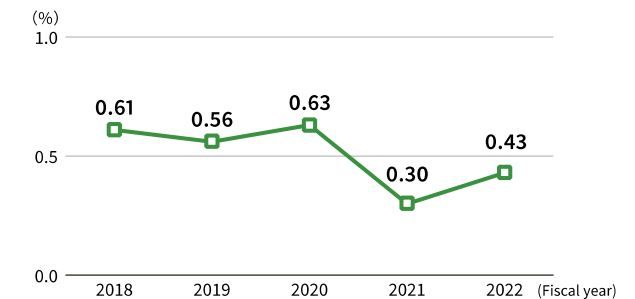
■ Amount of Recycling



■ Waste, etc. by Region (Fiscal 2022)



■ Final Landfill Disposal Rate



* Sharp defines "zero discharge to landfill" as a final landfill disposal rate of less than 0.5%. Final landfill disposal rate (%) = Amount of landfill disposal ÷ amount of waste, etc. generated × 100.

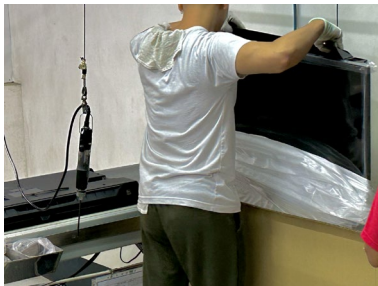
Environmental Initiatives: Resource Recycling

Minimizing and Recycling Business Activity-Linked Waste

Example

Reducing Consumption of Plastic

SPC, a Sharp production and sales base in the Philippines, reuses the plastic bags that are generated as waste in the LCD TV production process. The plastic bags used for wrapping LCD TV parts were previously disposed of as industrial waste, but by collecting them during production they can now be used in the packaging process of finished products that are shipped out. This has allowed SPC to reduce monthly plastic bag usage by approximately 12,000.



Unpacking parts



Preparing to collect and reuse the plastic bags during parts unpacking

Environmental Initiatives: Resource Recycling

Expanding the Recycling of Used Products

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> Pursue recovery of washing machine motor core parts by material 	<ul style="list-style-type: none"> Automated the process of recovering motor winding material (copper, aluminum) from washing machines by introducing a multi-axis robotic arm 	★★★	<ul style="list-style-type: none"> Improve the processing efficiency of indoor air conditioner units

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Sharp's Stance on Recycling Used Products

Sharp collects and recycles used products in compliance with the recycling laws and regulations of the respective country or region. Through the effective use of limited resources, Sharp is contributing to the realization of a sustainable society.

< Japan >

Recycling 4 Kinds of Home Appliances in Japan (Air Conditioners, TVs, Refrigerators, and Washing Machines)

As a member of the B Group^{*1} for home appliance recycling, Sharp has constructed—and is operating—a highly efficient recycling system consisting of 17 recycling plants in Japan. In fiscal 2022, Sharp collected 2.314 million units (down 1% over the previous fiscal year) of the four types of appliances covered by the Home Appliance Recycling Act. The processed and recycled weight amounted to approximately 69,000 tons (down 1% over the previous fiscal year). For all four appliance types, Sharp's rate of recycling exceeded the legally stipulated levels.

^{*1} The B Group consists of Sharp Corporation, Sony Corporation, Hitachi Global Life Solutions, Inc., Fujitsu General Ltd., Mitsubishi Electric Corporation, and other companies.

Sharp Corporation's Recycling Results for 4 Home Appliance Types (Fiscal 2022)

Note: All figures are rounded down to the nearest whole number.

	Unit	Air Conditioners	CRT TVs	Flat-Panel TVs	Refrigerators/Freezers	Washing Machines/Dryers	Total
Units collected from designated collection sites	Thousand units	331	87	957	470	466	2,314
Processed and recycled units	Thousand units	336	88	964	476	478	2,344
Processed and recycled weight	Tons	13,707	1,943	15,296	28,330	19,091	78,367
Recycled weight	Tons	13,087	1,444	13,334	22,832	17,998	68,695
Recycling rate	%	95	74	87	80	94	—
Legally required recycling rate	%	80	55	74	70	82	—

Toward Making Better Use of Resources

Sharp and Kansai Recycling Systems Co., Ltd.^{*2} have joined forces to make effective use of resources and to improve recycling efficiency.

The motor of a washing machine uses copper windings. Separating and recovering materials like copper can boost the value of resources. Conventional equipment used a rotary blade to cut the copper winding, but the dust resulting from the cutting could potentially have an adverse effect on the operator's health or the functioning of the machine. In addition, to prevent aluminum—an increasingly common winding material—from getting mixed with copper, aluminum windings were dismantled by hand in a separate process.

In fiscal 2022, we introduced a multi-axis robotic arm to automate the cutting/recovery process. The robot cuts and recovers the copper windings and aluminum windings from the motors, using a dedicated cutting device for each type of material. Switching to a dust-free cutting method has greatly improved the work environment. Using a single piece of machinery to separate copper and aluminum has reduced the processing time per motor by about 30%.

^{*2} A consumer electronics recycling company established in Japan with joint investment from Sharp, Mitsubishi Materials Corporation, and four other companies.



The multi-axis robotic arm automates the cutting/recovery process



Recovered copper windings

Environmental Initiatives: Resource Recycling

Expanding the Recycling of Used Products

Design-for-Recycling Training

Sharp is committed to considering the whole life cycle of products it manufactures. Together with Kansai Recycling Systems—where four kinds of Sharp products are recycled—Sharp has been holding design-for-recycling training for product planners and designers. In April 2023, 13 people, including those in charge of white goods, took part in the training.

The training emphasized the importance of designing products with an eye to their eventual recycling, with a focus on plastic material recycling. It also included a tour of the recycling plant. Participants practiced dismantling a fully automatic washing machine that had been used for over a decade. They saw how the ease of dismantling depends on the fastening method used—for example, whether the product is held together with screws. They also learned the importance of separating components into discrete material types.

Participants gained a better understanding of the recycling process, and expressed a desire to focus on achieving both quality and recyclability in their future designs. We will continue to foster awareness within the company so that we can pursue manufacturing that considers everything from material selection to end-of-life recycling.

Reusing and Recycling Copiers and MFPs in Japan

Sharp is reusing and recycling copiers and MFPs collected both through Sharp distribution channels and through common industry channels. The company is also collecting used toner cartridges and remanufacturing them to the same quality standard of new products, thus assuring that customers will always get the same high quality. Sharp designs its toner cartridges for easy reuse and recycling. This ensures durability and reduces the amount of time needed to reprocess used cartridges.



Classroom lecture



Dismantling a washing machine

Environmental Initiatives: Resource Recycling

Expanding the Recycling of Used Products

< North America >

In 2007, Sharp's American manufacturing and sales base SEC established MRM (Electronic Manufacturers Recycling Management Company, LLC)^{*1} to manage recycling of AV products. Growing nationwide efforts have seen a total of 2,900 collection points established for used products. MRM operates in accordance with the laws and regulations of each state and recycled a total of 60,000 tons of used products in fiscal 2022.

^{*1} MRM is a joint venture with Panasonic Corporation of North America and Toshiba America Consumer Electronics, LLC.

< Europe >

The EU WEEE Directive^{*2} (2012/19/EU) stipulates that the manufacturer is responsible for collecting and recycling products shipped within the EU. Each Sharp European sales base collaborates with established recycling entities in the EU sales region to meet this requirement. Efforts are also made to reduce the volume of landfill waste by taking into account regulations governing packaging materials and batteries.

SBSUK, Sharp's sales base in the UK, won a Greener Path Landfill Diversion Award for achieving zero final landfill disposal in fiscal 2022.

^{*2} Waste Electrical and Electronic Equipment Directive.

< Vietnam >

In Vietnam, the introduction of a recycling law in 2017 has obliged manufacturers and importers to establish a collection scheme for products sold within the country. SVN, Sharp's Vietnamese sales base, collects used products at collection points established in Vietnam and ensures they are processed appropriately by licensed recyclers for proper disposal.

< India >

In India, the E-Waste (Management) Rules—which came into effect in 2016 and were amended in 2022—require manufacturers and others to properly dispose of used electronic/electrical equipment. SBI, Sharp's Indian sales base, has partnered with a local recycler, 3R Recycler, to carry out the recycling of used products.

The Plastic Waste Management Rules, which also came into effect in 2016, require manufacturers, importers, sellers, and regional governments to properly process plastic waste. SBI works with a local NGO, the Indian Pollution Control Association, to collect and recycle plastic waste.



Greener Path Landfill Diversion Award logo

Environmental Initiatives: Resource Recycling

Environmental Technologies That Contribute to a Sustainable, Recycling-Based Society

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> Practical application of recycled flame-retardant polypropylene Basic development of environmentally friendly, halogen-free, flame-retardant recycled material 	<ul style="list-style-type: none"> Adopted recycled flame-retardant polypropylene in the internal parts of ceramic fan heaters Completed feasibility study on environmentally friendly, halogen-free, flame-retardant recycled material 	★★	<ul style="list-style-type: none"> Develop flame retardancy formulation for environmentally friendly, halogen-free recycled polystyrene (PS)

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Expanding Closed-Loop Plastic Material Recycling Technology

In recycling materials, such as when end-of-life plastic is reused to make new products, the open-loop material recycling scheme is commonly adopted. It involves reusing recycled materials to make things like daily necessities and sundries. The majority of these are used only once and disposed of as municipal waste.

As opposed to this type of recycling, Sharp and Kansai Recycling Systems Co., Ltd.*1 jointly developed closed-loop plastic material recycling technology with a view to making better use of finite resources and reducing waste. This technology enables the repeated recovery of plastic from used consumer electronics products as well as the reuse of that plastic in parts of new consumer electronics products. The technology has been in practical use since fiscal 2001, when the Act on Recycling of Specified Kinds of Home Appliances (Home Appliance Recycling Act) was enacted in Japan.

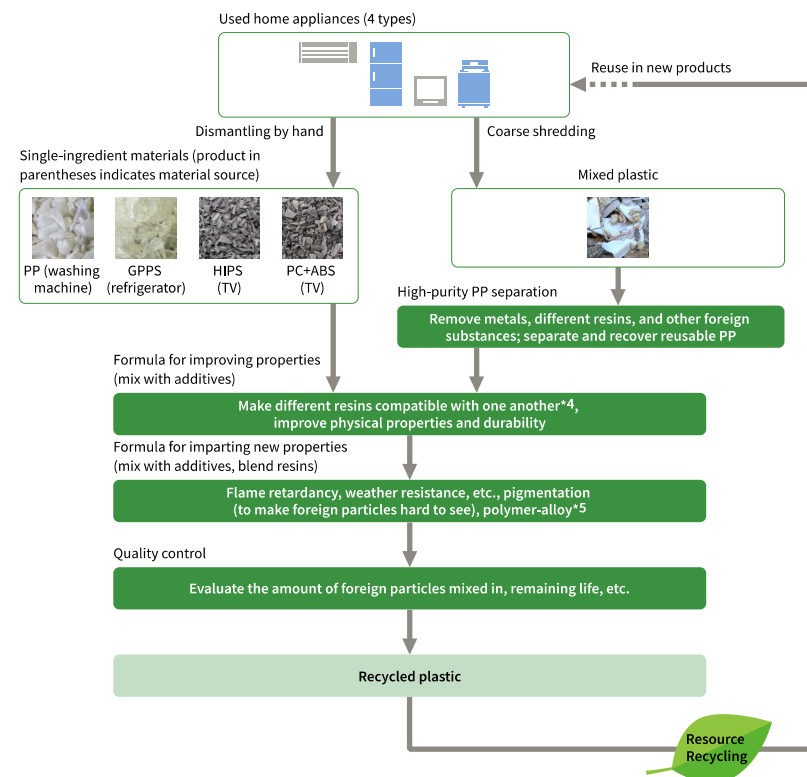
Sharp has been striving to make more plastic recyclable through the development of new technologies. These include a technology for recovering high-purity polypropylene (PP) from mixed plastic parts and parts that contain metal; a technology for improving the properties of recovered PP/HIPS*2 and PC+ABS*3 materials so that their quality is on a par with that of virgin materials; a technology that gives materials added value by imparting properties such as flame retardancy, weather resistance, and an antibacterial property, with the aim of expanding applications for recycled plastic; and a quality-control technology for ensuring optimal quality. Thanks to the development and introduction of these technologies that integrate everything from recovery to quality control, Sharp has been able to establish closed-loop material recycling to produce high-grade recycled plastic.

*1 A consumer electronics recycling company established in Japan with joint investment from Sharp, Mitsubishi Materials Corporation, and four other companies.

*2 High-impact polystyrene (general-purpose polystyrene [GPPS] given impact resistance by adding rubber).

*3 A polymer alloy of polycarbonate and acrylonitrile, butadiene, and styrene (a resin given new properties as a result of mixing in several types of polymers).

■ Recycling Plastic Recovered from the 4 Types of Home Appliances



*4 Blending multiple types of resins uniformly and finely dispersed into one another at the molecular level.

*5 A resin given new properties as a result of mixing in several types of resins.

Environmental Initiatives: Resource Recycling

Environmental Technologies That Contribute to a Sustainable, Recycling-Based Society

Developing Recycled-Plastic Material with Added Value

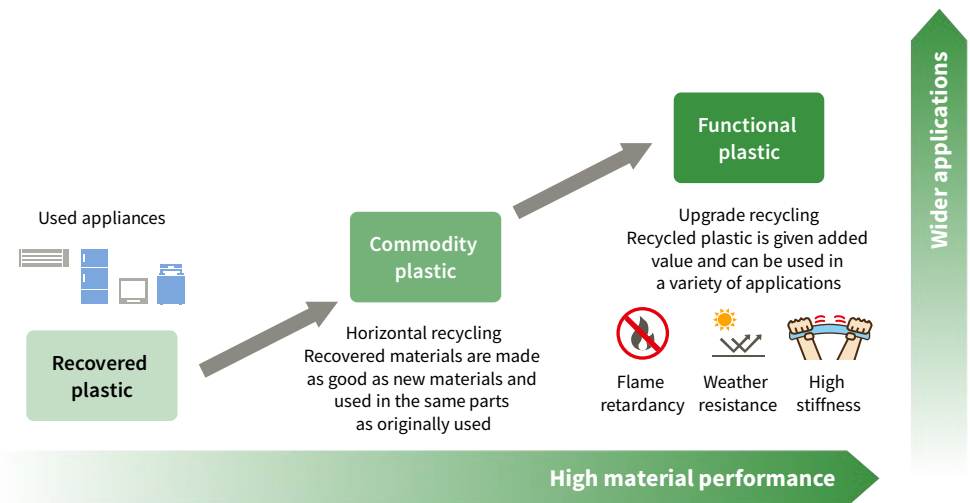
In response to the increasing seriousness of pollution from used plastic, countries are enacting and enhancing various laws and regulations related to plastic recycling. There is a push to move away from the traditional linear economy, characterized by mass production, mass consumption, and mass disposal, and towards a circular economy, characterized by limited input and consumption of new resources and minimal waste production. In Japan, as well, society's attitude towards plastic usage has changed significantly, as evidenced by the enforcement of the Act on Promotion of Resource Circulation for Plastics*. The Act focuses on resource recycling across the entire life cycle of plastic products, making it increasingly important that plastic materials are properly disposed of and recycled.

Against this background, Sharp is pursuing greater recycling of used plastics, not only through horizontal recycling, in which used plastics are made as good as new material and incorporated into the same parts as they were originally used, but also through upgrade recycling, in which the recycled plastic is given added value with flame retardancy, weather resistance, or high stiffness. In fiscal 2022, Sharp developed mass-production technology for recycled flame-retardant polypropylene and used the material in the internal parts of ceramic fan heaters. Polypropylene recovered from used home appliances is given the physical properties, flame resistance, and long-term durability demanded in home appliances using Sharp's own formulation technology. Recycled flame-retardant polypropylene is difficult to make using conventional methods. This is because it requires mixing recovered polypropylene with a thermally decomposable flame retardant and multiple modifiers under high temperature. Sharp's new formulation and optimized process have enabled the mass production of high-performance, high-quality recycled flame-retardant material. This recycled material can be used in place of metal in parts that require a high level of safety, such as those used around power switches and heat sources. The practical application of this recycled plastic material holds promise for lighter and cheaper products, while also curbing the generation of waste plastic.

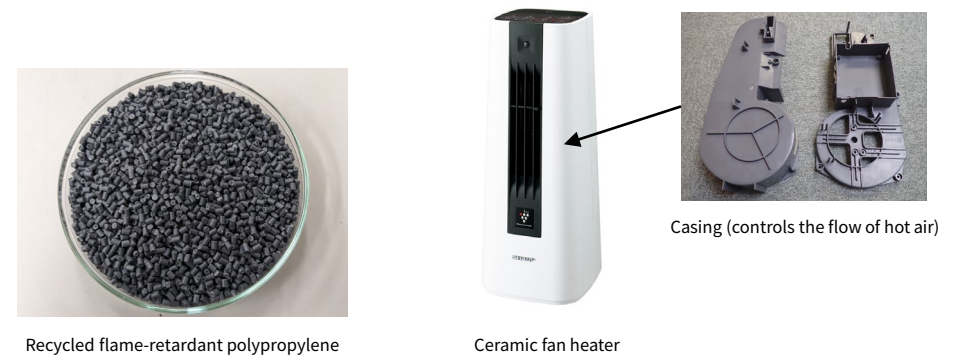
Going forward, Sharp will develop recycled materials that use no environmentally harmful substances such as halogen compounds, thereby contributing to a circular economy.

* This law is focused on comprehensive plastic recycling across the entire life cycle of plastic-containing products, encompassing everything from manufacturer product design and production to waste disposal (effective as of April 1, 2022).

Used Plastic Recycling Method



Using Recycled Flame-Retardant Polypropylene

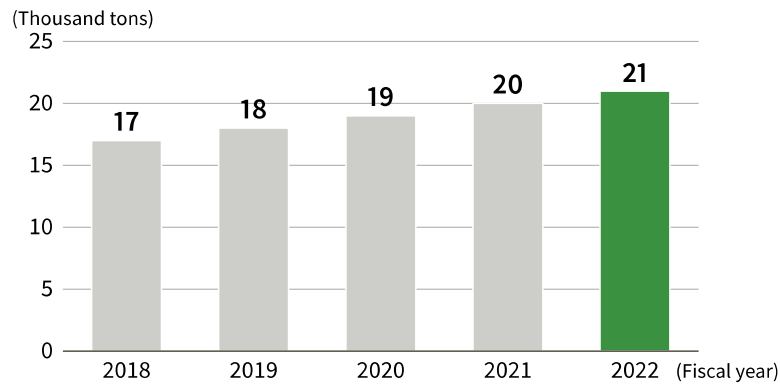


Environmental Initiatives: Resource Recycling

Environmental Technologies That Contribute to a Sustainable, Recycling-Based Society

The use of recycled plastic developed through Sharp’s own closed-loop material recycling technology was extended to refrigerators, air conditioners, washing machines, and small appliances released in fiscal 2022. In fiscal 2022, the cumulative total amount used since 2001 reached 21,000 tons.

■ Amount of Recycled Plastic Used



Related information: > [Closed-Loop Plastic Material Recycling Technology](#)

■ Examples of Recycled Plastic Use



Refrigerator



Washing machine



Air conditioner



Car Plasmacluster Ion generator



Handheld device (Handy Terminal) charger



Ceramic fan heater

Product	Recycled Plastic	Part	Source
Refrigerator	PP	Divider	Refrigerator vegetable case
		Duct cover	Refrigerator vegetable case
		Handgrips	Washing machine top plate, outer cabinet, other
	Evaporator cover	Washing machine spin tub, balancer, other	
	Flame-retardant PS	Substrate holder	Flat-panel TV back cabinet + refrigerator tray
Washing machine	PP	Washing tub	Washing machine tub
Air conditioner	PP	Condensation cover, motor holder	Washing machine spin tub, balancer, other
		Vertical louver, interlocking plate	Refrigerator vegetable case
	Flame-retardant PS	Substrate holder, substrate spacer	Flat-panel TV back cabinet + refrigerator tray
Car Plasmacluster Ion generator	Flame-retardant PC + ABS	Internal parts	Flat-panel TV back cabinet
Handheld device (Handy Terminal) charger	Flame-retardant PC + ABS	Charger	Flat-panel TV back cabinet
Ceramic fan heater	Flame-retardant PS	Casing	Air conditioner, refrigerator, and washing machine parts

Environmental Initiatives: Resource Recycling

Environmentally Conscious Products

Example

AQUOS wish3 Smartphone Uses Significantly More Recycled Plastic

Sharp released its AQUOS wish3 basic model smartphone in July 2023. The third edition of a smartphone series whose simplicity matches a user’s straightforward lifestyle, the wish3 is environmentally friendly and has a wealth of functions that are easy to use for the entire family.

This model continues with the lauded features of the AQUOS wish series, such as a smooth surface texture and a range of gentle, sophisticated color choices. In addition to its compact and easy-to-hold size and simple design, the wish3 is highly resistant to water, dust, and impact^{*1}.

The use of recycled plastic in the wish3’s casing has been upped to approximately 60%^{*2}. It now also adopts^{*3} recycled plastic around the camera and in some interior parts. And adding to the phone’s environmental friendliness is its use of a small and simple package using less paper than before.

The wish3 also includes Junior Mode, a new feature for children using a smartphone for the first time. The mode’s wealth of safety features includes Google Family Link for preventing the child’s overuse of the phone, and an emergency SOS signal activated by multiple pushes of the power button. Add the wish3’s Easy Mode giving large, bold onscreen text that even older users can read, and you have a smartphone offering usability and convenience for the whole family.

The wish3’s camera incorporates ProPix4 lite, Sharp’s new image engine using the high-quality-image technology of Sharp’s flagship model AQUOS R7. Users can easily take gorgeous photos thanks to features like AI Auto, which chooses the optimal image mode by automatically detecting the subject and surroundings, and Auto HDR, which takes great photos even against a bright backlight.

- *1 Tested for compliance with MIL-STD-810H, a standard of the United States Department of Defense for ensuring a product can withstand the conditions under which it will be used. There is no guarantee the product will not break or malfunction under all types of impact.
- *2 The AQUOS wish2, released in fiscal 2022, used approximately 35% recycled plastic.
- *3 Parts other than the casing use approximately 35% recycled plastic.



(Left) AQUOS wish3 in white, black, and green
(Right) Conceptual image of recycling

Environmental Initiatives: Resource Recycling

Effectively Using Water Resources

Fiscal 2023 Objectives
<ul style="list-style-type: none"> Improvement rate of water intensity: 10% (baseline year: fiscal 2021)

Sharp's Stance on Water Resources

Water resource problems are arising on a worldwide scale with the increase in the world's population, the economic growth of developing countries, climate change, and other factors. Sharp is striving to make effective use of water resources in line with the environmental conservation guidelines stipulated in Sharp's Basic Environmental Philosophy, the Sharp Group Charter of Corporate Behavior, and the Sharp Code of Conduct. In particular, Sharp recognizes that securing the water resources necessary for the production of LCDs and other electronic devices is a serious issue that could affect business continuity. That is why Sharp is pursuing the reduced use of new water and an increased use of recycled water.

Reducing the Amount of New Water Used and Using More Recycled Water

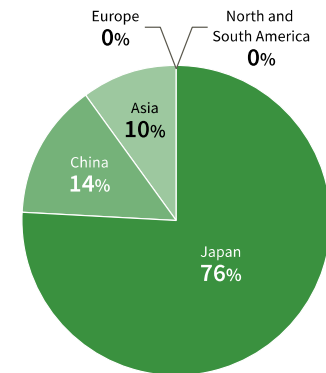
The volume of new water used by the Sharp Group in fiscal 2022 decreased by 6% compared to the previous fiscal year to 10.2 million m³. To minimize the effects on business continuity of the risk of water shortages, Sharp assesses water risk at its plants using the Aqueduct assessment tool developed by the World Resources Institute (WRI). SATL, Sharp's production base in Thailand, is located in an area of highest risk. It is therefore reducing its use of new water by recycling water discharged from the production process and other sources. The Kameyama Plant (Kameyama, Mie Prefecture, Japan) and the Mie Plant (Taki District, Mie Prefecture, Japan) require a large amount of water in the production process for LCDs and

other products. All of the water discharged from the production process is collected and reused via a closed-loop recycling system adopted at both plants. Through measures such as this, the Sharp Group is maintaining a recycling rate* of at least 60%. Looking ahead, Sharp will pursue further water-use efficiency worldwide and boost production efficiency in accordance with business expansion.

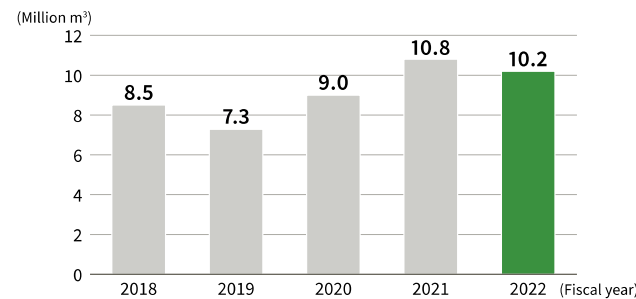
In fiscal 2022, there were no litigation issues, fines, or penalties due to violations of water-related laws and regulations. There were also no serious water-related accidents.

* Recycling rate = Amount recycled ÷ (amount of new water + amount recycled).

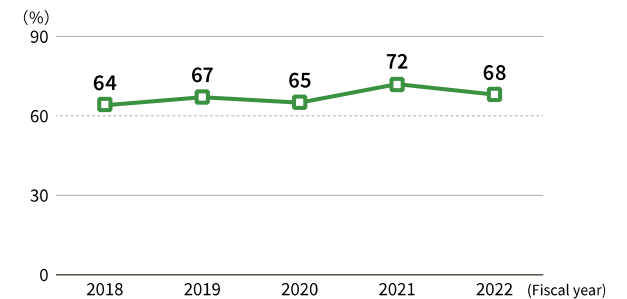
■ New Water Used by Region (Fiscal 2022)



■ Volume of New Water Used



■ Water Recycling Rate



Environmental Initiatives: Resource Recycling

Effectively Using Water Resources

Water Used and Drainage by Region (Fiscal 2022)

(m³)

Region	Water withdrawal*1			Effluent					Amount consumed*3	Amount recycled
	Third-party water*2	Groundwater	Total	Surface water	Sewerage	Seawater	Groundwater	Total		
Japan	7,018,688	757,353	7,776,041	3,800,411	343,123	1,990,662	0	6,134,196	1,641,845	21,063,228
Asia	974,903	14,854	989,757	36,561	532,347	0	0	568,908	420,849	115,310
China	1,362,880	29,883	1,392,763	0	1,133,171	0	0	1,133,171	259,592	207,197
North and South America	12,301	0	12,301	0	12,301	0	0	12,301	0	0
Europe	8,401	0	8,401	0	8,160	0	0	8,160	241	0
Total	9,377,173	802,090	10,179,263	3,836,972	2,029,102	1,990,662	0	7,856,736	2,322,527	21,385,735

*1 Surface water, seawater, and produced water was 0.

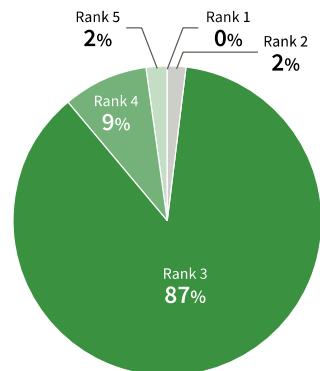
*2 Industrial-use water and tap water.

*3 Water consumption = Water withdrawal – Effluent.

*4 Under Aqueduct, each region is assigned a water stress score. There are five levels, from rank 1 (low risk) to rank 5 (high risk).

*5 Areas with an Aqueduct water stress score of rank 4 or higher.

Volume of New Water Used by Water Stress Rank*4 (Fiscal 2022)



Volume of New Water Used in Water Stressed Regions*5 (Fiscal 2022)

(m³)

Region	Third-party water	Ground-water	Surface water	Seawater	Produced water	Total
Japan	36,418	0	0	0	0	36,418
Asia	844,223	0	0	0	0	844,223
China	123,689	0	0	0	0	123,689
North and South America	0	0	0	0	0	0
Europe	0	0	0	0	0	0
Total	1,004,330	0	0	0	0	1,004,330

Environmental Initiatives: Resource Recycling

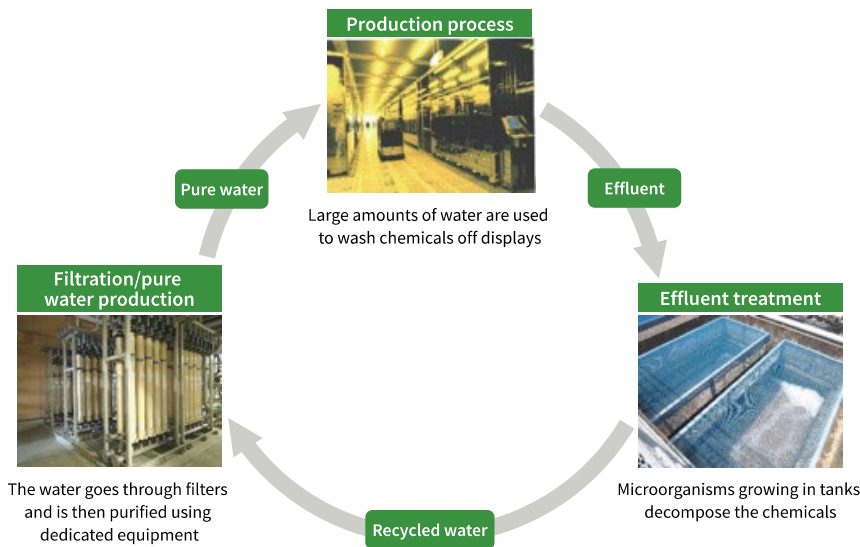
Effectively Using Water Resources

Example

Closed-loop Water Recycling System

The Mie Plant (Taki District, Mie Prefecture) has adopted a closed-loop water recycling system to repeatedly recycle the large amount of water used for the production of displays. The water discharged from the production process contains chemicals that must not be released from the plant untreated. All of this water is collected and goes through steps such as passing through filters and biofiltration (the natural decomposition of chemicals using microorganisms), before being purified with dedicated equipment. The resulting water is used repeatedly in production.

■ Closed-Loop Water Recycling Flow



Example

Reducing Water Usage at Overseas Bases

At SATL, a production base in Thailand, large volumes of water are discharged from the production process and restrooms. This water was previously released into a nearby river after being properly treated. But now SATL is using newly installed water recycling equipment to purify that water and use it in the production process. The greywater* generated by this recycling process is kept in storage tanks and used for restrooms and for watering the factory's green areas. SMM, Sharp's production base in Malaysia, is using rainwater tanks to reduce the amount of water it requires. Large tanks installed in the plant collect rainwater that is used in, for example, air conditioner cooling equipment and restrooms. Thanks to these efforts, SATL and SMM have been able to reduce the consumption of clean water by about 88,000 m³ per year.

* Water that is unfit for drinking but is not harmful to the human body or the environment.



SATL's water recycling equipment



SMM's rainwater tanks

Environmental Initiatives: Safety and Security

Sharp's Policy on Management of Chemical Substances

Sharp's products are built from a plurality of parts and materials and contain wide-ranging chemical substances. Our production processes at factories also use chemical substances. Chemical substances are useful for enhancing the performance and quality of products, whereas some of them may have negative effects on the natural environment and human health. Today, regulations to manage chemical substances are implemented in many countries. Some include prohibited or restricted use of specified chemical substances and labeling requirements, and others require the management of information on product content data, reporting of the amounts discharged into the atmosphere and water areas, management of the working environment, and occupational health management.

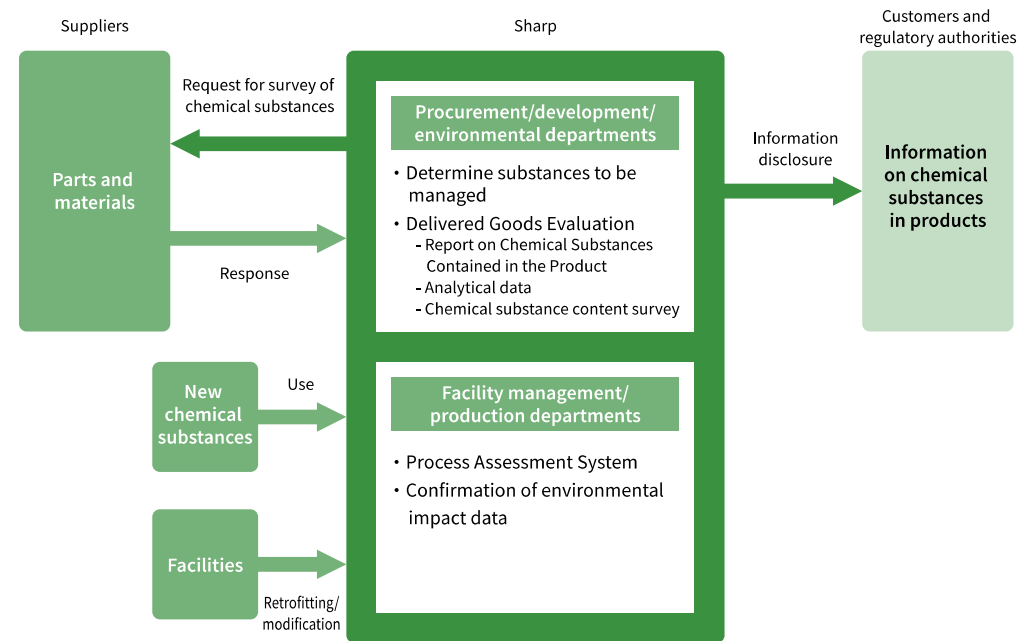
In accordance with our Basic Environmental Policy of "Creating an Environmentally Conscious Company with Sincerity and Creativity," the Sharp Code of Conduct stipulates the management of chemical substances as follows, on the precondition of compliance with applicable environmental laws, regulations, and regional agreements.

- We will work to compile information related to hazardous substances that might damage the environment or human health, and will not, as a matter of principle, make use of these hazardous substances in our products and services.
- We will ensure proper use and control, and also reduce our consumption of chemical substances in our business activities, including research, development, and manufacturing, at levels meeting or exceeding those stipulated by laws and regulations.

To "properly manage chemicals in order to protect people's health, the natural environment, and ecosystems" is another goal of Sharp. It is a long-term objective set in the SHARP Eco Vision 2050 long-term environmental vision in the safety and security field of action.

An example of our specific efforts to manage chemical substances in products is Delivered Goods Evaluation, in which we check chemical substances contained in components and materials delivered for our production in cooperation with our suppliers. It allows us to monitor and manage information on chemical substances contained in our products. At the factory-level, the process assessment system is in place. It is a preliminary assessment of new chemical substances to be used or equipment retrofitted or modified for handling chemical substances and is performed to check their safety and environmental impact.

■ Chemical Substance Management System



Environmental Initiatives: Safety and Security

Managing Chemical Substances Contained in Products

In order to reduce environmental impacts of its products and to comply with chemical substance regulations in relevant countries, Sharp manages chemical substances contained in its products in accordance with its own management categories that take into account applicable laws and regulations in relevant countries, voluntary standards set by industry groups, and even potential future regulations. We determine chemical substances that we should manage according to these categories, notify suppliers, and conduct a survey of chemical substances contained in products to obtain chemical substance content data.

Determining Declarable Substances

Sharp's Standard Manual for Management of Chemical Substances Contained in Parts and Materials is made available to the public to clarify the chemical substances it manages according to its own management categories. This manual divides the target chemical substances into four categories: banned substances, substances banned depending on the application, candidate substances to be banned, and managed substances. For each category, applications, criteria values, and the date of total abolition are defined.

Related information: >

[Standard Manual for Management of Chemical Substances Contained in Parts and Materials](#)

■ Chemical Substance Management Categories

Category	Description	Remarks
Banned substances	Substances that cannot be used for any purpose	<ul style="list-style-type: none"> ● Substances whose inclusion in products is currently regulated or is expected to be regulated in the future under laws and regulations and on environmental labels in Japan or overseas
Substances banned depending on the application	Substances regarded as banned by Sharp depending on the application (excluded applications)	<ul style="list-style-type: none"> ● Substances that Sharp regulates on its own initiative in advance of global trends because it is widely known that their environmental impact is high and alternative substances exist
Candidate substances to be banned	Substances that are candidates for being banned; substances to be substituted if contained in products	<ul style="list-style-type: none"> ● Substances expected to be banned in the near future under laws and regulations in Japan or overseas ● Substances that Sharp may ban in the future, depending on trends in laws and regulations, but that cannot be categorized as a Sharp banned substance at present because safety thresholds, ban dates, regulated applications (excluded applications), etc. have not been determined under laws and regulations
Managed substances	Substances for which it is necessary to ascertain whether the specified substance is present, the amount contained, and so on	<ul style="list-style-type: none"> ● Substances for which disclosure of information on their usage status in products is required, or is expected to be required in the future, under laws and regulations and on environmental labels in Japan or overseas ● Substances for which customers have requested, or for which there is a possibility of being requested, that their usage status information in products be disclosed

Delivered Goods Evaluation

We conduct Delivered Goods Evaluation in cooperation with suppliers. Its purpose is to assess the chemical substances contained in parts and materials (materials, general components, finished and semi-finished products, indirect materials, others) sourced from suppliers according to the chemical substance management categories. Information obtained through the Delivered Goods Evaluation is used for understanding chemical substances contained in products and compiling information to be shared with our supply chain.

Report on Chemical Substances Contained in the Product and Analysis Data

Sharp's suppliers are required to submit a Report on Chemical Substances Contained in the Product before they deliver a new component or material for the first time. This is used to confirm their conformity with the regulations prohibiting the use of specific chemical substances in products in relevant countries. With this report, we check the presence of banned substances and decide whether to purchase the component or material.

Suppliers must also submit analysis data on the 10 substances regulated under the EU RoHS Directive* (lead, mercury, cadmium, hexavalent chromium, PBB, PBDE, DEHP, BBP, DBP, and DIBP) for confirmation of compliance with the regulatory requirements.

* An EU directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment.

Related information: > [Report on Chemical Substances Contained in the Product, Analysis Data](#)

Environmental Initiatives: Safety and Security

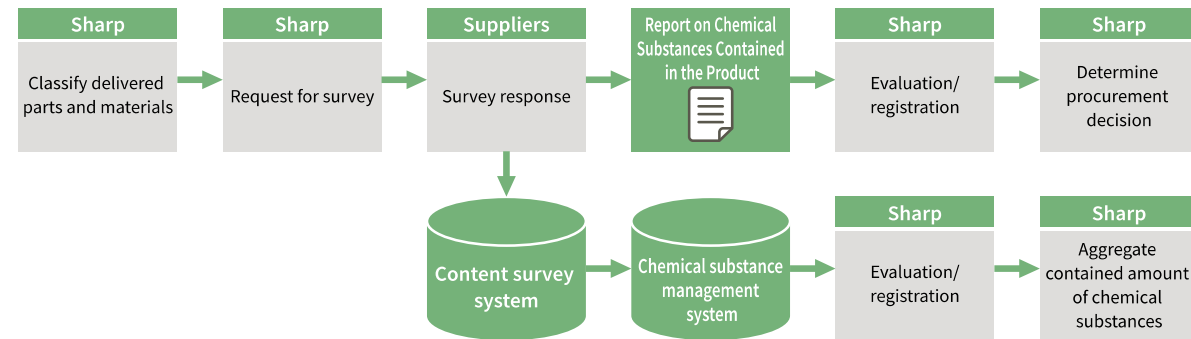
Managing Chemical Substances Contained in Products

Chemical Substance Content Survey

The EU REACH regulations^{*1} and other legal requirements in countries around the world oblige companies to communicate and disclose information on chemical substances contained in their products throughout their supply chain. To meet these requirements, it is necessary to have a system through which all supply chain partners—whether supplying raw materials, materials, parts, or finished products—cooperate to gather, aggregate, and share information on chemical substances. Sharp’s suppliers are asked to enter information on how much chemical substances are contained in their parts and materials, and where, in the Chemical Substance Content Survey System. This helps us gather information on chemical substances contained in our products, which is then used to manage and aggregate data on our chemical substance management system. For information collection, Sharp also utilizes chemSHERPA^{*2}, an information sharing scheme compliant with the IEC 62474^{*3} international standard.

Sharp has also been registered with the SCIP^{*4} database since January 2021. SCIP is one of the EU’s measures aimed at building a circular economy.

Delivered Goods Evaluation (Evaluative Process for Newly Delivered Parts and Materials)



^{*1} An EU regulation mandating the registration, evaluation, authorization, and restriction of chemical substances manufactured or imported into the EU.

^{*2} An information sharing scheme developed under the leadership of the Japanese Ministry of Economy, Trade and Industry for the purpose of efficiently communicating information on chemical substances in products over the entire supply chain.

^{*3} An international standard on the procedures and details of information sharing in the supply chain for products and components in the electrical and electronics industry containing chemical substances.

^{*4} SCIP: Substances of Concern in articles as such or in complex objects (Products). A database for information on substances of very high concern (SVHCs) managed by the European Chemicals Agency.

Environmental Initiatives: Safety and Security

Effective Management of Chemical Substances Used at Factories and Their Risk Management

Sharp strives to minimize the risk of environmental pollution and accidents associated with chemical substances and to properly meet chemical substance regulations. To this end, Sharp controls chemical substances used at, and released from, its production bases by implementing the process assessment system and the monitoring and risk management of chemical substances. To minimize the environmental impact and ensure occupational safety, workers handling chemical substances go through regular education and training. They also receive regular health checks.

Process Assessment System

The process assessment system is Sharp’s in-house system for preliminarily assessing the hazards, safety measures, and other factors of chemical substances. This assessment applies when a new chemical substance is to be introduced or when the procedure for handling chemical substances needs to be changed, for example. The system ensures that chemical substances are properly managed at all stages from procurement to disposal and that safety measures are implemented for the equipment handling them. It is designed to review the appropriate disposal of waste chemical substances, the proper treatment of exhaust gas and wastewater, and safety procedures for workers handling chemical substances, and to evaluate and determine the conditions for the safe use of chemical substances. Chemical substances are grouped into four categories according to their gravity of impact on safety/health, hazard/explosion, and environmental conservation: legally banned substances, sensitive substances, managed substances, and registered substances. An appropriate management level is assigned to each category.

■ Chemical Substance Management Categories under the Process Assessment System

Category	Description
Legally banned substances	Chemical substances that are banned for production, etc. under laws and regulations. Substitutes for them need to be searched for.
Sensitive substances	Chemical substances that are not legally banned but are banned by Sharp for use due to their high levels of toxicity (acute toxicity/carcinogenicity) or hazards (explosiveness/flammability). Substitutes for them need to be searched for.
Managed substances	Chemical substances that have toxicity (corrosiveness/irritancy), hazards (combustibility/spontaneous combustibility), or other concerns but may be used under adequate control.
Registered substances	Chemical substances that have limited toxicity or hazards and thus may be used under specified control.

Monitoring and Risk Management of Chemical Substances

Sharp has established voluntary standards that are stricter than either the regulatory requirements or the levels agreed upon with local communities for chemical substances used at its production bases. These standards ensure the comprehensive monitoring and management of the target chemical substances released and transferred, as well as the concentrations and emissions of air and water pollutants.

Environmental Initiatives: Safety and Security

Release and Transfer of PRTR-listed Substances

Sharp monitors and reports the release and transfer of chemical substances covered by the Japanese PRTR^{*1} Act. Of these PRTR chemicals, 17 were handled in Japan and five overseas^{*2} in quantities of 500 kg or more by one or more plants during fiscal 2022.

*1 PRTR: Pollutant Release and Transfer Register. A system that mandates the collection and dissemination of information, such as the amount of harmful chemicals discharged and transferred.

*2 Sharp defines target substances based on laws in Japan.

PRTR Data for Japan (Fiscal 2022)

PRTR No.	Chemical	Amount Handled	Amount Discharged		Amount Transferred		Amount Consumed		Amount Removed
			Into Atmosphere	Into Public Water Areas	Into Sewerage	Into Waste, etc.	Contained in Products	Recycled	
1	Zinc compounds (water-soluble)	1,728	0	0	0	1,629	0	99	0
20	2-Aminoethanol	2,312,109	1,053	0	0	46,511	0	1,975,126	289,419
44	Indium and its compounds	30,240	0	0	0	5,843	2,840	21,557	0
71	Ferric chloride	70,147	0	0	0	2,126	0	14,089	53,932
80	Xylene	3,966	20	0	0	0	0	0	3,946
135	2-methoxyethyl acetate	109,000	718	0	0	0	0	82,700	25,582
232	N, N-dimethylformamide	21,942	0	0	0	0	0	0	21,942
272	Copper salts (water-soluble, except complex salts)	40,213	0	0	0	37,955	0	0	2,258
296	1,2,4-trimethylbenzene	18,450	23	0	0	693	0	13,160	4,574
297	1,3,5-trimethylbenzene	3,304	0	0	0	165	0	3,139	0
343	Pyrocatechol (also called catechol)	1,474	0	0	0	1,474	0	0	0
374	Hydrogen fluoride and its water-soluble salts	672,955	2,165	0	440	432,767	0	46,213	191,370
401	1,2,4-benzenetricarboxylic 1,2-anhydride	2,179	0	0	0	174	2,005	0	0
405	Boron compounds	4,363	29	0	0	3,990	57	287	0
412	Manganese and its compounds	18,733	0	0	0	147	18,586	0	0
438	Methylnaphthalene	11,669	53	0	0	0	1,635	0	9,981
453	Molybdenum and its compounds	11,563	29	0	0	3,089	347	8,098	0
	Total	3,334,035	4,090	0	440	536,563	25,470	2,164,468	603,004

Environmental Initiatives: Safety and Security

Release and Transfer of PRTR-listed Substances

■ Overseas PRTR Data (Fiscal 2022)

(kg)

PRTR No.	Chemical	Amount Handled	Amount Discharged		Amount Transferred		Amount Consumed		Amount Removed
			Into Atmosphere	Into Public Water Areas	Into Sewerage	Into Waste, etc.	Contained in Products	Recycled	
71	Ferric chloride	2,909	0	0	0	0	2,909	0	0
82	Silver and its water-soluble compounds	1,223	0	0	0	171	1,052	0	0
300	Toluene	8,513	8,513	0	0	0	0	0	0
392	N-hexane	40,315	40,315	0	0	0	0	0	0
448	Methylenebis(4,1-phenylene) diisocyanate	2,220,350	0	0	0	44,585	2,175,765	0	0
Total		2,273,310	48,828	0	0	44,756	2,179,726	0	0

Environmental Initiatives: Safety and Security

Managing Environmental Load into Air and Water Areas

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
■ VOC emissions into the atmosphere: 204 tons or less (fiscal 2010 levels)	■ VOC emissions into the atmosphere: 73 tons	★★	■ VOC emissions into the atmosphere: 204 tons or less (fiscal 2010 levels)

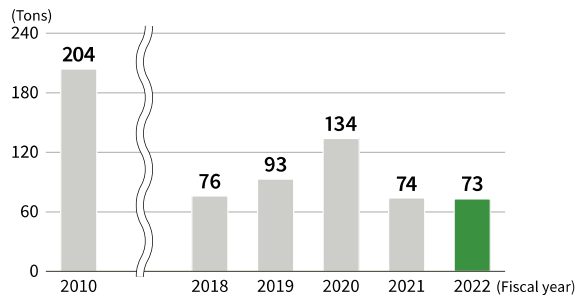
Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Reducing VOCs

Sharp strives to reduce the volatile organic compounds (VOCs) it emits. It has set a target of keeping VOCs released into the atmosphere to no higher than fiscal 2010 levels (based on a voluntary action plan by the Japanese electrical and electronics industry). Fiscal 2022 VOC emissions were 73 tons, lower than the amount emitted in fiscal 2010 (204 tons), thus achieving the target.

Sharp is reducing VOCs with the installation of highly efficient abatement facilities in LCD production sites, a major source of VOC emissions.

■ VOC Emissions into the Atmosphere

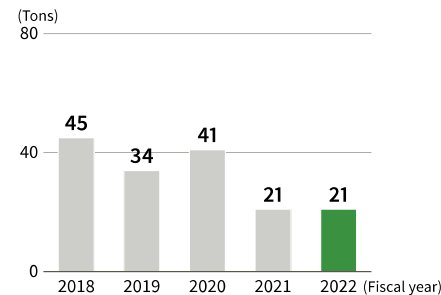


Managing Environmental Load into Air and Water Areas

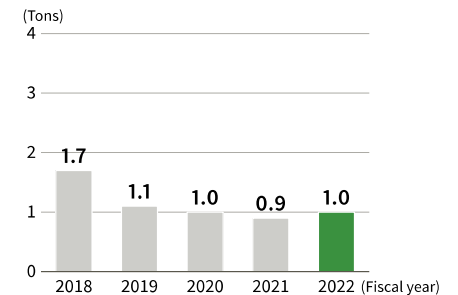
Sharp properly manages pollutants that affect air and water quality by establishing voluntary standards that are stricter than those set forth in laws and regulations and stricter than those agreed upon with local communities. It also actively conducts risk communication with local communities.

< Atmospheric Emissions in Japan >

■ NOx Emissions



■ SOx Emissions

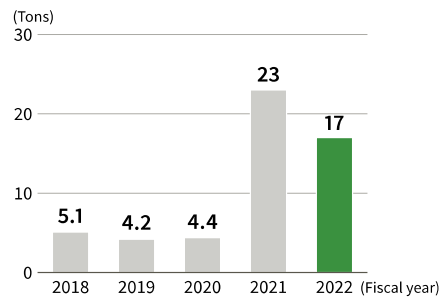


Environmental Initiatives: Safety and Security

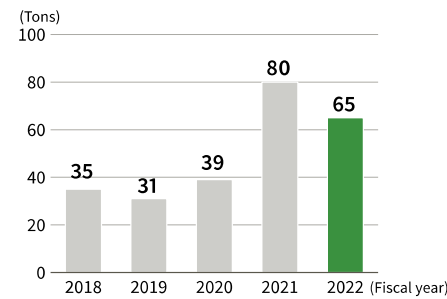
Managing Environmental Load into Air and Water Areas

< Emissions into Water Areas in Japan >

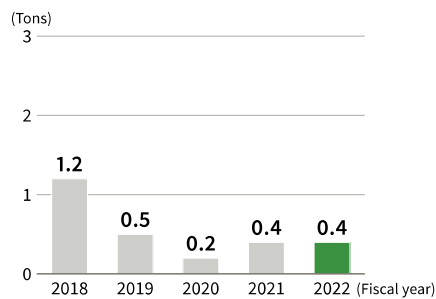
■ COD (Chemical Oxygen Demand)



■ Nitrogen Pollutant Load



■ Phosphorous Pollutant Load



Risk Management of Soil and Groundwater Pollution

Sharp has established and is appropriately applying in-house standards to minimize the risk of environmental pollution and accidents caused by chemical substances. It also strives to prevent such incidents from occurring by taking multi-layered leakage prevention measures at facilities that handle chemical substances. For plants where chlorine solvent contamination was found in the past, Sharp regularly notifies local government authorities and others of the cleanup progress.

Example

Analyzing Plant Wastewater Samples

Sharp's Fukuyama Plant (Fukuyama, Hiroshima Prefecture) collects and analyzes plant wastewater in collaboration with local residents and Fukuyama city officials as part of its risk communication activities. The collected wastewater undergoes individual analyses by the three parties, who share the results and exchange opinions on them. This also provides Sharp the opportunity to foster good relations with all relevant parties.



Wastewater sampling and analyses by three parties

Environmental Initiatives: Environmental Management

Putting Sustainable Management into Practice

In accordance with internal environmental conservation guidelines established in line with Sharp's Basic Environmental Philosophy, the Sharp Group Charter of Corporate Behavior, and the Sharp Code of Conduct, Sharp is pursuing environmental consciousness across all of its business activities. Toward realizing a sustainable global environment, Sharp has formulated SHARP Eco Vision 2050, a long-term environmental vision with 2050 as the target year. Under this vision, Sharp is striving to solve social problems and continuously raise corporate value through the development of technologies and the provision of products and services.

Promoting Sustainable Management

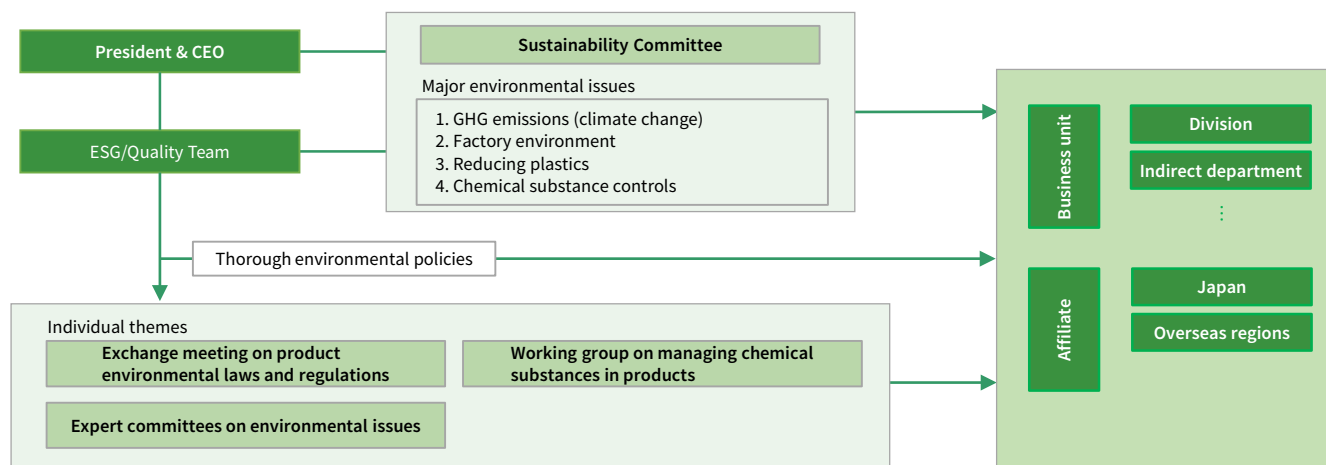
Sharp has set up the ESG/Quality Team to formulate and carry out the company's environmental vision, policies, and targets, and to strengthen environmental governance. The ESG/Quality Team formulates important environmental policies, strategies, and measures at the corporate level regarding sustainable management based on Sharp's management policies and environmental vision. The Sustainability Committee* includes the President & CEO, senior executives, and the heads of Sharp business units and subsidiaries. Through this committee, the ESG/Quality Team confirms progress toward environmental goals and supports environmental activities. In the area of product environmental laws and regulations and chemical substance controls, we periodically hold information exchange meetings to ensure compliance with applicable requirements. Working groups and expert committees are also established as required to address environmental issues that call for cross-functional efforts.

* See page 009.

<p>Basic Environmental Philosophy</p> <p>Creating an Environmentally Conscious Company with Sincerity and Creativity</p>	<p>The Sharp Group Charter of Corporate Behavior (excerpt)</p> <p>Contribution to Conservation of the Global Environment</p> <p>The Sharp Group will make efforts to further contribute to global environmental conservation by strengthening our development of proprietary technologies for protecting the global environment and by carrying out business activities in an environmentally conscious manner.</p>	<p>The Sharp Code of Conduct (excerpt)</p> <p>Contribution to Conservation of the Global Environment</p> <ol style="list-style-type: none"> 1. To Conserve the Environment 2. To Develop Environmentally Conscious Products and Services, and Conduct Our Business Operations in an Environmentally Conscious Manner
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Related information: > [Sharp Group Charter of Corporate Behavior \(Contribution to Conservation of the Global Environment\)](#)
[Sharp Code of Conduct \(IV. Contribution to Conservation of the Global Environment\)](#)

System for Promoting Sustainable Management in the Environmental Area



Environmental Initiatives: Environmental Management

Putting Sustainable Management into Practice

Environmental Education

In accordance with the basic strategy of its management policy—foster and strengthen human resources—Sharp strives to step up the cultivation of human resources as the foundation of its sustainable management. To this end, the company has been providing training programs, including basic training open to all employees.

Since fiscal 2019, Sharp has held environmental awareness training to help all employees acquire a wide range of environmental knowledge, and an introductory training course on environmental laws and regulations, which is mandatory for third-year employees.

In fiscal 2022, Sharp held training on product environmental laws and regulations. Individual plants also held their own training sessions. For example, the Katsuragi Plant (Katsuragi, Nara Prefecture) held a session on environmental management systems for environmental committee members and training for employees who handle chemical solutions and gases. At SSEC, Sharp's production base in China, employees underwent online training led by outside experts on energy conservation and energy-saving best practices.

With the aim of fostering human resources who will contribute to the company in stepping up compliance and achieving its environmental vision, Sharp will continue to improve and expand its environmental education curricula by adjusting them to different duties and roles.

Environmental Performance Data Collection and Management

To support sustainable management, Sharp has established a system for efficiently collecting and managing data on Sharp's environmental performance, including energy consumption, waste generation, water usage, and chemical substances handled in Sharp's business activities. This system is in operation at Sharp bases in Japan and overseas. Collecting and analyzing such data helps Sharp grasp the current state of its sustainable management, identify problems, and formulate measures.

Promoting an Environmental Management System

Since 1995, Sharp has been operating an ISO 14001-based environmental management system and has acquired ISO 14001 certification for all worldwide production bases. The purpose of this system is to strengthen environmental sustainability management and improve the environmental awareness of employees.

ISO 14001 was revised in fiscal 2015. It now requires companies to further their efforts with a more strategic perspective—for example, by integrating their environmental activities with business activities. In response to the revision, Sharp is operating a more effective environmental management system that matches the particular needs of each base.

Related information: > [ISO 14001-Certified Plants and Offices](#)

Product and Plant Audits

Sharp regularly carries out a Green Product/Green Device Audit aimed mainly at ensuring compliance in product development. The company checks compliance with the environmental laws and regulations of each country and the reflection of environmentally friendly design in products, such as energy efficiency, resource savings, and recyclability.

Sharp also reviews and evaluates environmental activities at its production bases as part of the CSR self-assessment survey*. To strengthen governance and reduce risks, our survey in fiscal 2022 was focused on interviews at sites that have just joined the Sharp Group through M&A or other partnerships.

* See page 012.

Legal Violations, Accidents

In fiscal 2022, Sharp was not subject to any lawsuits or fines related to environmentally related legal violations. There were also no major environmentally related accidents.

Environmental Initiatives: Environmental Management

Developing Environmentally Conscious Products and Devices

Developing Green Products and Devices

Sharp calls its environmentally conscious products “Green Products (GP).” The GP Guidelines, which define development and design criteria in line with seven concepts, have been in use at all product design departments since fiscal 1998. In developing products, Sharp sets specific objectives according to the GP Standard Sheet, which is formulated based on the GP Guidelines. In the trial manufacture and mass production stages, it determines how well the actual product has met these objectives. The content of the GP Standard Sheet—the benchmark for development objectives—is revised each year in order to constantly improve the environmental performance of Sharp products. Sharp sales and manufacturing bases in Europe, ASEAN countries, and the Middle East meet periodically to keep abreast of changing product environmental laws and regulations around the world. The information gathered at these meetings is shared with Sharp business units in Japan and the legal requirements relating to product design are reflected in the GP Guidelines.

Sharp calls its environmentally conscious devices “Green Devices (GD).” To define guidelines for development and design based on seven concepts, Sharp established the GD Guidelines, which it began applying at all device design departments in fiscal 2004. Sharp sets objectives according to the GD Standard Sheet and assesses how objectives have been met in a similar way to GP standards. In fiscal 2013, Sharp revamped the GD assessment system by adding new criteria concerning forward looking initiatives that take customer demands into consideration. The degree to which these criteria are satisfied is represented in points called GD Challenge Points. The assessment criteria are revised every year so that Sharp can continuously raise the environmental performance of its products such as LCD modules and sensors.

Green Product Concepts

Energy Saving / Energy Creating	Products with superb energy-saving/energy-creating performance Improve the energy efficiency and reduce the energy consumption of products; other measures
Resource Conservation	Products designed to conserve resources Reduce the amount of materials used; design products that conserve resources during use; extend the life span of products; other measures
Recyclability	Products designed for recycling Design products that are easy to disassemble; use easy-to-recycle materials; other measures
Safe Use and Disposal	Products that can be used and disposed of safely Do not use substances that negatively affect people’s health or the environment; other measures
Use of Green Materials and Devices	Products that use green materials and devices Use recycled materials / plant-based plastics; other measures
Environmental Consciousness Pertaining to Batteries, etc.	Products that use batteries, manuals, and packaging with enhanced environmental consciousness Reduce product packaging; design products that allow easy removal of batteries; other measures
Showing Eco Information of Products	Products that show their environmental performance and information Acquire environmental labels (eco labels); implement LCA; other measures

Green Device Concepts

Energy Efficiency / Energy Creating	Devices with superior energy efficiency and that consume less energy Reduce power consumption during operation and in standby mode; other measures
Resource Conservation	Devices designed to conserve resources Reduce device weight or volume; other measures
Recyclability	Devices designed for recycling Use standard plastic; design devices that are easy to disassemble; other measures
Safe Use and Disposal	Devices that can be used and disposed of safely Manage usage of chemical substances contained in parts and materials; other measures
Long Life	Devices that make products last longer Extend the life of the product with exchangeable parts and consumables (target: LCD devices); other measures
Packaging	Devices that use packaging with enhanced environmental consciousness Reduce packaging; other measures
Information Disclosure	Devices that give environmental information Provide information on chemical substances in devices; other measures

Environmental Initiatives: Environmental Management

Developing Environmentally Conscious Products and Devices

Developing Super Green Products

Since fiscal 2004, Sharp has been certifying products that offer a particularly high level of environmental performance as “Super Green Products (SGP).” In fiscal 2022, sales of those products reached 131.2 billion yen, with SGP sales accounting for 28% of all GP sales in Japan. In fiscal 2016, Sharp revised the criteria for this certification. Products are certified if (1) they offer class-leading energy-saving or energy-creating performance, or (2) they offer significantly high environmental performance through the use of unique Sharp technology. This way, Sharp is aggressively pursuing the development of products that consume as little power as possible or that use resources to the least possible extent, as well as developing high-efficiency solar cells.

Examples of Super Green Products



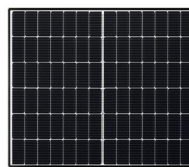
Plasmacluster washing machine/dryer ES-X11A



Smartphone AQUOS sense7



Digital full-color MFP BP-70C45



Solar module NU-259AM

Example

Developer Interviews

Sharp has the “Always Thinking Green” website, which features interviews with product planning staff, engineers, designers, and other staff involved in product development. The site conveys their commitment to environmentally conscious manufacturing and the difficulties they have faced. Through this site, Sharp aims to boost the added value of products by communicating the products’ appeal from an environmental perspective. In fiscal 2022, the site featured AQUOS wish/wish2 smartphones and a front-loading washer/dryer.

Related information: > [Always Thinking Green](#)



The smartphone development team



The front-loading washer/dryer development team

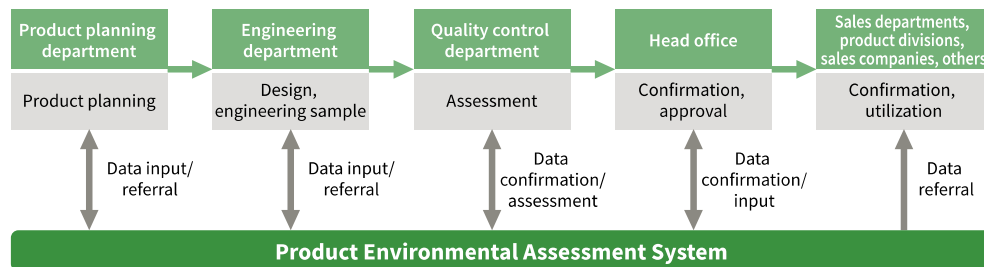
Environmental Initiatives: Environmental Management

Developing Environmentally Conscious Products and Devices

Product Environmental Assessment System

Sharp operates a product environmental assessment system to ensure compliance with environmental laws and regulations as well as to promote environmentally conscious product design. This system allows Sharp to keep a database of the development know-how and design data that all Sharp design and development bases possess on environmentally conscious products and devices. The database is used to raise design standards and to promote in-house standardization of life cycle assessments (LCA). This way, the system is contributing to the creation of environmentally conscious Sharp products and devices. Since fiscal 2016, Sharp has been strengthening the function for checking products' compliance with environmental laws and regulations.

■ System Flow



Environmental Initiatives: Biodiversity Protection

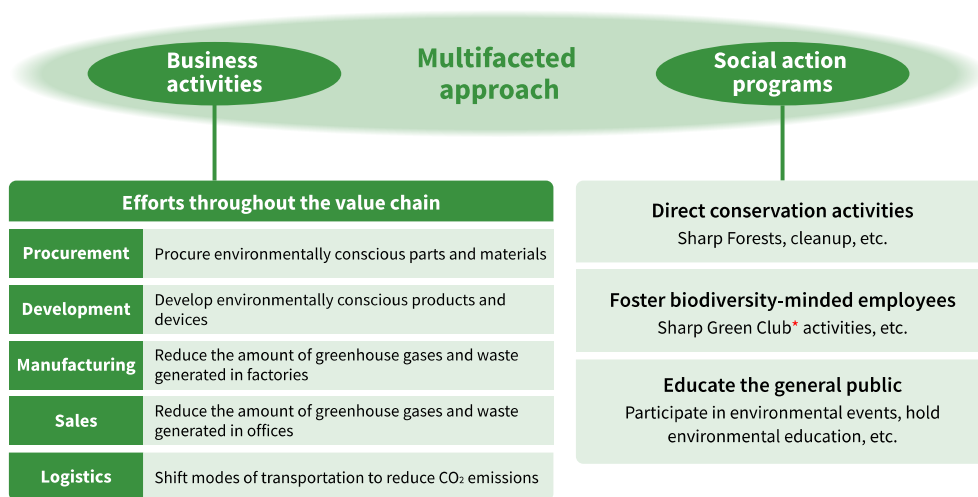
Protecting Biodiversity

Biodiversity Protection through Business and Social Action Programs

While Sharp’s business activities impact biodiversity, the company also benefits from the resources that biodiversity provides. That is why the Sharp Group is carrying out a multifaceted approach in which it protects biodiversity through business activities and social action programs at worldwide bases.

Based on the Sharp Group Policy on the Sustainable Support of Biodiversity, Sharp formulated the Sharp Biodiversity Initiative in fiscal 2009. The Initiative describes biodiversity in an easy-to-understand manner, and it outlines concrete measures for business activities and social action programs that take biodiversity into account.

■ Sharp’s Efforts for Protecting Biodiversity



* A joint Sharp labor-management volunteer organization.

Example

Conserving Freshwater Fish Species

The Kameyama Plant (Kameyama, Mie Prefecture) is working to propagate *Tanakia lanceolata*, a freshwater fish on Mie Prefecture’s endangered species list. A large population of this fish used to inhabit rivers and streams in the municipality of Kameyama, but numbers have dropped drastically due to factors such as diversion of natural waterways, predation from invasive species, and a decrease in the bivalves that the fish depend on.

The biotope pond on the plant premises is suitable for conservation and propagation of the *Tanakia lanceolata* : there is little chance of invasive species entering, and its soil is sand, an ideal habitat for the bivalves crucial to the fish’s survival.

Employees carry out periodical surveys of the fish population as part of ongoing conservation activities.



Surveying growth of the fish



Tanakia lanceolata (male)

Environmental Initiatives: Biodiversity Protection

Protecting Biodiversity

Example

Conserving Bamboo Lilies

The Tenri Plant (Tenri, Nara Prefecture) is committed to preserving biodiversity on ancient burial mounds located within its grounds. Bamboo lilies, a rare wild plant species, naturally grow on these mounds but have become scarce due to land development and overharvesting. To nurture and conserve these lilies, our employees maintain the area by periodically cutting down withered bamboos, weeding the grounds, and gathering and planting seeds.



Cutting down withered bamboos and weeding



Gathering seeds



Planting seeds



Bamboo lilies, a rare wild plant native to the area

Example

Preserving Biodiversity at Overseas Bases

Indonesian production and sales base SEID works with the local community to preserve biodiversity. On the annual International Day for Biological Diversity (May 22 each year), the company held an event where activities included employees and local students planting mangroves and cleaning up the beaches on the island of Panggang Island, Jakarta.



Planting mangroves



Participants after the beach cleanup

Environmental Initiatives: Overview of Environmental Impact

Material Balance

Sharp gathers data to gain an overview of the burden its business activities place on the environment. Measured items include the consumption of energy and materials in business activities, the emissions of greenhouse gases, and the generation of waste. Sharp then uses these values to reduce its environmental burden.

Coverage: Sharp Corporation production sites and production subsidiaries in Japan and overseas

Input

Item		Unit	Fiscal Year		
			2022		
Procurement, R&D, product manufacture	Energy	TJ*1	21,262		
		Electricity	Million kWh	1,816	
		Renewable energy*2	Million kWh	10	
		City gas	Million m ³	56	
		LPG, LNG	Tons	5,379	
		Heavy oil, kerosene, gas oil, gasoline	Kl	1,887	
		Hot water, cold water, steam	TJ	727	
	PFCs purchased	Tons	1,441		
	Water resources	Water withdrawal	Million m ³	31.4	
			Third-party water*3	Million m ³	10.2
			Groundwater	Million m ³	9.4
		Water reused	Million m ³	0.8	
	Water reused	Million m ³	21.4		
	Chemical substances handled (PRTR-listed)	Tons	5,605		
	Chemical substances handled (VOCs)	Tons	3,167		
	Materials consumed*4	Thousand tons	746		
		Recycled plastic*5	Thousand tons	1	
Logistics	Energy consumed (vehicle fuel)*6	TJ	152		
Product use	Energy consumed (electricity)*7	Million kWh	4,809		

Greenhouse gases Water Chemicals Resources

Output

Item		Unit	Fiscal Year		
			2022		
Procurement, R&D, product manufacture	Greenhouse gases	Thousand tons CO ₂	1,125		
		CO ₂	Thousand tons CO ₂	940	
		Gases other than CO ₂ (converted into amount of CO ₂)	Thousand tons CO ₂	185	
			HFC	Thousand tons CO ₂	2
			PFC	Thousand tons CO ₂	81
			SF ₆	Thousand tons CO ₂	50
			NF ₃	Thousand tons CO ₂	53
	Effluent	Million m ³	7.9		
		Public water areas	Million m ³	5.8	
		Sewerage	Million m ³	2.1	
	Chemical substances released and handled (PRTR-listed)	Tons	635		
	Chemical substances released and handled (VOCs)	Tons	73		
	Atmosphere*6	NOx emissions	Tons	21	
		SOx emissions	Tons	1	
	Water areas*6	COD (chemical oxygen demand)	Tons	17	
		Nitrogen pollutant load	Tons	65	
		Phosphorous pollutant load	Tons	0.4	
Product shipments*8	Thousand tons	660			
Waste, etc.	Thousand tons	86			
	Final landfill disposal	Thousand tons	0.4		
Logistics	CO ₂ emissions*6	Thousand tons CO ₂	10		
Product use	CO ₂ emissions*7	Thousand tons CO ₂	2,576		

Recycle

Item		Unit	Fiscal Year
			2022
Amount recycled*6	Home appliances (4 kinds)	Thousand tons	69
	Copiers/MFPs	Thousand tons	3.2
	PCs	Tons	5
	Amount of closed-loop material recycling of plastic	Thousand tons	1
Disposal after recycling*6		Thousand tons	10

- *1 TJ (terajoule) = 10¹²J.
- *2 Amount of solar power generated; amount of green power certificates purchased.
- *3 Industrial-use water and tap water.
- *4 Total weight of product shipments and waste, etc. (estimate).
- *5 Amount recycled through closed-loop plastic material recycling technology.
- *6 In Japan.
- *7 Annual energy used and amount of CO₂ emitted by major products sold in the reporting year (estimate).
- *8 Total weight of major products sold in the reporting year and packaging materials used (estimate).

Environmental Initiatives: Overview of Environmental Impact

Calculation Standards for Environmental Performance Data

The environmental performance data are calculated based on the following calculation standards.

Input

Environmental Performance Indicators		Calculation Method
Procurement, R&D, product manufacture	Energy consumed	Calculated based on the Act on Rationalizing Energy Use and the Japanese Ministry of the Environment's Greenhouse Gas Emission Calculation and Reporting Manual
	PFCs purchased	HFCs, PFCs, sulfur hexafluoride (SF ₆), and nitrogen trifluoride (NF ₃) purchased annually
	Water resources consumed	Consumption and recycled use of water purchased from third parties (industrial-use water, tap water) and groundwater
	Chemical substances handled (PRTR-listed)	Among the substances covered under the PRTR Law, the total amount of substances handled annually at each plant in quantities of 500 kg or more
	Chemical substances handled (VOCs)	Among the 20 types of volatile organic compounds (VOCs) specified by Japan's four major electrical and electronic industry associations, the total amount of substances handled annually at each plant in quantities of 1 metric ton or more
	Materials consumed	Total weight of major products* sold in the reporting year (estimate), plus waste, etc. generated
Logistics	Energy consumed	Revised ton-km method
Product use	Energy consumed	Estimate of annual energy used by major products* sold in the reporting year. Calculation based on each product's annual energy consumption rate (using a heat input per unit of 9.97 MJ/kWh).

* Flat-panel TVs, air conditioners, refrigerators/freezers, washing machines/dryers, air purifiers, Plasmacluster Ion generators, microwave ovens, copiers/MFPs, solar cells

Output

Environmental Performance Indicators		Calculation Method	
Procurement, R&D, product manufacture	Greenhouse gas emissions	<ul style="list-style-type: none"> CO₂ emissions from purchased electricity Japan: Using CO₂ emission coefficient by electric power company (adjusted) published by Japan's Ministry of the Environment and the Ministry of Economy, Trade, and Industry Overseas: Using emission coefficients published in the environmental reports, etc. of electric power companies, or emission coefficients published in the IEA Emissions Factors CO₂ emissions from consumed fuel Using emission coefficient published in the Ministry of the Environment's Greenhouse Gas Emission Calculation and Reporting Manual Greenhouse gases other than CO₂ Using global warming potential published in the 4th Assessment Report by the Intergovernmental Panel on Climate Change (IPCC) 	
	Drainage	Annual drainage into public water areas and sewer system	
	Chemical substances released and transferred (PRTR-listed)	Among the substances covered under the PRTR Law, the total amount of substances (handled annually at one or more plant in quantities of 500 kg or more) that were released and transferred	
	Chemical substances released (VOCs)	Among the 20 types of volatile organic compounds (VOCs) specified by Japan's four major electrical and electronic industry associations, the total amount of substances (handled annually at each plant in quantities of 1 metric ton or more) that were released and transferred	
	NOx emissions	Annual emissions	
	SOx emissions	Annual emissions	
	COD (chemical oxygen demand)	Drainage into public water areas	
	Nitrogen pollutant load	Drainage into public water areas	
	Phosphorous pollutant load	Drainage into public water areas	
	Product shipments	Total weight of major products* sold in the reporting year, plus packaging material used (estimate)	
	Waste, etc.	Industrial waste + general office waste + valuable resources recovered	
	Final landfill disposal	Final landfill disposal of industrial waste + final landfill disposal of general office waste	
	Logistics	CO ₂ emissions	Revised ton-km method
	Product use	CO ₂ emissions	Amount of CO ₂ emitted by major products* sold in the reporting year, based on their energy consumption (estimate)

Environmental Initiatives: Overview of Environmental Impact

Calculation Standards for Environmental Performance Data

■ Recycle

Environmental Performance Indicators		Calculation Method
Disposal, recycling	Home appliances (4 kinds)*	Amount of used home appliances (4 kinds) recycled
	Copiers/MFPs	Amount of recycled copiers and MFPs
	PCs	Amount of recycled PCs
	Amount of closed-loop material recycling of plastic	Amount of recycled plastic used, which was produced through closed-loop material recycling
	Disposal after recycling	[Weight of 4 kinds of home appliances, PCs, and copiers/MFPs collected] - [Weight recycled into new products or materials, or reused]

* TVs (CRT TVs, flat-panel TVs), air conditioners, refrigerators/freezers, washing machines/dryers

Social Initiatives

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2.58%
Percentage of Disabled
Employees in Japan
(As of June 2023)



10,515
volunteers
Total number of participants
in environmental conservation
activities in fiscal 2022

Social Initiatives: Efforts Related to Human Rights

Efforts Related to Human Rights

Guiding Principles on Human Rights

As a participant in the United Nations Global Compact, the Sharp Group promotes initiatives that conform to international principles about human rights and labor standards, such as those advocated in International Labour Organization (ILO) conventions.

The Sharp Group's fundamental policies with regard to human rights are embodied in the Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct. These stipulate that the Sharp Group respects fundamental human rights and individuality by eschewing practices that are discriminatory or which infringe upon human rights, such as child labor or forced labor, and every effort is made to ensure that all Sharp employees are aware of and adhere to these policies.

Human Rights Education and Training

In Japan, new employees and mid-career hires of the Sharp Group learn about Sharp's philosophy on human rights by studying the Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct.

Each site carries out ongoing human rights awareness activities, including annual human rights training. In fiscal 2022, Sharp held online training and e-learning on preventing all forms of harassment, as well as on other important topics. A total of 18 sessions were provided to around 17,200 employees.

In fiscal 2022, compliance-related training based on the Sharp Code of Conduct was also provided to all Sharp Group employees. In this training, employees learned about working hours, wages and benefits, and freedom of association and collective bargaining, key themes in the human rights and labor field. About 18,000 employees took part in this e-learning program.

Sharp Group Charter of Corporate Behavior (excerpt)

The Sharp Group respects fundamental human rights and does not engage in discriminatory actions or human rights violations in any of our business activities. The Sharp Group does not sanction child labor or forced labor.

Sharp Code of Conduct (excerpt)

1. We respect the fundamental human rights and the dignity of individuals in all business activities, and will not be complicit in human rights violations. In case business activities, products and services are found to adversely affect human rights, we will take all appropriate measures.
2. We will not sanction child labor or any form of forced labor, and we will support its effective abolition.
3. In any corporate activities, including employment practices such as hiring, payment, promotion, opportunities for training and the like, we do not take any action that constitutes discrimination based on nationality, race, ethnic group, color, sex, physical health, pregnancy, sexual orientation, age, marital status, religion, creed, social status, birth, property, bodily feature, physical or mental disability, political opinion, and the like.
4. We do not engage in acts and speech that constitute inhumane acts, such as abusive behavior, expressions of contempt, verbal abuse, sexual harassment, power harassment and the like, in our offices and other work places.
5. Based on global standards and applicable laws and regulations, we will respect and consider the rights of employees, such as freedom to associate, freedom to join a trade union, freedom to take industrial action, freedom to join a worker's council and the like without revenge, threats, and/or harassments to employees.

Human rights-related initiatives in line with the Sharp Group Charter of Corporate Behavior, the Sharp Code of Conduct, local laws and regulations, and other requirements are also being promoted at Sharp's overseas bases.

Additionally, Sharp carries out ongoing human rights compliance checks at its production sites via SER self-assessment surveys* conforming to international principles, such as those advocated in ILO conventions.

In the UK, we have disclosed a statement to prevent forced labor and human trafficking based on the UK Modern Slavery Act 2015. In Australia, we have submitted reports as required under the Modern Slavery Act.

* See page 012.

Related information: > [Modern Slavery Act Transparency Statement](#)

Social Initiatives: Efforts Related to Human Rights

Labor-Management Relationship

Good Labor-Management Relationship That Prioritizes Dialogue and Respect for Employee Rights

Sharp respects employees' right to organize and the right of collective bargaining based on the laws of each country or region, and it works to strengthen its trusting relationships with labor unions.

At Sharp Corporation, for example, labor agreements between the company and the union give the union the right to organize, the right to bargain collectively, and the right to take collective action.

Under labor agreements, Sharp provides periodic opportunities for labor-management meetings, such as the Central Labor-Management Council, which involves top executives from both sides, and labor-management meetings at each production site and affiliate. In addition, labor and management periodically meet to exchange opinions and information regarding the company's financial condition and issues in the work environment. When there are issues that will have an impact on the working conditions of union members, both sides meet for discussion before action is taken.

As of March 31, 2023, a total of 4,061 Sharp Corporation employees are members of the Sharp Workers Union. This represents a union participation rate* of 97.1%.

In Europe, Sharp holds European Works Council meetings every year to review the financial condition and managerial issues throughout Europe. In China, companies are obligated to hold meetings with employee representative assemblies to decide on issues such as employee working conditions. In line with relevant local laws, Sharp strives to build cooperative labor management relationships.

* Union members as a percentage of general staff. Some employees are not union members (managers and those performing specific jobs stipulated under labor agreements between the company and the union; in personnel affairs, accounting, etc.).

Preventing Workplace Harassment

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> Provide e-learning for all employees at least once a year on how to prevent harassment Respond to and resolve harassment-related consultation cases 	<ul style="list-style-type: none"> E-learning provided for all employees on how to prevent harassment Harassment consultation service staff handled complaints and consultations about harassment in a proper manner and in line with established rules 	★★	<ul style="list-style-type: none"> Provide e-learning for all employees at least once a year on how to prevent harassment Respond to and resolve harassment-related consultation cases

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Basic Concept

Workplace harassment is socially unacceptable behavior damaging to human dignity. It prevents employees from being effectively empowered, hinders workplace cohesion and operations, and negatively affects the company's image in society.

Harassment-related consultations are handled swiftly and fairly, and disciplinary action is taken in accordance with the rules of employment if any prohibited behavior considered to be harassment is identified.

<Prohibited behavior considered to be harassment>

- Sexual harassment
- Harassment relating to pregnancy, childbirth, childcare, caregiving, etc.
- Power harassment (workplace bullying)

Harassment Prevention Measures

In Japan, in order to help prevent harassment and to deal with it should it occur, Sharp provides all employees, including managers, with e-learning and other harassment-related training. There were 15,157 participants in fiscal 2022.

Additionally, Sharp utilizes employee surveys to help ascertain the status of workplace harassment and to identify whether warnings and guidance should be issued in order to prevent potential problems.

Harassment Consultation Service

Sharp has also set up a harassment consultation service for all of its bases in Japan in order to handle harassment-related reporting and consultations, thereby helping to ensure that, in the event that harassment occurs, a system is in place to immediately deal with it. In addition, Sharp has established the Crystal Hotline as a general consultation service for all workplace-related concerns, particularly those related to compliance.

Consultation services are available to Sharp employees, temporary staff, employees of business partners, and other relevant parties.

Sharp has developed harassment response guidelines, which stipulate the appropriate way to handle harassment reports, such as how to ensure those making the reports do not suffer any negative repercussions or have any personally identifiable information leaked or disclosed without their consent.

Social Initiatives: Human Resource Development / Personnel System

Human Resource Development

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> Expand education and training system aimed at developing the next generation of human resources Encourage an employee mindset to come up with new business ideas 	<ul style="list-style-type: none"> Expanded human resource development programs for selected employees Opened course for senior management candidates (aimed at young managers) Conducted new business proposal activities: Held new business proposal meetings, opened startup training 	★★	<ul style="list-style-type: none"> Expand education and training system aimed at developing the next generation of human resources Encourage an employee mindset to come up with new business ideas

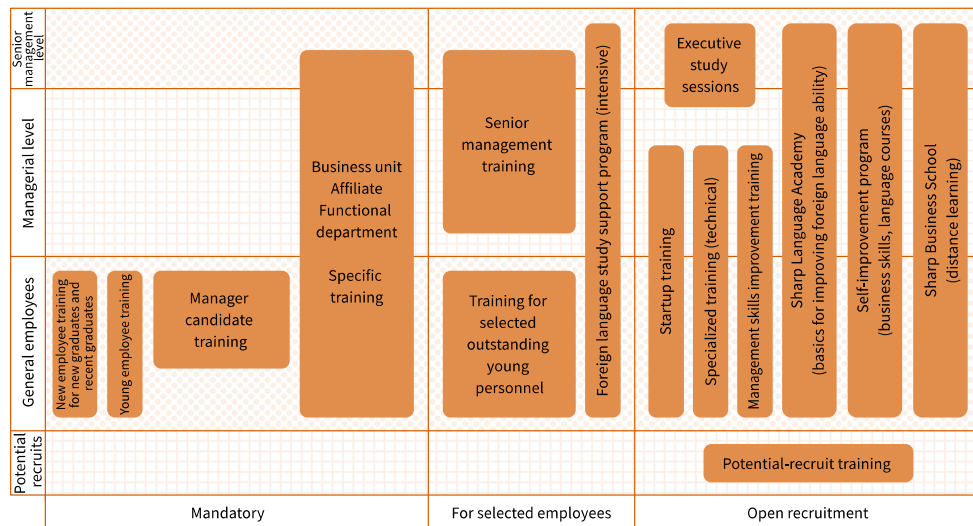
Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Variety of Human Resource Development Programs

Sharp’s range of development programs is one way the company is boosting its comprehensive strength.

We have many kinds of development programs aimed at improving the quality and scope of employees’ capabilities. These train young employees, cultivate the next generation of leaders, and strengthen individual skills.

Human Resource Development Programs



Job-Level-Specific Human Resource Development

In job-level-specific training, special emphasis is placed on the development of young employees so that they can acquire the knowledge, skills, and mindset essential to each stage of their careers.

Towards that end, young people receive training starting from when they are first selected to join Sharp, training upon joining the company, and training in their first few years at the company.

Candidates for promotion take manager candidate training as part of Sharp’s efforts to systematically strengthen its management capabilities.

Human Resource Development for Selected Employees

For Sharp to achieve sustainable growth, it must foster the next generation of leaders who will carry the company into the future. We therefore select outstanding employees who can build our future and improve the necessary skills of these management personnel.

In programs for senior management candidates for the near and foreseeable future, we have courses that promote their systematic growth. In addition to sharpening skills that participants need to take charge, there are courses that will give outstanding young managers what it takes to be senior managers, in areas such as leadership, ESG*, new business, and business administration.

* Environmental, social, governance.

Social Initiatives: Human Resource Development / Personnel System

Human Resource Development

Fostering Global Human Resources

To improve employees' foreign language abilities towards expanding Sharp's global business, we provide foreign language study of two types: the basics, open to all employees; and intensive, for selected employees. In the basics, we meet individuals' particular study needs with learning that can be done anytime and anywhere, in addition to counseling on language learning. We also strive to foster globally minded individuals through things like overseas business trips and overseas job placement so that they can communicate and problem-solve with their worldwide counterparts.

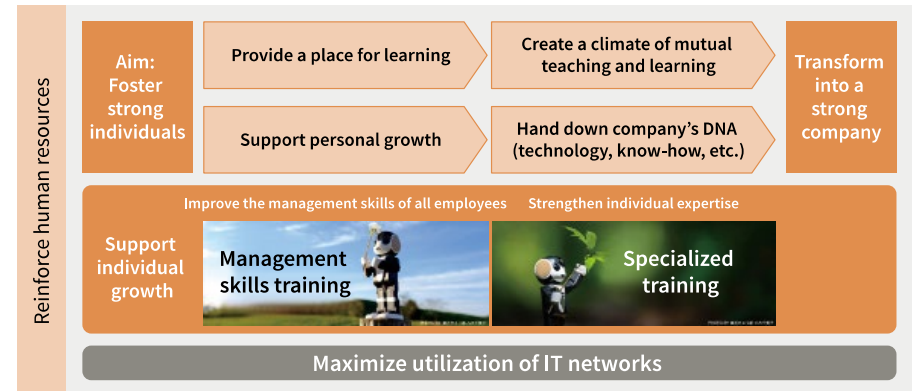
Fostering a New-Business-Creation Mindset

As part of efforts to build a culture conducive to earnestly creating new business and innovating, we carry out new business proposal activities. At our newly established new business proposal meetings, proposals are gathered from the all of Sharp and the best ones compete at a company-wide competition. Teams that make it to the company-wide competition are given training in how to best present their proposals to the judges.

Personnel, Education, and Training System for Fostering Strong Individuals

Sharp works to cultivate an environment in which employees can pursue independent learning whenever and wherever they are, in order to build up the basic business knowledge and expertise that they need as professionals.

■ Creating a Learning-Friendly Environment



Specialized Technical Training and Management Skills Improvement Training

Through specialized technical training, Sharp pursues a variety of initiatives aimed at helping employees improve and deepen their expertise (technical competency). The courses we offer are a basic skills-building seminar (e-learning) in which primarily younger engineers learn the basics of technology; a device seminar, which introduces employees in product development to Sharp's latest devices; and technical workshops, which incorporate a practical program that is directly linked to job skills in specific technical fields. There are also engineer exchange meetings. Sharp's education and training initiatives are aimed at strengthening technical expertise company-wide, going beyond the limited framework of specific business and products to share technical know-how across internal functions and to develop younger employees by passing existing skills and techniques on to them. In management skills improvement training, there are self-study courses for all employees to learn and acquire the basic knowledge and skills of business.

Social Initiatives: Human Resource Development / Personnel System

Human Resource Development

Learning for Self-Development

Initiatives such as study sessions and management skills improvement training are in-house programs for employee self-development. Through these, Sharp actively supports employee growth by providing an e-learning environment, which complements the group training sessions, allowing employees to use their home computers and smartphones to easily pursue learning anywhere, anytime.

■ Learning for Self-Development Participation in Japan (Fiscal 2022)

No. of Participants (Total)	Total Learning Hours
5,310	9,557 hours

We also provide training programs outside the company for those who wish, including courses in business framework and other management skills, and foreign languages. It is all part of a training system that satisfies the numerous ways that employees desire to improve themselves. Through the ongoing provision of these various education and training initiatives, we are fostering a corporate culture of employee-driven mutual learning and instruction in which we cultivate personnel capable of delivering the sorts of innovation that strengthen the company.

Example

Improving Conditions for Employees' Self-Development

In April 2023, Australian sales base SCA implemented an online HR system called Employment Hero. This was in line with their effort to actively support employees' self-improvement by providing an e-learning environment allowing employees to easily study on their home computers and smartphones. In addition to the existing training already available for new lines of MFPs, and for corporate policies such as occupational safety and health and codes of conduct, we plan to broaden the e-learning program across a variety of fields that include sales training.



Social Initiatives: Human Resource Development / Personnel System

Personnel System Conducive to Talent Development and Motivation Boosting

Employee Evaluations and Compensation

Because we believe employees' compensation should depend on their achievements, we use a bonus/pay raise system that is tied to company performance and employee evaluation in order to reward those employees who have produced good results.

To ensure fair evaluations, employees have an interview with their managers at the beginning, middle, and end of each evaluation term, at which time both sides confirm how well the employee is doing in terms of progress towards targets, contribution to the company, and job results.

Evaluation results are given to employees every half year along with explanations of the evaluations with the aim of contributing to employees' growth.

In-House Recruitment System

Our in-house recruitment system allows current employees to apply for jobs such as the launch of a new business. Besides effectively leveraging existing human resources, the system also helps our employees advance their careers.

Personnel Declaration System

All employees submit a career development plan along with a self-assessment of their job aptitude. Sharp then stores this information—along with records of interviews with supervisors—in a personnel database. This provides an overview of how employees are progressing with respect to their career goals, and it allows Sharp to effectively develop human resources.

Step-Up Campaign (Qualification Acquisition Encouragement Plan)

To support employee self-development, Sharp offers monetary rewards to employees who have acquired qualifications, with the amount depending on the difficulty of acquiring the qualification. This plan covers about 200 qualifications, including some for field-specific techniques and skills, some directly related to daily duties, and some for language skills.

Employee Survey

Employee surveys cover employees at Sharp Group companies in Japan. The surveys have been conducted periodically since 2005 with the aim of invigorating and improving the workplace. In 2022 the survey took place in July and 18,123 people responded to the survey (95.0% response rate). The survey results, obtained from questions about the current situation regarding the respondent's work, workplace, superiors, and so forth, are summarized for each workplace and shared with every employee. Workplace meetings are held based on the survey results to identify the issues to be addressed and carry out voluntary improvement activities.

Welfare

Sharp Group companies in Japan have introduced a variety of employee benefits and welfare systems, which contribute to a stable and secure working environment for employees.

■ Sharp Group Employee Benefits (Japan)

Corporate pension system	In addition to the public pension system, Sharp has introduced its own corporate pension system (defined benefit corporate pension) to help support employees after their retirement.
Health insurance association	Sharp Health Insurance Association provides enrolled employees and their dependents with specific supplemental benefits above and beyond those mandated by law when sick or injured. A variety of health promotion services are also provided to those enrolled in the Health Insurance Association.
Other employee benefits and welfare systems	Property accumulation savings, employee stock ownership plan, Group health insurance plan, medical examination subsidy (e.g., for comprehensive medical screenings), special incentive leave (an extra five days of paid leave for every five years of continued employment).

Social Initiatives: Diversity Management

Developing Diversity Management

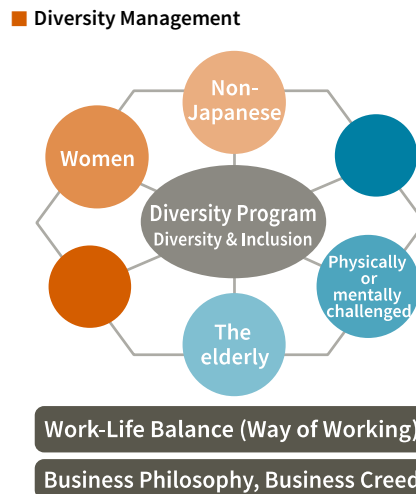
Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> Promote action plan in line with the Act on the Promotion of Women's Active Engagement in Professional Life Maintain 2.4% employment rate for the disabled 	<ul style="list-style-type: none"> Implemented action plan in line with the Act on the Promotion of Women's Active Engagement in Professional Life Percentage of female managers: 4.9% as of March 31, 2023 Maintained employment rate for the disabled: 2.58% as of June 1, 2023 	★	<ul style="list-style-type: none"> Promote action plan in line with the Act on the Promotion of Women's Active Engagement in Professional Life Maintain 2.4% employment rate for the disabled

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Basic Concept

Sharp's business philosophy, established in 1973, embraces the concept of diversity by stating that "It is the intention of our corporation to grow hand-in-hand with our employees, encouraging and aiding them to reach their full potential and improve their standard of living." We aim to produce new value based on mutual respect among employees and to develop and propose products and services that can contribute to better lives, creating the next future with customers.

Diversity management is a human resources strategy for utilizing a diverse range of employees, but we regard it as a business strategy at the same time. Also, the Sharp Code of Conduct states that, "In any corporate activities, including employment practices such as hiring, payment, promotion, opportunities for training and the like, we do not take any action that constitutes discrimination based on nationality, race, ethnic group, color, sex, physical health, pregnancy, sexual orientation, age, marital status, religion, creed, social status, birth, property, bodily feature, physical or mental disability, political opinion, and the like," and that, "We will actively take part in efforts to enhance the work environment where employees with diverse characteristics can fully demonstrate their abilities." This is what Sharp is actively working towards, giving individual consideration based on need.



Promoting Activities of Female Employees

Sharp formulated an action plan based on Japan's Act on Promotion of Women's Participation and Advancement in the Workplace, which came into effect in April 2016. In line with this action plan, Sharp is working to raise the percentage of women in all job categories and increase the number of women in managerial positions. This will enable it to achieve further diversity in its workforce and contribute to society through better products and services. To this end, Sharp has set the following goals and is actively pursuing further engagement of its female employees.

■ Sharp Corporation's Action Plan Based on the Act on the Promotion of Women's Active Engagement in Professional Life

Goal	Deadline
<ul style="list-style-type: none"> Have at least 15% of new graduates hired for engineering jobs and 50% of new graduates hired for non-engineering jobs be women Have at least 5% of managers be women Have at least 95% of female employees having returned to work after taking childcare leave stay at Sharp beyond 12 months after their reinstatement 	By the end of fiscal 2024

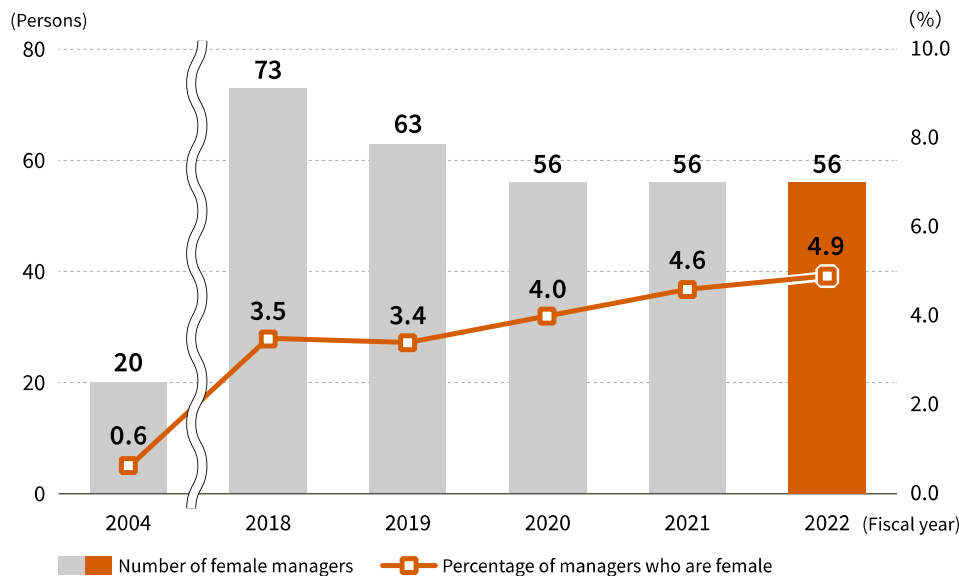
Social Initiatives: Diversity Management

Developing Diversity Management

Promoting Female Employees to Managers

For years, Sharp has striven to expand the roles of women in the workplace and promote female employees to managers. As of the end of fiscal 2022, the percentage of managers who were female was 4.9%, compared to 0.6% in the year Sharp launched a program to promote more women to managerial positions.

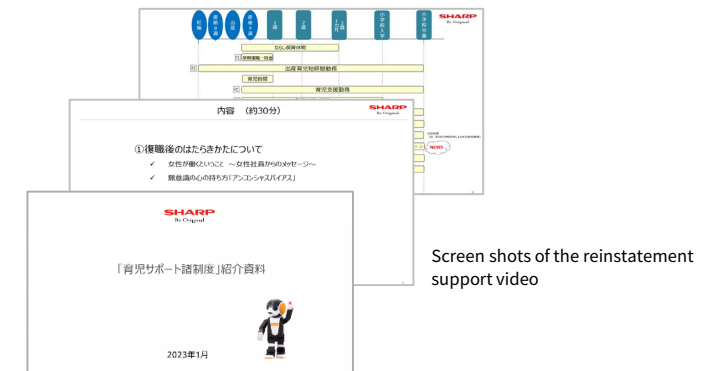
■ Number of Female Managers at Sharp Corporation



Supporting Employees Returning from Maternity or Childcare Leave

Sharp has held reinstatement support seminars every year since fiscal 2014. These seminars involve an explanation of the company's current circumstances and the various support systems related to childbirth and nursing. As well, employees who have returned to work after taking childcare leave share their experiences and provide advice on how to balance work and child rearing. Attendees are also given the opportunity to build networks with other working mothers. These seminars help to resolve anxiety during time off from work and foster a positive mindset about returning to work. Starting in fiscal 2020, the classroom-style seminar was changed to an online seminar to make it easier for participants to join from home while looking after children. This change was the result of feedback expressed during reinstatement support-related interviews with employees. With more male employees helping raise children in recent years, the number of seminar participants has been growing. To build a stronger support system encompassing the returning employee's family and the workplace, the online seminars now have videos for returning employees, their spouses, and bosses, and messages of encouragement from colleagues. Sharp will continue to listen to employees and incorporate their feedback as it works to become an even better and more attractive place to work.

Sharp also has two systems in place to support employees who are eager to advance their careers after returning to work after childbirth. One is for giving one-off payments to employees making an early return from childcare leave and the other is for subsidizing the fees for non-registered daycare facilities for employees with children at age two or younger, who fall outside the scope of the government program for free early childhood education and care.



Screen shots of the reinstatement support video

Social Initiatives: Diversity Management

Developing Diversity Management

■ Sharp Japan Consolidated Personnel Composition, by Gender (As of March 31, 2023) (Persons)

	Men	Women	Total
Consolidated domestic companies	16,098	2,001	18,099
Ratio	88.9%	11.1%	

■ Sharp Corporation Personnel Composition, by Gender (As of March 31, 2023) (Persons)

	Men	Women	Total
Directors, audit and supervisory committee members	7	0	7
Employees	Executive officers	0	4
	Managers	56	1,078
	General staff	689	3,494
	Subtotal	745	4,576
Total	752	4,583	5,328
Ratio	86.0%	14.0%	
Average age	45.9	43.4	45.6
Average years of service	22.7	20.7	22.4
New graduate hires (graduates of universities and technical colleges, April 3, 2023)	184	37	221

■ Sharp Corporation Annual Average Wages, by Gender (Fiscal 2022)

	Men	Women
Gender wage ratio per employee	1	0.796

■ Ratio of Men and Women at Major Overseas Subsidiaries (As of March 31, 2023)

Base		Directors, managers		Non-supervisory employees (permanent employees)		Total	
		Men	Women	Men	Women	Men	Women
SEC (US)	Sales, production	79.2%	20.8%	68.0%	32.0%	68.9%	31.1%
SEE (UK)	Sales, production	77.6%	22.4%	73.3%	26.7%	74.1%	25.9%
SEID (Indonesia)	Sales, production	83.3%	16.7%	70.8%	29.2%	71.5%	28.5%
SATL (Thailand)	Production	63.3%	36.7%	31.8%	68.2%	32.4%	67.6%
SMM (Malaysia)	Production	78.9%	21.1%	41.6%	58.4%	44.5%	55.5%
SOCC (China)	Production	84.8%	15.2%	25.0%	75.0%	31.0%	69.0%
NSEC (China)	Production	64.6%	35.4%	64.5%	35.5%	64.5%	35.5%
WSEC (China)	Production	60.1%	39.9%	46.0%	54.0%	47.1%	52.9%

Social Initiatives: Diversity Management

Developing Diversity Management

Expanding Opportunities for Non-Japanese Employees in Japan

With the globalization of business, Sharp is working globally to secure and systematically train human resources who can meet the needs of each workplace. In recent years, Sharp has promoted greater employment of international students and people of other nationalities residing in Japan. As of April 2023, we have approximately 120 non-Japanese employees from 12 countries working in various departments and job categories. To avoid illegally employing undocumented workers, Sharp checks the residence status of all foreign nationals before hiring them. This follows the advice of the Immigration Services Agency of Japan’s Ministry of Justice. (Sharp uses an Agency website to validate residence card numbers.)

Reemployment of Retirees

In 2001, Sharp introduced a professional employee system that reemploys employees who have reached the mandatory retirement age of 60. This stems from the company’s stance on promoting the utilization of senior employees who have a strong work ethic. It also takes into consideration employees who wish to give back and contribute to society through the skills and knowledge they have accumulated over many years.

At present, employees who have reached the mandatory retirement age of 60 (and who wish to continue working until the age of 65) are redeployed with the company. In response to the Act on Stabilization of Employment of Elderly Persons—which came into effect in April 2021—Sharp is considering offering guaranteed employment up to the age of 70.

Promoting Employment of the Disabled

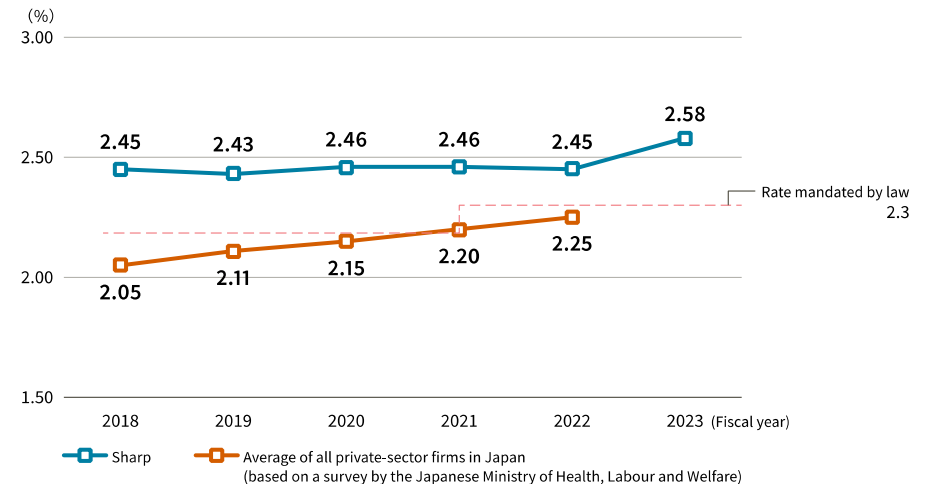
Ever since Sharp founder Tokuji Hayakawa established the “accumulation of community service” as one of the “Five Accumulations of Competency^{*1},” Sharp has been actively involved in social service and welfare. The entire Sharp Group makes efforts to promote the employment of the disabled and to create a better work environment for these employees. Specifically, Sharp launched a recruitment website addressing the employment of disabled people. This website contains information on initiatives to hire such individuals to work in the Sharp Group. Sharp is also striving to make the working environment more accessible for disabled employees. For example, during training sessions attended by hearing-impaired participants, there are support measures such as voice recognition software and PC note-taking (a method for conveying audio information by entering it into the keyboard of a PC) so that voice communication is converted into text for participants to read and understand.

^{*1} Accumulation of trust, accumulation of capital, accumulation of community service, accumulation of human resources, and accumulation of trading partners.

Employment Rate of the Disabled in Japan

As of June 1, 2023, Sharp Corporation, a Sharp special subsidiary^{*2}, and group companies^{*3} employed approximately 330 disabled persons. The percentage of disabled employees among all employees was 2.58%, above the 2.3% rate mandated by law (as stated in Japan’s Act to Facilitate the Employment of Persons with Disabilities).

■ Employment Rate of the Disabled in Japan



^{*2} A subsidiary that a company establishes and that gives special consideration in employing the disabled, in order to provide them with more employment opportunities and greater job security.

^{*3} In calculating the employment rate of the disabled, these are Sharp Group subsidiaries, other than special subsidiaries, that are certified by the head of a public employment security office.

Related information: > [Employment of Disabled People](#)

Increasing Mid-Career Hires

To acquire employees who can help expand new business and to foster a corporate culture that is youthful and highly motivated, we are strengthening our mid-career hiring. Ways we are doing this include directly approaching people we want to hire, and boosting Sharp’s attractiveness as a place to work. Our target has been to have mid-career hires account for about 30% of new Sharp Group employees in Japan. Mid-career hires accounted for 37% in fiscal 2020, 29% in fiscal 2021, and 29% in fiscal 2022.

Social Initiatives: Activities to Support Work-Life Balance

Activities to Support Work-Life Balance

Basic Concept

In line with its promotion of diversity, Sharp supports its employees by creating a rewarding workplace. Sharp gives employees a choice of work styles—allowing them to select the style that best suits them at various stages in their lives—thereby helping them achieve a work-life balance that will enable them to lead rich lives both at work and at home.

Specifically, Sharp is expanding support programs for childcare and nursing care and is distributing guidebooks and other information to promote use of these programs.

In addition, Sharp has established a support system for balancing work with medical treatment. Employees undergoing medical treatment are able to work comfortably without being pressed by time. An employee’s health and capacity for work are the key considerations in determining their work schedule and obligations.

On top of all this, Sharp is continuously implementing initiatives aimed at helping employees find a work style that is both efficient and satisfying, such as by establishing No Overtime Day and by actively encouraging employees to schedule and take their annual paid leave.

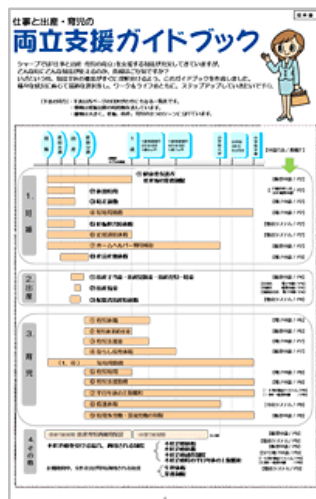
Supporting Men’s Participation in Childcare

To create a more employee-friendly workplace, Sharp has made efforts to establish a support system and environment in which both male and female employees can participate in child rearing. Japan is undergoing a low birth rate, diversifying work and life styles, and an increase in double-income households. In light of this, Sharp is expanding and improving its childcare leave system and encouraging more male employees to take part in child rearing. As a result, many male employees have taken leave to care for their children.

Sharp will continue to support its employees’ active participation in childcare and in family life with their children.

Acquiring Kurumin Certification

In 2007, 2009, 2012, 2015, and 2020, Sharp Corporation was recognized by the Minister of Health, Labour and Welfare as a company supportive of childrearing based on the Act on Advancement of Measures to Support Raising Next-Generation Children and received the “Kurumin” mark of certification.



Work-Life Balance Guidebook and Nursing Care Guidebook

Social Initiatives: Activities to Support Work-Life Balance

Activities to Support Work-Life Balance

■ Work-Life Balance Support Programs (Main Programs and Participation at Sharp Corporation)

(Persons)

Program Name	Description	Participation				
		Fiscal 2020 (usage rate)	Fiscal 2021 (usage rate)	Fiscal 2022 (usage rate)		
Leave for Purposes Related to Childcare	Childcare Leave* ¹	Fiscal 2022 Return to work rate Men: 100%; Women: 90% Retention rate* ² Men: 88%; Women: 94%	74 (43%) * ³ Men: 50 (34%) Women: 24 (100%)	56 (44%) * ³ Men: 36 (34%) Women: 20 (100%)	107 (97%) * ³ Men: 88 (95%) Women: 19 (105%)	
	Parental Leave* ¹					Allows leave for up to four weeks during the first eight weeks after the child is born
	Paternity Leave					Allows leave for up to five days during the period one week before the due date and six weeks after the child is born
Reduced-Hours Employment during Childbearing/Childcare	A system by which an employee can reduce work time by up to three hours per day (in units of 30 minutes) during pregnancy. Also allows a female/male employee to work under the same reduced-hours employment system until March 31 after her/his child has reached the sixth year of elementary school	7	3	5		
Childcare Support Work Program	Allows flexible work schedules (work day start and end times) until March 31 after the child has reached the sixth year of elementary school. This allows an employee to shorten working hours up to an average of three hours per day in one-hour units	215	230	230		
Nursing Care Leave* ¹	Allows an employee to take leave to care for a family member requiring nursing care for a total of two years (can be divided up)	3	7	5		
Nursing Care Support Work Program	Allows flexible work schedules (work day start and end times) during a six-month period in order to carry out nursing care. (Can be changed if necessary.) This allows an employee to shorten working hours up to an average of three hours per day in one-hour units	7	10	14		
Other Programs	Multipurpose Leave, Multipurpose Leave Taken in One-Hour Units (or half-day units), Staggered Commuting Hours during Pregnancy, Guaranteed Reemployment after Childbearing/Childcare, Reemployment after Returning from a Spouse's Overseas Transfer, Reemployment after Nursing Care, Reduced-Hours Employment or Reduced Weekly Working Days for Nursing Care, Support for Unmarried Employees with Family Nursing Care Obligations (commuting costs and other relevant expenses), Daycare Adaptation Leave, Nursing Care Leave (in one-hour units), Nursing Leave (in one-hour units), Home Helper Expense Subsidies, Leave of Absence or Annual Paid Holidays for Fertility Treatment, Fertility Treatment Financing System, Reduced-Hours Employment for Career Development Support, Telework, Volunteer Leave, Subsidy for Fees of Non-Registered Daycare Facilities, One-off Payments for Employees Making an Early Return from Childcare Leave, Subsidy for Fees for Sick Children Daycare and Extended Daycare					

*¹ Childcare leave, parental leave, or nursing care leave will never work against the employee in terms of personnel evaluations, pay raises, promotions, or bonuses.

*² Percentage of employees still working 12 months after returning to work.

*³ The usage rate for fiscal 2020 and 2021 was calculated in line with the Basic Survey of Gender Equality in Employment Management of Japan's Ministry of Health, Labour and Welfare. From fiscal 2022, the calculation includes parental leave and paternity leave, in accordance with the standards of the Act on Childcare Leave and Caregiver Leave.

Social Initiatives: Promoting Occupational Safety and Health

Promoting Occupational Safety and Health

Sharp Group Basic Policies on Safety and Health

Basic Philosophy

The Sharp Group regards protecting the safety, security, and health of employees all over the world as indispensable to its business activities, and is dedicating appropriate management resources in a spirit of Sincerity and Creativity, in order to achieve a safe and pleasant working environment.

Basic Policy

1. Legislative Compliance
In addition to strict compliance with legislation related to safety and health in each country and region, all Group companies must comply with in-house standards established in line with the standard Group policy.
2. Establishment of Management Organization
The Sharp Group has established a management organization to deal with safety and health, with clearly delineated roles, authority, and responsibilities, and is promoting activities at the structural level.
3. Establishment and Operation of Management System
The Sharp Group has established an occupational safety and health management system, and is engaged in continuous evaluation and improvement of its activities, with a view to eliminating potential hazards and risks to safety and health in the workplace.
4. Implementation of Education and Training
The Sharp Group is endeavoring to raise awareness of safety and health and to promote voluntary activities by implementing for all employees the education and training required to improve safety and health.
5. Setting Targets and Full Employee Participation in Practical Activities
The Sharp Group sets targets for preventing accidents and improving employees' health, and is striving to meet these targets by means of practical activities in which all employees participate.

Organization Promoting Safety, Hygiene, and Health

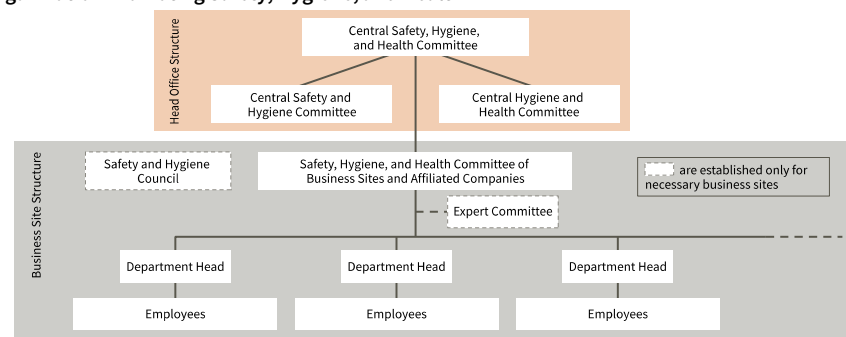
Sharp works to ensure the safety and to maintain and improve the health of all of its employees, as well as further the creation of a pleasant working environment. Towards that end, it has developed a clear administrative responsibility system for preventing industrial accidents and improving occupational safety and health levels. Also, in order to show Sharp's commitment to maintaining and improving health, it calls the names of its organizations and activities "safety, hygiene, and health" instead of "safety and health" and has established the following organizational system for promoting safety, hygiene, and health.

In order to ensure that activities for the maintenance and improvement of safety, hygiene, and health go smoothly, Sharp holds Central Safety, Hygiene, and Health Committee meetings that bring the management and the labor union together to discuss and decide basic policies for the entire company. The Committee establishes annual company-wide policies, objectives, and priority action items related to safety, hygiene, and health and rolls them out to business sites and affiliated companies.

At each business site or affiliated company, the Safety, Hygiene, and Health Committee consisting of labor and management representatives, as well as chemical, electrical, and gas subcommittees, meets every month to report, discuss, and review safety, hygiene, and health activities. The discussion and decision outcomes are communicated to all employees through the various departments.

In addition, in order to establish comprehensive safety, hygiene, and health management on company premises, every month at each business site a Safety and Hygiene Council meeting is convened, which includes subcontractors permanently stationed on-site. This committee discusses safety, hygiene, and health-related policy, targets, and planning, shares updates about safety, hygiene, and health initiatives, and works to prevent industrial accidents.

Organization Promoting Safety, Hygiene, and Health



Social Initiatives: Promoting Occupational Safety and Health

Promoting Occupational Safety and Health

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> Eliminate severe accidents, reduce industrial accidents Prevent health problems caused by overwork 	<ul style="list-style-type: none"> Number of industrial accidents: <ul style="list-style-type: none"> Took thorough measures to prevent things that lead to industrial accidents, such as falls and crashes, thus eliminating severe accidents and reducing accidents resulting in lost worktime by 11.8% year-on-year Strengthened measures against long work hours for Sharp Corporation employees <ul style="list-style-type: none"> General staff worked an average of 76 overtime hours in fiscal 2022, a 26.9% year-on-year reduction Had all employees working long hours interviewed and guided by a physician 	★★	<ul style="list-style-type: none"> Eliminate severe accidents, reduce industrial accidents Prevent health problems caused by overwork Implement company-wide Healthy Sharp initiative

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Occupational Safety and Health Management System

Sharp has established an occupational safety and health management system and is promoting measures to ensure the further penetration and establishment of “proactive safety,” an initiative under which potential workplace accident risks are identified in advance and eliminated or reduced. Four of Sharp’s major business sites in Japan have received certification for ISO 45001, an international standard for management systems of occupational safety and health. Sharp has also established and is promoting occupational safety and health management systems at other workplaces and affiliated companies to promote systematic, organized, and continuous safety and health management and raise the level thereof.

Initiatives to Reduce Industrial Accidents

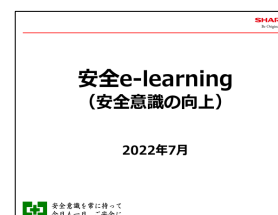
To prevent industrial accidents, the Sharp Group implements effective prevention measures across the organization based on analysis of the causes of accidents.

We also targeted all employees at Sharp Group companies in Japan in fiscal 2022 by, for example, offering safety e-learning and displaying safety awareness posters at bases, efforts which drive home the importance of following safety and procedural rules and help reaffirm awareness of the safety first concept.

In addition, to prevent things that lead to serious industrial accidents, such as falls and crashes, and to prevent accidents caused by reaction to motion and improper motion, we are raising employees’ awareness of dangers by making potential hazards more visible and conducting training in near-miss accidents and danger prediction. At production sites, thorough measures include having employees follow procedural rules and ensuring that equipment is always safe to use.

As a result of these efforts, in the Sharp Group in Japan in fiscal 2022, there were no industrial accidents resulting in death (a record that has continued since fiscal 2013), and our industrial accident rate (frequency rate of lost-worktime industrial accidents*1) was 0.27, which continued to be lower than the national average for all industries (2.06), the manufacturing industry (1.25), and the electrical machinery, equipment, and supplies manufacturing industry (0.53).

Raising Safety Awareness Among All Employees

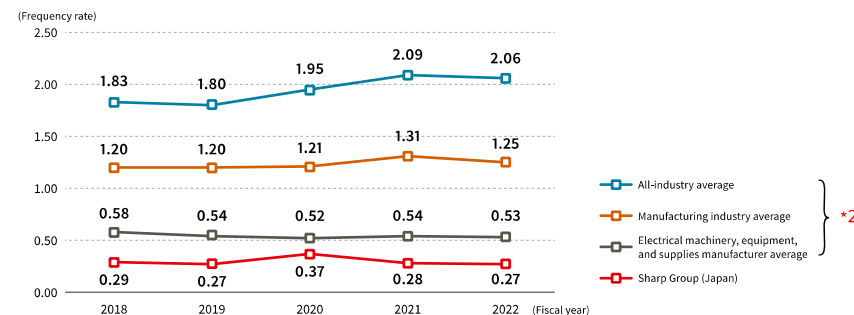


Safety e-learning textbook



Safety awareness posters displayed at bases

Annual Industrial Accident Rates (Frequency Rate of Lost-Worktime Industrial Accidents)



*1 Indicator that represents the incidence of industrial accidents per million work hours (one day or more of suspended operations).

*2 National averages for all industries, the manufacturing industry, and manufacturers of electrical machinery, equipment, and supplies are based on a 2022 survey by the Japanese Ministry of Health, Labor, and Welfare.

Social Initiatives: Promoting Occupational Safety and Health

Promoting Occupational Safety and Health

Company-wide Health Initiatives



Mr. Get, the mascot for Healthy Sharp

The Sharp Group’s business philosophy states that “It is the intention of our corporation to grow hand-in-hand with our employees.” To this end, the Sharp Group has been supporting the health of employees through Healthy Sharp 23, an initiative conducted since fiscal 2014. With this initiative, the Sharp Group is working together with the Sharp Workers Union and the Sharp Health Insurance Association to achieve the following five targets:

1. Reduce the obesity rate of employees
2. Lower the smoking rate of employees
3. Increase the rate of employees who regularly exercise
4. Reduce the total amount of sick leave associated with mental health issues and disorders
5. Eliminate constant excessive work hours

We will continue in fiscal 2023 and onward with measures to improve employees’ wellbeing through Healthy Sharp.

Making Employees Healthier

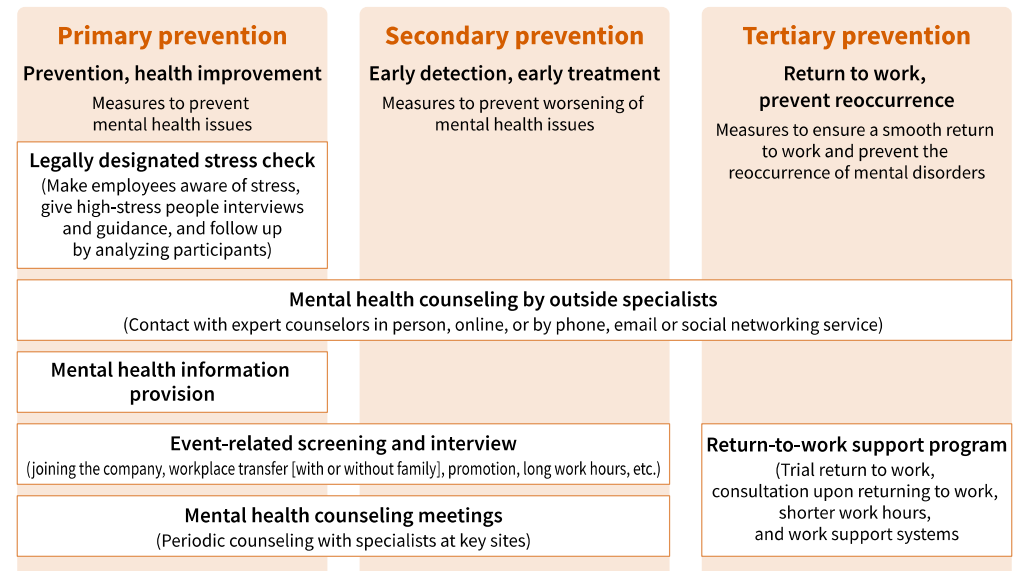
Sharp is striving for better employee health in numerous ways. For example, based on the results of periodic health checkups, employees have workplace physician interviews and are provided with health guidance to prevent lifestyle diseases, lose weight, and stop smoking. We have also made all company buildings smoke-free. We also encourage regular exercise through a competitive walking campaign among workplaces, which runs via a smartphone app.

We also have ongoing, focused activities to follow up on employees’ health. For example, we encourage employees who are at risk of brain and heart diseases to undergo health checkups.

Enhancing Mental Health Care

Sharp uses its employee stress check system, which is required under the Japanese law, to let employees realize their level of exposure to stress. The system is expected to lead to the prevention, early detection, and early treatment of mental health issues. Stress check results are also analyzed for each organization, so that we can improve the workplace environment. Sharp also offers comprehensive mental health services to employees, including counseling with mental health doctors and workplace counselors and counseling at outside specialized institutions. Mental health information is also made available to employees on the intranet. Our return-to-work support program also demonstrates our commitment to supporting reinstatement after absence and prevention of a recurrence of mental health issues. Employees returning to work will have a preliminary talk with the workplace physician and their department, and they can choose to return to work on a trial basis and work shorter or flexible hours.

Initiatives to Improve Employees’ Mental Health



Social Initiatives: Promoting Occupational Safety and Health

Promoting Occupational Safety and Health

Preventing Health Problems Caused by Overwork

Sharp strives to prevent health problems caused by overwork, such as by curbing long working hours, so that all employees can work in full physical and mental health.

Sharp Code of Conduct (excerpt)

We will actively make efforts to create a safety-first workplace environment and to manage proper working time and the like by placing maximum priority on human life, and by complying with global standards, the laws and regulations and internal company rules relating to work conditions and occupational health and safety.

Specifically, in order to limit the amount of overtime work, Sharp has set upper limits on working long hours and has designated days on which no overtime is allowed. Other measures which Sharp utilizes are securing break times between the end of working hours and the start of the next and mandating physician consultation and guidance for employees working long hours.

The total hours actually worked by Sharp Corporation general staff were 1,745 hours per employee in fiscal 2022, and annual overtime work hours per employee were 76 hours.

Measures Related to Work Hours

Item	Description
Upper limits on overtime work	<ul style="list-style-type: none"> A general staff member may work overtime (1) for not more than 80 hours per month and (2) for not more than 720 hours per year A manager may work overtime (1) for less than 100 hours per month to the extent that (2) overtime above 80 hours per month is limited to two consecutive months and that (3) the average overtime per month for the past six months is not more than 80 hours
No overtime days	<ul style="list-style-type: none"> Two no overtime days are set per week
Rules to secure rest time	<ul style="list-style-type: none"> Seven consecutive workdays are prohibited At least 10 hours of rest time should be secured between the end of one work period and the start of the next
Encouragement to take scheduled annual paid leave	<ul style="list-style-type: none"> Employees are encouraged to schedule and take their annual paid leave (In fiscal 2022, general staff at Sharp Corporation took 82.5% of their annual paid leave.)
Criteria for mandatory physician consultation and Guidance	<ul style="list-style-type: none"> All employees whose overtime above the weekly limit of 40 hours has exceeded 80 hours in the given month must receive physician consultation and guidance

Example

Promoting Employee Health Management

In February 2023, Malaysian production base SNM participated in a pilot program to self-test for Covid-19.

This program was organized by the Malaysia Ministry of Health in collaboration with the Federation of Malaysian Manufacturers and a global non-profit organization, FIND. Over 700 employees and their family members participated in the program at SNM. This not only prevented the spread of the disease but also contributed to the health and wellbeing of employees and their families, as well as customers and business partners.



Self-testing for Covid-19

Social Initiatives: Promoting Supply Chain CSR

Determining Procurement from the Standpoint of Providing Equal Opportunity and Fair Evaluation

Sharp’s business philosophy states, “Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders.” In line with this, Sharp works with suppliers and all other stakeholders to provide solutions to social issues through business and to mitigate impacts on society and the environment as it pursues sustainable growth and mutual prosperity. To these ends, Sharp emphasizes maintaining impartiality and fairness in all purchasing activities and chooses who it will procure parts, materials, and equipment from by providing Japanese and overseas suppliers with an equal opportunity to do business with Sharp. This opportunity includes a fair evaluation of whether a supplier meets Sharp’s requirements in such areas as quality, standards, and performance.

Close Communication and Mutual Understanding

To ensure sustainable growth and mutual prosperity with its suppliers, Sharp is going beyond initiatives related to the quality, price, and delivery of parts and materials. Sharp is also seeking to fulfill its social responsibilities over a wide range of areas across the entire supply chain. These

areas include product safety, environmental protection, human rights and labor, and health and safety.

Sharp’s basic concept, concrete policies, and requests to suppliers pertaining to procurement activities are set out in the Basic Purchasing Principles. In its Basic Purchasing Principles Requests to Suppliers, Sharp makes clear that it expects suppliers to actively work to ensure that, in addition to complying with all relevant laws, they are also in compliance with social norms, such as those regarding the arrangement of a proper labor environment, the prohibition of child and forced labor, the prohibition of discrimination, and the prohibition of bribery and unfair acts.

To deepen the understanding between Sharp and its business partners about sustainable procurement, Sharp communicates actively with supplier sales representatives on a daily basis.

Basic Purchasing Principles

Basic Procurement Concept

1. Sharp's procurement activities are conducted in an open and impartial manner, with a fair evaluation given to suppliers in and outside Japan.
2. Sharp will comply with all laws and regulations, and achieve mutual prosperity with suppliers.
3. Sharp will fulfill social responsibility such as the conservation of the environment through its procurement activities.
4. Sharp pursues optimal quality and cost to the fullest.

Basic Purchasing Principles Requests to Suppliers

- ① Compliance with laws and social standards that are applicable in countries and regions where suppliers do business
- ② Promotion of sound business operations
- ③ Consideration for the environment
- ④ Securing optimal quality and cost
- ⑤ Stable supply of parts and materials
- ⑥ Leading technology
- ⑦ No disclosing of confidential information

- Compliance with laws related to the manufacture and distribution of parts and materials
- Compliance with laws related to labor
- Compliance with laws related to health and safety and arrangement of proper labor environment
- Prohibition of child and forced labor
- Prohibition of discrimination based on race and sex and respect for the dignity of each employee
- Compliance with environmental laws
- Prohibition of bribery and unfair acts

Related information: > [Basic Purchasing Principles](#)

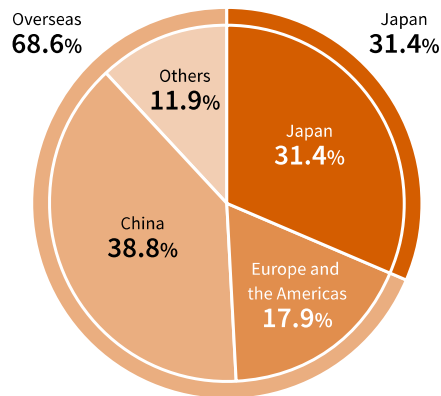
Social Initiatives: Promoting Supply Chain CSR

Determining Procurement from the Standpoint of Providing Equal Opportunity and Fair Evaluation

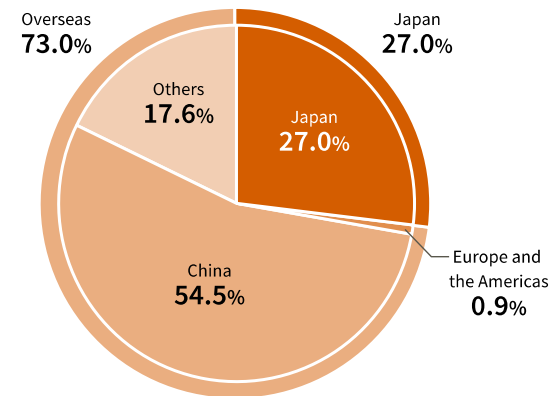
Overview of the Global Supply Chain

Sharp has 19 consolidated subsidiaries in Japan and 99 overseas (as of March 31, 2023). In line with the globalization of its business, 68.6% of sales are from overseas business; similarly, 73.0% of materials procurement, in terms of monetary amount, is by overseas production bases.

■ Sales by Region (Fiscal 2022)



■ Procurement Amount Composition Ratio by Production Base (Fiscal 2022)



Example

VE* Solutions Fair for Suppliers in Thailand

In August 2022, a VE solutions fair, the VE Exhibition, was held at SATL, Sharp's production base in Thailand, with outstanding suppliers in Thailand being invited to attend.

At this event, products were broken down into their component parts and displayed. Local suppliers and SATL engineers and purchasing representatives engaged in lively discussions aimed at improving the value of these products.

By expanding local procurement of parts and materials, both Sharp and the suppliers benefit, thereby also contributing to the development of the local economy.

* VE: Value engineering. VE efforts focus on the relationship between function and cost in order to better understand and improve the value of products and services.



At the VE Solutions Fair

Social Initiatives: Promoting Supply Chain CSR

Promoting CSR across the Entire Supply Chain

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> Continue CSR/Green procurement survey using the new system 	<ul style="list-style-type: none"> Carried out CSR/Green procurement survey within Japan (March 2023) 	★★	<ul style="list-style-type: none"> Continue CSR/Green procurement survey in fiscal 2023

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Participation in Industry Standard Initiatives

In December 2021, Sharp joined the RBA (Responsible Business Alliance), an alliance of companies that pursue social responsibility across the global supply chain. The RBA’s vision and mission are shared throughout the entire Sharp Group. Sharp also actively participates in the activities of groups such as the Japan Electronics and Information Technology Industries Association (JEITA), through which it contributes to the promotion of industry-wide CSR procurement.

Supply Chain CSR Policies and Systems

The Sharp Group’s fundamental policies with regard to CSR are established in the Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct. Every effort is made to ensure that all Sharp employees are aware of and adhere to these policies.

In order to strengthen the Group’s procurement system, an executive vice president was appointed to the position of chief procurement officer (Corporate Procurement Group general manager) in October 2022. The Corporate Procurement Group coordinates with each business unit and subsidiary’s procurement department to pursue Group-wide implementation of sustainable procurement activities conforming to the Sharp Code of Conduct.

In addition, the Sustainability Committee*, which is chaired by the President & CEO, set supply chain ESG risk reduction as a key initiative. At committee meetings, members from relevant head office departments, along with business units and subsidiaries, share their policies and measures. The committee also monitors and manages progress on supply chain CSR-related measures.

Sharp Supply-Chain CSR Deployment Guidebook

To help suppliers understand and put into action CSR philosophy as stated in Sharp’s Basic Purchasing Principles, in fiscal 2007 the company formulated and distributed its own Sharp Supply-Chain CSR Deployment Guidebook. The Basic Products Purchase Agreement also includes articles on CSR initiatives, based on the guidebook, that suppliers are requested to follow.

In fiscal 2015, Sharp fully revised the content of its guidebook to conform to the RBA Code of Conduct. Since then, it has revised the guidebook as needed in line with revisions to the RBA Code

* See page 009.

of Conduct. In this way, Sharp strives to comply with the increasingly sophisticated international standards for CSR.

Related information: > [Sharp Supply-Chain CSR Deployment Guidebook](#)

Content of Sharp Supply-Chain CSR Deployment Guidebook
<p>A. Labor</p> <ul style="list-style-type: none"> 1) Freely Chosen Employment 2) Young Workers 3) Working Hours 4) Wages and Benefits 5) Humane Treatment 6) Non-Discrimination 7) Freedom of Association <p>B. Health and Safety</p> <ul style="list-style-type: none"> 1) Occupational Safety 2) Emergency Preparedness 3) Occupational Injury and Illness 4) Industrial Hygiene 5) Physically Demanding Work 6) Machine Safeguarding 7) Sanitation, Food, and Housing 8) Health and Safety Communication <p>C. Environmental</p> <ul style="list-style-type: none"> 1) Environmental Permits and Reporting 2) Pollution Prevention and Resource Reduction 3) Hazardous Substances 4) Solid Waste 5) Air Emissions 6) Materials Restrictions 7) Water Management 8) Energy Consumption and Greenhouse Gas Emissions <p>D. Ethics</p> <ul style="list-style-type: none"> 1) Business Integrity 2) No Improper Advantage 3) Disclosure of Information 4) Intellectual Property 5) Fair Business, Advertising, and Competition 6) Protection of Identity and Non-Retaliation 7) Responsible Sourcing of Minerals 8) Privacy <p>E. Management System</p> <ul style="list-style-type: none"> 1) Company Commitment 2) Management Accountability and Responsibility 3) Legal and Customer Requirements 4) Risk Assessment and Risk Management 5) Improvement Objectives 6) Training 7) Communication 8) Worker Feedback and Participation 9) Audits and Assessments 10) Corrective Action Process 11) Documentation and Records 12) Supplier Responsibility

Social Initiatives: Promoting Supply Chain CSR

Promoting CSR across the Entire Supply Chain

Promoting CSR Awareness and Conducting Risk Assessment at Suppliers

Sharp periodically carries out CSR/Green procurement surveys to confirm how well suppliers are carrying out CSR based on the Sharp Supply-Chain CSR Deployment Guidebook and to identify, assess, and reduce CSR risk in the supply chain.

On the survey form, there are areas that conform to the RBA self-assessment questionnaire—labor, health and safety, environment, and ethics—as well as Sharp’s own areas, which are biodiversity/chemical substances management and business continuity planning (BCP). In fiscal 2020, Sharp added another area, information security, to deal with the rise in cyber security risks across the supply chain. Through such efforts, Sharp assesses risk in a wider range of areas in response to changing conditions inside and outside of the company.

To help suppliers understand things like the purpose and background of the survey, Sharp adds its own explanations to major questions. This helps make the survey a medium that prompts suppliers to further their understanding of international CSR standards.

The survey is carried out separately at each factory that makes products for Sharp. Survey scorecards are given to participating suppliers and those with low-scoring areas are asked to submit corrective action plans. Through such post-survey communication with suppliers, Sharp is continuously working to improve CSR across the supply chain.

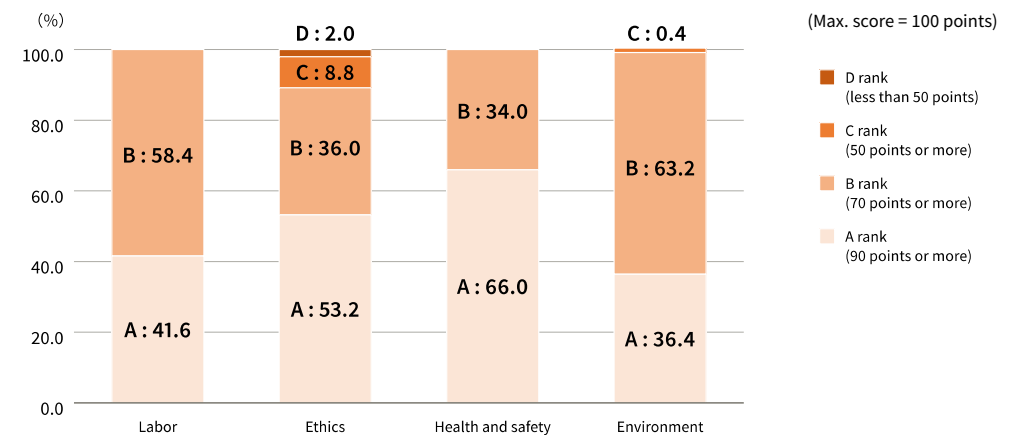
In fiscal 2022, the survey was carried out at 409 bases of 93 companies in Japan. At production and procurement bases in China and ASEAN countries, since fiscal 2017 Sharp has been introducing two types of supplier management systems through which it has been carrying out ongoing risk management equivalent to that of Sharp in Japan.

There has been increasing concern around the world in recent years about issues such as slave labor and forced labor. Europe and North America have led the way in enacting, enforcing, or discussing laws promoting due diligence of human rights in the supply chain. One example is the Uyghur Forced Labor Prevention Act. With companies today expected to be stricter than ever in implementing CSR in the supply chain, Sharp makes human rights abidance in the supply chain key to the selection of suppliers.

Through such ongoing efforts, Sharp has found that across its supply chain there are no serious problems such as forced labor or child labor. If, through our continuing due diligence, it was determined that a human rights violation did occur, we would immediately enter into discussions with the supplier in question based on the supplier contract, and take the necessary corrective and relief measures. If no remediation is expected, we will take strict measures, such as suspending transactions.

Sharp will continue to step up its efforts in response to trends in international human rights due diligence as it fulfills its corporate social responsibility in every facet of the supply chain.

■ Assessment Distribution of CSR/Green Procurement Survey (Japan)



■ CSR/Green Procurement Survey: Examples of Ethics Issues and Solutions

Issues	How to improve
Lack of a manual for properly managing ethical conduct	Formulate a corporate ethics policy
Employees are not sufficiently informed of permissible ethical conduct	Post information on bulletin boards in all departments
	Provide e-learning to employees
It cannot be confirmed whether suppliers are conducting themselves ethically	Conduct a questionnaire among suppliers

Social Initiatives: Promoting Supply Chain CSR

Promoting CSR across the Entire Supply Chain

Education for Procurement Personnel

To help all those in procurement positions company-wide improve their understanding and implementation of CSR, a thorough explanation of the Basic Purchasing Principles, along with a curriculum relating to supply chain CSR, is included in training materials for new employees, transferred employees, and management skills improvement*¹. All Sharp Group employees also take compliance-related training based on the Sharp Code of Conduct*², which covers topics such as respect for human rights.

Since February 2022, Sharp has been using the RBA e-Learning Academy to provide education on the RBA Code of Conduct to domestic and overseas staff, focusing primarily on those responsible for procurement. A total of 131 employees have completed 655 courses. In fiscal 2023, Sharp will expand the scope of employees receiving this training to promote greater understanding of international standards for CSR.

*¹ See page 079. *² See page 008.

Procurement BCP

To ensure that corporate procurement departments secure a stable supply of parts and materials at fair prices, Sharp continuously strengthens partnerships with suppliers regarding long-term supply contracts and other matters, as well as purchases from multiple suppliers.

Sharp also uses the Rules of Business Risk Management*³ to create and periodically revise business continuity plans (BCPs). As part of this, Sharp requires suppliers to periodically check and update the factories that produce items delivered to Sharp. It also carries out CSR/Green procurement surveys to confirm how well suppliers are making and maintaining BCPs.

*³ See page 123.

Strengthening the Hotline and Consultation System for Suppliers

Sharp Corporation and its affiliated companies in Japan have set up the Crystal Hotline*⁴ to handle organizational and individual legal and ethical violations. The hotline accepts reports and consultation requests from suppliers.

Additionally, in order to develop a grievance mechanism as required of companies by the United Nations Guiding Principles on Business and Human Rights (UNGP), Sharp is a regular member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER). Since October 2022, a broad range of stakeholders, including global supply chain employees, have been able to make use of JaCER's Engagement and Remedy Platform to submit reports in Japanese or English of human rights-related grievances.

*⁴ See page 125.

Related information: > [Japan Center for Engagement and Remedy on Business and Human Rights \(JaCER\)](#)

Social Initiatives: Promoting Supply Chain CSR

Audits and Education to Ensure Full Compliance with the Subcontract Act

To comply with the Subcontract Act (Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors) in Japan, Sharp Corporation and its affiliated companies implement compliance checks and in-house education on an ongoing basis.

Sharp encourages internal voluntary reporting of compliance issues and further strengthened precautionary measures to prevent the recurrence of problems. Business units, procurement departments, Head Office departments, and domestic affiliated companies conduct self-audits in which they check how well they are complying with the Subcontract Act. Sharp also holds internal training sessions for domestic affiliated companies, has employees take part in outside seminars, and performs periodic internal audits to raise awareness among employees of the importance of complying with the Subcontract Act.

Social Initiatives: Promoting Supply Chain CSR

Responsible Minerals Procurement Initiatives

Policies and Systems for Responsible Minerals Procurement

In recent years, companies have had to expand the scope of their efforts regarding the minerals, regions, and risks involved in the responsible procurement of minerals. This means not only abiding by legal frameworks such as the Dodd-Frank Wall Street Reform and Consumer Protection Act of the United States and the EU's Conflict Minerals Regulation, but also taking a firm CSR stand in light of issues such as child labor and environmental destruction at mining sites.

In the supply chain for procuring minerals from conflict-affected and high-risk areas, Sharp has a basic policy in place to ensure it is not complicit in human rights abuses and environmental destruction, and so that it does not inhibit sound, legitimate business activities.

Based on this basic policy and the Sustainability Committee^{*1}, which is chaired by the president & CEO of Sharp, we have made responsible minerals procurement a key theme. A survey system has been created in major business units and production subsidiaries and we constantly check on the progress of relevant measures under this system.

Related information:> [Responsible Minerals Procurement](#)

Cooperation with Industry

To ensure that responsible minerals procurement is carried out effectively, Sharp believes in the importance of collaborating with industries in Japan and other countries and acting based on widespread consensus. Since fiscal 2012, Sharp has been a member of the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA).

We also actively take part in JEITA's Responsible Minerals Sourcing Inquiry Briefings by helping in planning, creating documents, and joining the briefings as part of our efforts to spread understanding of responsible minerals procurement in the industry supply chain and boosting the capabilities of downstream companies. Together with JEITA, we periodically send outreach letters to smelters or refiners that are not yet participants of the RMAP^{*2} (created and operated by the RMI^{*3}) urging them to undergo audits. These efforts are part of our contribution to effectively stamping out human rights abuses and other problems in the global procurement of minerals. Furthermore, since December 2021, Sharp has been a member of the RMI, working to deepen our global collaboration and due diligence initiatives while ensuring we stay abreast of the latest international developments relating to responsible minerals procurement.

^{*1} See page 009.

^{*2} RMAP (Responsible Minerals Assurance Process) is an RMI program for validating conformance of RMI-listed smelters or refiners.

^{*3} RMI: Responsible Minerals Initiative.

Survey Activities in Accordance with International Standards

Sharp uses the RMI's international reporting templates (CMRT^{*4} and EMRT^{*5}) to conduct surveys on 3TG (tantalum, tin, tungsten, and gold), as well as minerals such as cobalt and mica if requested by customers.

In the surveys, primary suppliers are urged to procure minerals from RMAP-conformant smelters or refiners. And based on the CMRT and EMRT returned by survey participants, we identify and evaluate risk based on the OECD^{*6} Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

In fiscal 2022, as a result of about 400 surveys carried out at major business units and production subsidiaries, 300 smelters and refiners were identified and the RMAP conformance rate was about 73%^{*7}.

For smelters and refiners that are not yet conformant with RMAP and those with high risk levels, we urge their participation in RMAP through the supply chain. If any smelters or refiners have been found to be dealing with militant forces or complicit in serious human rights abuses, this information is shared with suppliers, with whom we discuss measures such as switching to RMAP-conformant smelters or refiners.

Education and Awareness Raising on Responsible Minerals Procurement

To deepen employees' understanding of responsible minerals procurement, as a rule we hold monthly meetings with those in charge of surveys at major business units and production subsidiaries, where participants share information on the latest international developments and discuss practical survey issues and how to improve the survey system.

Procurement personnel and new employees take part in periodic supply chain CSR training, which covers responsible minerals procurement. Another way we further employees' understanding on responsible minerals procurement is by uploading new and relevant material to the management skills improvement training page on the Sharp intranet.

^{*4} CMRT (Conflict Minerals Reporting Template) is a free, standardized reporting template developed by the RMI.

^{*5} EMRT (Extended Minerals Reporting Template) is a free, standardized reporting template developed by the RMI. It covers the cobalt and mica supply chains.

^{*6} Organisation for Economic Co-operation and Development.

^{*7} Conformance rate as of March 2023.

Social Initiatives: Promoting Supply Chain CSR

Responsible Minerals Procurement Initiatives

Due Diligence Efforts in Line with OECD Guidance

To carry out responsible minerals procurement, Sharp integrates into its management a five-step framework for risk-based due diligence recommended in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance).

OECD Five-Step Framework	What Sharp Is Doing
Step 1: Establish strong company management systems	<ul style="list-style-type: none"> Formulate and make public a basic policy for responsible minerals procurement, and convey this throughout the company and industry. Make responsible minerals procurement a key theme under the Sustainability Committee, and constantly check on the progress of relevant measures. Put articles, including responsible minerals procurement requirements, of the Sharp Supply-Chain CSR Deployment Guidebook into basic parts purchase agreements. Take part in JEITA's Responsible Minerals Sourcing Inquiry Briefings and promote capacity building through supplier mobilization.
Step 2: Identify and assess risk in the supply chain	<ul style="list-style-type: none"> Conduct supplier surveys using CMRT and EMRT. Use a proprietary survey system to check CMRT/EMRT returned by suppliers and assess risk. (Detect and identify risks according to Annex II of the OECD Guidance.)
Step 3: Design and implement a strategy to respond to identified risks	<ul style="list-style-type: none"> Provide suppliers with information on high-risk smelters/refiners and urge them to stop using such smelters/refiners.
Step 4: Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain	<ul style="list-style-type: none"> Periodically confirm and verify RMAP audit results on the RMI website. Work with industry in sending outreach letters to smelters/refiners that are not yet participants of RMAP urging them to participate.
Step 5: Report on supply chain due diligence	<ul style="list-style-type: none"> Disclose the state of due diligence in the Sharp Sustainability Report.

Social Initiatives: Quality

Ensuring Quality and Safety

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> Ensure reliability and strengthen efforts to raise product/brand value to achieve quality that customers around the world will acknowledge 	<ul style="list-style-type: none"> Optimized quality management system for medical devices with the aim of advancing the medical and digital healthcare businesses Enhanced usability tests and amassed test results on product accessibility, thereby boosting the strength and appeal of products 	★★	<ul style="list-style-type: none"> Ensure reliability and strengthen efforts to raise product/brand value to achieve quality that customers around the world will acknowledge (ongoing)

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Quality Philosophy
To respond to society’s needs and make products that satisfy our customers, we keep the slogan “Quality First” in mind at all times.

Quality Slogan
Quality First in Heart and Mind

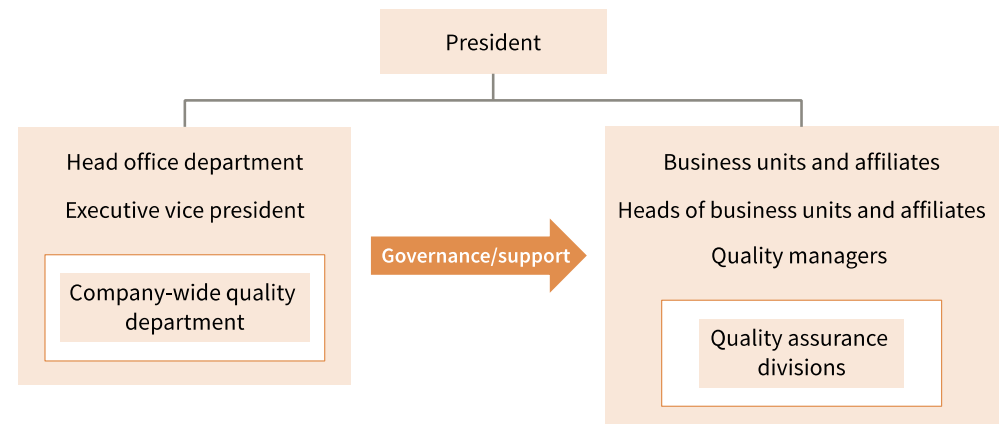
Basic Stance and Vision on Quality

To gain customer trust and improve customer satisfaction, based on its Quality Philosophy and Quality Slogan, the Sharp Group constantly strives to respond to customer needs and demands by providing products and services that are safe, high quality, and reliable.

Quality Assurance System

Under the supervision of the executive vice president, the company-wide quality department leads governance and supports related efforts for the entire Sharp Group. Under this system, each business unit and affiliate autonomously conducts its business.

Sharp Group’s Quality Assurance System



Social Initiatives: Quality

Ensuring Quality and Safety

Quality Management System

To enable it to conduct a variety of quality assurance activities in all stages of the manufacturing cycle, including planning, design, procurement, production, assessment, and after-sales, the Sharp Group established the Sharp Corporation Standard based on the ISO 9001 international quality management standard. Stipulating systems and methods necessary for quality assurance, the Sharp Corporation Standard is strictly adhered to by all Sharp sites in Japan and other countries, and by consolidated subsidiaries carrying out design, production, and sales.

Through ongoing revision and implementation of the standard, all employees—in product planning, design, production, sales, and after-sales service—know exactly the level of quality they should be guaranteeing customers in Sharp’s continuous efforts to improve quality.

As of April 30, 2023, 37 of 38 sites are certified for ISO 9001. The certification rate is 97.4%.

Quality Policy

In line with the Quality Policy stipulated in Sharp Corporation’s company rules (Quality Assurance Basic Rules), the Sharp Group makes and implements quality plans aimed at achieving the quality targets it has set.

Quality Policy

Provide high quality and attractive products that customers can continuously use them with safety and satisfactory.

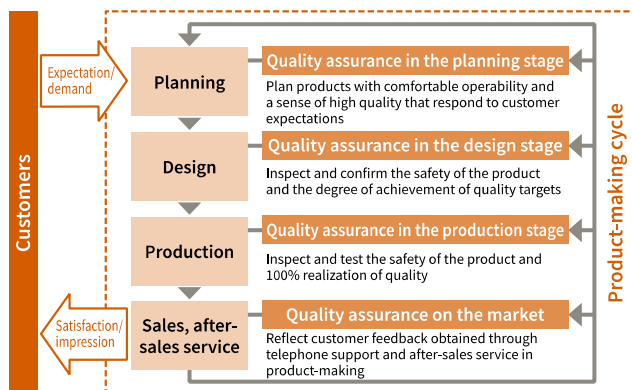
- (1) Observe laws and regulations and place top priority on safety and reliability.
- (2) Pursue convenience and comfort from usability.
- (3) Squarely face with voice of the customer and reflect it in products

Efforts to Improve Quality

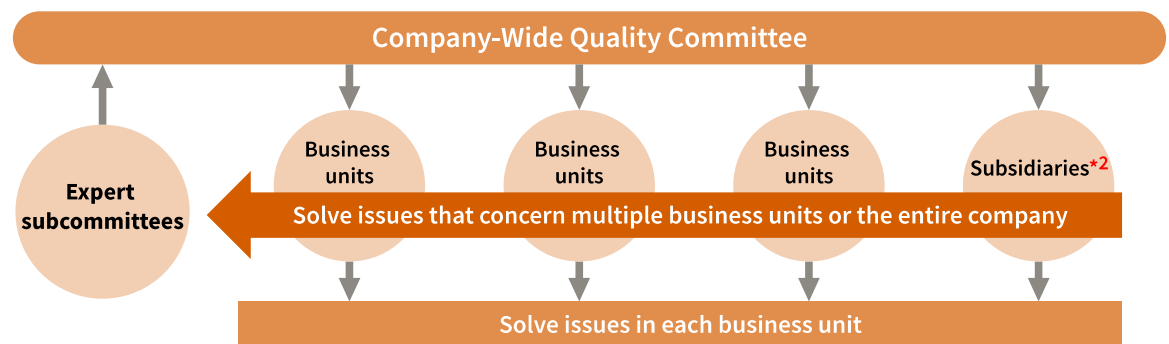
As a way to advance quality technologies, the Sharp Group has established the Company-Wide Quality Committee, which is chaired by an executive vice president and includes the general managers of each business unit and the presidents of affiliated companies. The Committee convenes to take up such matters as company-wide research and improvement efforts to assure quality in new business areas, such as 8K+5G, AIoT*1, and digital healthcare. It also determines response policies for immediate quality issues and sets fiscal-year targets related to quality.

In addition, a Quality Strategy Promotion Committee comprising quality managers from the various business units is convened under the auspices of the Company-Wide Quality Committee to serve as a forum for discussing specific quality measures. Issues that span the entire Sharp Group or multiple business units are taken up by topic-specific expert subcommittees, made up of experts from the various business units, which work to find prompt solutions.

■ Quality Assurance Activities in the Product-Making Cycle



■ Company-Wide Quality Committee System



*1 AIoT is a word coined by Sharp, combining the words AI (artificial intelligence) and IoT (Internet of things). AIoT is a vision of how products and services will connect to artificial intelligence via the cloud and become a people-oriented existence. AIoT is a registered trademark of Sharp.

*2 Subsidiaries of Sharp business unit status.

Social Initiatives: Quality

Fostering Quality Experts

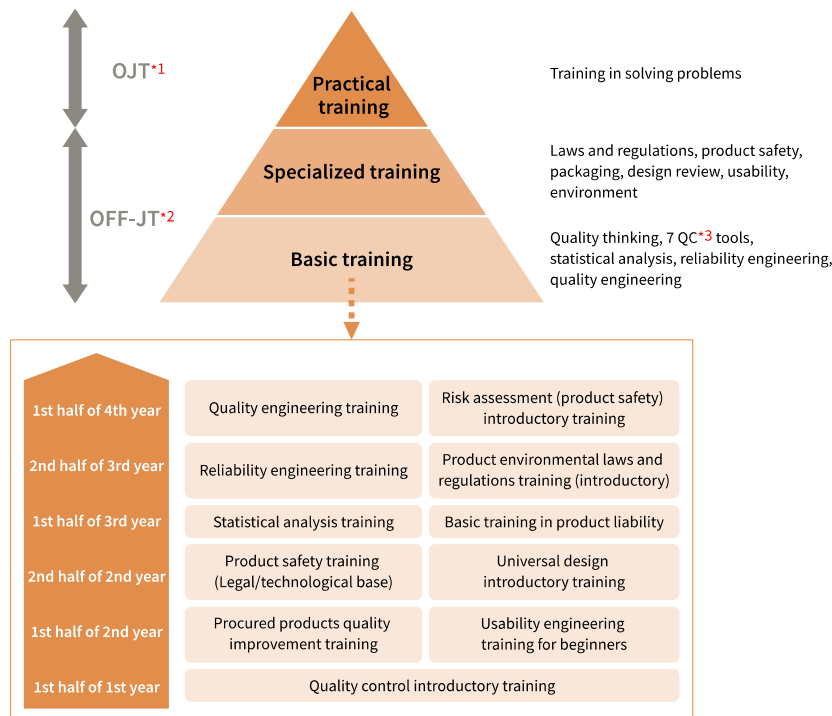
Fostering Quality Experts

Based on its Quality Philosophy, Sharp works to foster quality thinking and boost quality-related techniques by carrying out systematic quality-related education with the aim of making products that customers can use with safety and peace of mind.

In particular, the company is stepping up basic training through programs that allow young employees (in their first four years with the company) to gradually acquire quality-related techniques.

Sharp implements training in a variety of forms and formats adapted for different educational objectives. First, there are e-learning programs and videoconference classes, which are used to help maximize learning efficiency. There are also group training courses to improve practical skills, which are carried out at the different business units and affiliated companies. In fiscal 2022, there were 38 courses in quality training, with a total of 8,411 participants.

QC Practical Training System



Fiscal 2022 Training Courses and Number of Participants

Training form	No. of courses	No. of participants
E-learning	25	7,427
Group training	13	984
Total	38	8,411

*1 OJT: On the job training. *2 OFF-JT: Off the job training.
*3 QC: Quality control.

Social Initiatives: Quality

Ensuring Product Safety

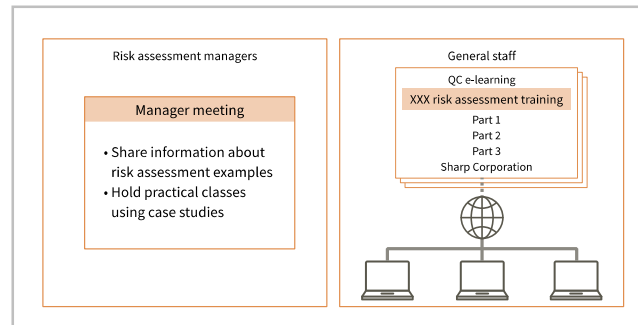
Sharp Voluntary Product Safety Action Policy

Keenly aware that product safety assurance is the most important aspect of a company’s business and one of its social responsibilities, Sharp strives to provide customers with safety and peace of mind. It does this by prioritizing the safety of the products it manufactures and sells and by making safety-related information public. To this end, the company has formulated voluntary action guidelines on product safety in efforts to earn an even higher level of trust from society.

Efforts to Ensure Product Safety

Sharp strives to ensure its products are safe and to constantly raise levels of safety. Besides abiding by laws and regulations of countries and obtaining safety certifications through activities such as factory audits by third parties, the company utilizes its own risk-assessment-based safety standards. To ensure safety even in cases where unforeseen defects arise, these in-house safety standards stipulate items like flame-retardant construction and testing for abnormal conditions. These standards are revised as needed and are taught to all relevant employees in design, quality, and other divisions so that they are understood and followed thoroughly. Since fiscal 2020, Sharp has been striving to expand the practice of risk assessment related to product safety. Besides providing skills improvement courses via e-learning, we have been strengthening our risk assessment system by appointing a risk assessment manager in each business unit with the goal of developing increasingly safer products. Sharp will continue to step up efforts to promptly respond to social changes and legal revisions regarding product safety so that customers can use Sharp products with peace of mind.

Initiatives to Strengthen Risk Assessment

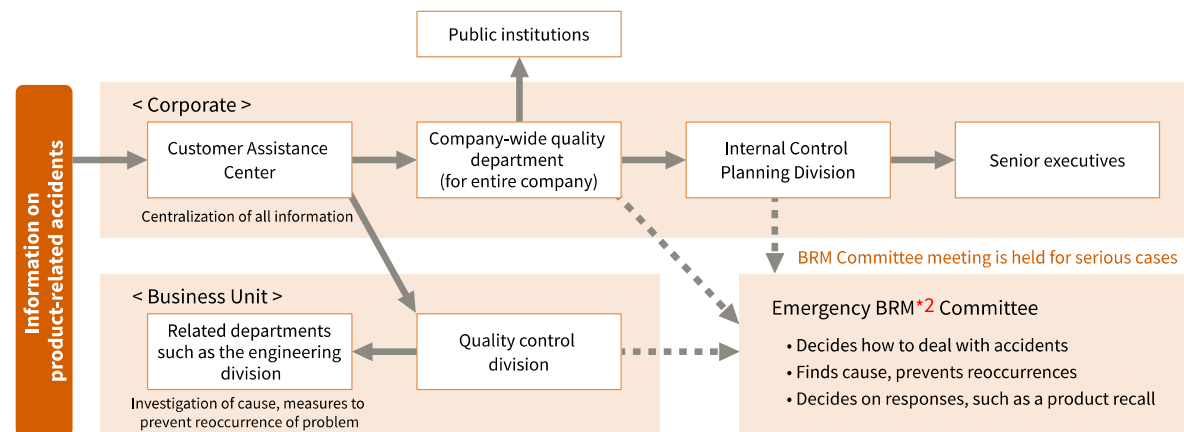


Information Disclosure and Response When Problems Occur

If an accident caused by a Sharp product occurs on the market, the company immediately gathers information on the accident and analyzes it to determine the cause. If it is determined that there is a risk of harm or damage to the customer, information is promptly disclosed via media such as newspapers and the Sharp website, and all appropriate measures are taken to ensure the safety of customers. For major product-related accidents stipulated in the Consumer Product Safety Act, the Sharp website has a list of information on major product-related accidents for which the cause is thought to be the product itself. There are 5 such cases.*1

*1 Number in fiscal 2022 (as of March 31, 2023).

Flow for Dealing with Product-related Accidents



*2 BRM: business risk management.

Social Initiatives: Quality

Ensuring Product Safety

Product Security Policy and Efforts

Products connected to networks are exposed to growing risks as information technology advances and the value of information they handle increases. They are at a risk of cyber-attack taking advantage of their vulnerabilities, which can result in information leakage or a hijacking of the device being hacked. Security measures once considered adequate are now seen as insufficient, owing to technological advances and other factors. Around the world, there is an urgent and growing need to improve legislation on product security.

Such a situation has been prompting Sharp to act to ensure that customers can use its products without worries. We have established teams and reporting lines dedicated to enhancing product security, along with the rules to be followed at the stages of planning, developing, operating, and maintaining products. We also gather vulnerability information and share it internally based on a vulnerability information disclosure policy. And, we thoroughly train employees to ensure that our products continue to have a high level of security.

We are expecting a future in which standalone systems are interconnected with one another, perhaps creating added vulnerabilities. To prepare for such a future, the Sharp Group has adopted security by design, a concept that intends to build in security from early stages before design. This approach to product development is shared throughout the organization.

Related information: > [Global Basic Policy on Information Security](#)

Social Initiatives: Quality

Making Easier-to-Use Products

Practicing User-Centered Design

Sharp practices user-centered design (UCD) in order to provide products that customers find easier to use.

UCD is a concept—as outlined in the international ISO 9241-210 standard—to provide products and services that satisfy customers by seeing things from their perspective, understanding their needs, and reflecting them in product design. Sharp has its own UCD Basic Policy and the Eight Principles of UCD based on this concept and shares them across the Sharp Group. Sharp investigates customers’ latent dissatisfaction and needs as part of its product development process and reflects those findings in the specifications and design of its products. By repeatedly going through evaluations and improvements, Sharp is bringing forth products and services that customers find easy to use and attractive.

Customer-Oriented Manufacturing

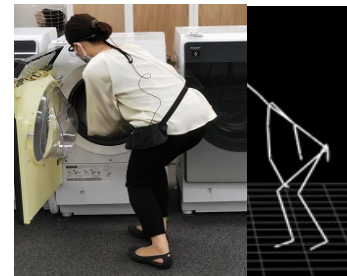
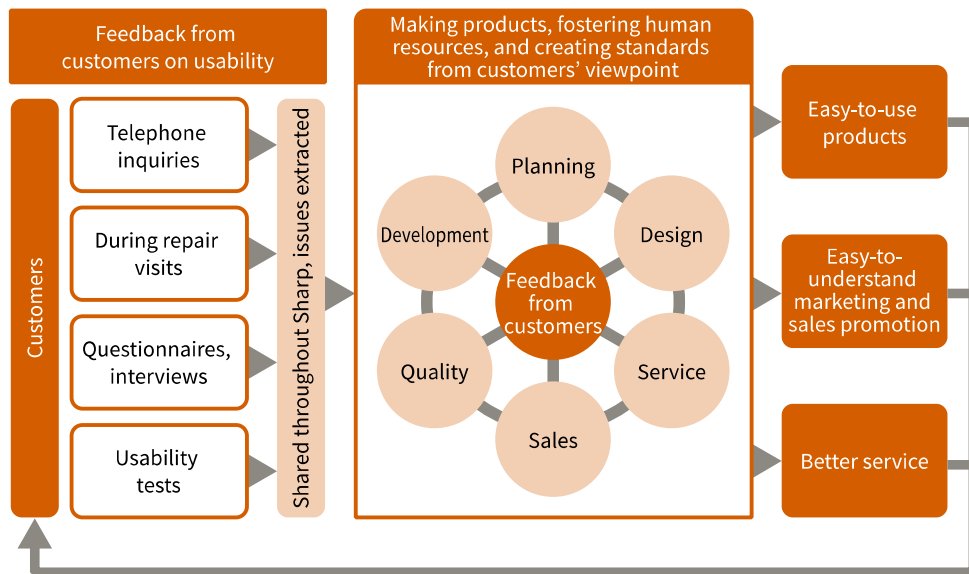
In user-centered design (UCD), Sharp collects customer feedback on ease of use through various methods and applies it to product design.

Through usability tests*, questionnaires, interviews, and opinions gathered from customers during Customer Assistance Center phone calls and repair visits, anonymous information from customers is compiled and shared among Sharp development personnel, who put it to use in new product design.

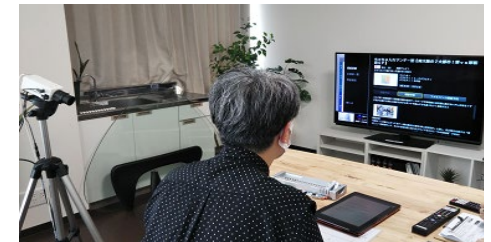
For in-person information gathering, such as usability tests, conducted during the Covid-19 pandemic, strict measures were taken to prevent infection. When necessary, these activities were continued using online means.

* Tests that involve observing how people use Sharp products and services.

Flow of Customer-Oriented Manufacturing



Behavior analysis for a front-loading washer/dryer



Usability test for a TV

Voice

Comments from Participants in Usability Tests

- It was very helpful to get user feedback from the tests, because they pointed out issues the developers were not aware of. (Sharp product planning staff member)
- Being able to observe users and hear from them directly was extremely beneficial. It provided us with new insights and new issues to focus on. (Sharp design staff member)
- If it helps even a little bit, I would be happy to participate again. (Sharp employee in her 50s)

Social Initiatives: Quality

Making Easier-to-Use Products

Efforts in Accessibility and Universal Design

In line with the UCD Basic Policy, Sharp also pursues accessibility and universal design (UD). These efforts are rooted in a philosophy of building products, information, and environments so that they can be used by many more customers—regardless of things like nationality, age, gender, or disability. Sharp strives to develop products and services that can be used comfortably by as many people as possible by conducting evaluations and surveys of mainly home appliances and digital multifunction printers (MFPs).

As of May 2023, Sharp’s efforts have produced 18 models of Sharp home appliance products that support the UD considerations listed on the website of the Association for Electric Home Appliances in Japan.

To continue the aforementioned activities company-wide, Sharp works to foster human resources through training. Major education activities include introduction to universal design (e-learning) to impart the understanding and acquisition of basic UD knowledge, UD experience learning, in which employees see firsthand what it’s like to be physically disabled so that they can know how to make products more accessible, and a usability training system for specialized education. During the Covid-19 pandemic, UD experience learning group training was temporarily suspended and a web conferencing system was utilized to provide online classes. Both group training and online classes have their merits and will be used where they are most appropriate moving forward.



Evaluating the usability of a multifunction copier for the vision-impaired (a kiosk terminal to provide government services)



Evaluating the accessibility of a front-loading washer/dryer (for wheelchair users)



Walking as a vision-impaired person in UD experience learning



Online UD experience learning



Computer screen image for online UD experience learning

Social Initiatives: Quality

Making Easier-to-Use Products

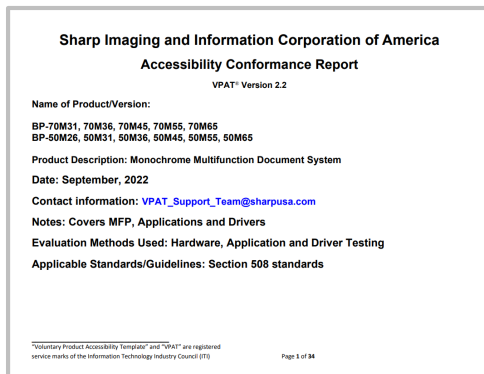
Efforts to Ensure Accessibility

Accessibility is the concept of making products and services so that they can easily be used by people who are in some way limited in their physical functions; for example, senior citizens and the physically disabled. Under U.S. federal law^{*1}, federal agencies purchasing equipment and services are obligated to choose those that are accessible to everyone, including the physically disabled. For Sharp digital MFPs and other products, assessment results of accessibility standards stipulated by federal law are compiled on a product evaluation sheet (VPAT^{*2}), which is disclosed on the website of Sharp Electronics Corporation (SEC), Sharp’s U.S. sales company.

^{*1} Section 508 of the Rehabilitation Act.

^{*2} VPAT: Voluntary Product Accessibility Template. A table containing information regarding how a particular product or service conforms with Section 508 of the U.S. Rehabilitation Act.

Related information: > [Sharp Electronics Corporation website](#)



Example of VPAT for a digital MFP



Example

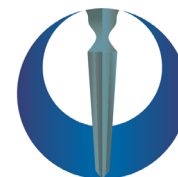
Healsio Hotcook Development Team Wins METI Minister’s Prize at the 9th Monodzukuri Nippon Grand Awards

The development team of the Healsio Hotcook waterless automatic cooker won the Minister of Economy, Trade and Industry Prize, the highest ranked award in the “Connected Industries—Outstanding Collaboration” category of the 9th Monodzukuri Nippon Grand Awards.

This awards program recognizes particularly outstanding individuals from various generations involved in *monodzukuri*, or manufacturing, including mid-career personnel who play a central role in production sites, skilled personnel who have supported traditional and cultural skills, and the younger generations who will lead the future.

The Healsio Hotcook is a cooking appliance that can be used simply by adding ingredients and seasonings and pressing a button. By automating most of the cooking process, this product provides users with more physical and mental free time. In addition, the device’s potential for new business development to support diversifying lifestyles, such as a cloud-based recipe service and interconnectivity with other Sharp kitchen appliances, were well received and contributed to its selection for this award.

Related information: > [The Development Group of Healsio Hotcook Anhydrous Automatic Cooking Pot Wins the Minister of Economy, Trade and Industry Award at the 9th Monodzukuri Nippon Grand Awards](#)



ものづくり日本大賞
経済産業大臣賞
Monodzukuri Nippon Grand Awards logo



Healsio Hotcook waterless automatic cookers KN-HW24G-R (red) and KN-HW24G-W (white)

Social Initiatives: Customer Satisfaction

Enhancing Customer Satisfaction

Aiming for Customer-Oriented Services

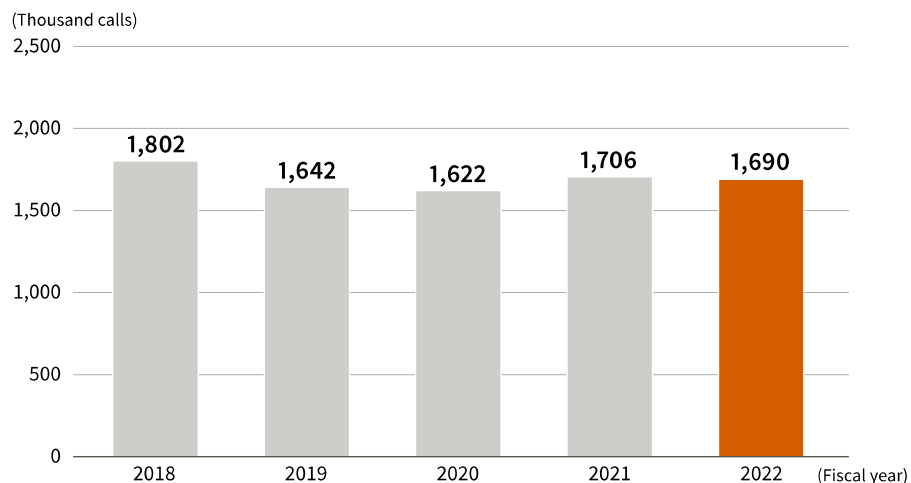
< Customer Assistance Center (Japan) >

The Customer Assistance Center responds to a wide range of product-related inquiries from customers—approximately 1.7 million annually—so that Sharp can provide customer-oriented support. To this end, the center meets periodically with product development departments to give them feedback in the form of customer inquiries, which leads to the development of improved and new products.

We are also enhancing the customer support website to make it more user-friendly and to help customers troubleshoot issues by themselves. In October 2018, we started providing chatbot-based automated responses. In November 2020, we started an operator chat service for customers who were unable to resolve their issues using the chatbot. In this way, we have been expanding support channels in line with the spread of smartphones.

Sharp is striving to respond to diversifying customer needs and achieve its goal of always serving in a customer-oriented manner.

■ Number of Calls Received from Customers in Japan



< Reliable Operation of Customer Support >

The Customer Assistance Center must be able to provide customer support even in challenging times, such as during natural disasters such as earthquakes and typhoons.

Our business continuity plan (BCP) ensures the continued operation of our customer support services even in emergency situations. Our support offices are distributed across multiple locations and are connected through a system that makes them ready to complement one another.

< Improving Response to Customers >

As the face of Sharp, customer consultants study products and learn how to interact properly with customers before they start their jobs. Even after they have begun their jobs, consultants periodically undergo training and study sessions to boost their skills.

The department that runs the Customer Assistance Center maintains and improves person-to-person dealings with customers by having employees take periodic qualification upgrading tests to brush up their skills. It also uses text messaging to conduct questionnaires that will help better respond to customer wishes and improve the support site.

■ Upskilling Customer Consultants

Personnel	Implementation
Customer consultants (trainees)	Acquire basics in manners, product knowledge, and consumer-related laws and regulations
	Test ability to serve as customer consultants
Customer consultants (after starting their jobs)	Improve customer consultant skills through periodic training and study sessions
	Determine how well customer consultants have acquired skills by having them periodically take qualification upgrading tests
Supervisors	Ensure person is fit to be a supervisor
	Improve supervisor skills through periodic training and study sessions
	Determine how well supervisors have acquired skills by having them periodically take qualification upgrading tests

Social Initiatives: Customer Satisfaction

Enhancing Customer Satisfaction through After-Sales Service

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> Increase customer satisfaction Customer satisfaction rate 90.0% or higher 	<ul style="list-style-type: none"> Improved service quality By improving employees' CS awareness and repair skills: Customer satisfaction rate was 96.9% 	★★	<ul style="list-style-type: none"> Increase customer satisfaction Customer satisfaction rate 90.0% or higher

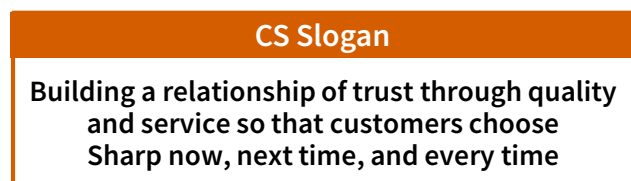
Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Basic Stance on Customer Satisfaction

Providing Products and Services That Offer Peace of Mind and Satisfaction

Sharp always thinks from the customer's point of view and, as a rule, develops and provides products and services with the customer in mind. To ensure that customers can continue to use Sharp products for many years with peace of mind, Sharp strives to improve its products and its sales and after-sales services by reflecting the opinions of customers.

Sharp will continue to pursue customer satisfaction (CS) so that customers choose Sharp now, next time, and every time.

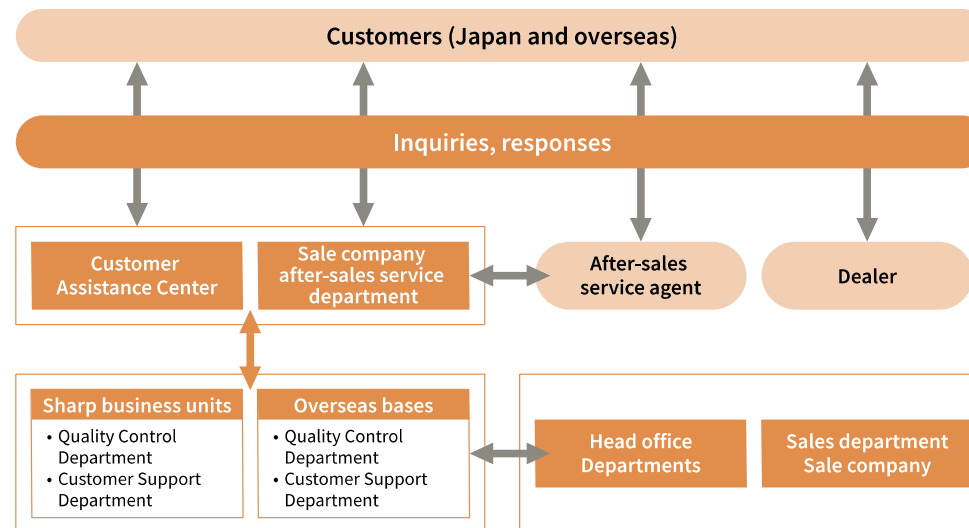


Related information: > [Sharp Group Charter of Corporate Behavior](#)

After-Sales Service System

Sharp has an after-sales service system that can handle all kinds of customer inquiries, whether it's instructing them how to use products or repairing products that are not working properly. Centered on Sharp Corporation's Customer Assistance Center and after-sales service departments at Sharp sales companies, the entire Sharp Group worldwide collaborates to provide high-quality, fast, accurate, and friendly service that truly satisfies customers.

Flowchart



Social Initiatives: Customer Satisfaction

Enhancing Customer Satisfaction through After-Sales Service

Repair and Servicing System (in Japan)

Repair of Sharp products in Japan is carried out by Sharp Marketing Japan Corporation, Customer Service Company. The entire company works together with a user-oriented mindset to satisfy customers and realize its slogan: “Looking customer smile is my pleasure.”

Service engineers, who work out of more than 90 service bases*1 all over Japan and are familiar with local customers, provide repair service that truly satisfies customers. Service inquiries are accepted every day of the year*2. The company puts special effort into prompt response to problems with home appliances that are indispensable to daily life, such as washing machines, refrigerators, and air conditioners.

*1 As of April 2023.

*2 Business days vary from region to region.

Slogan

Looking customer smile is my pleasure

Voice

Service That Brings Smiles Back to Customers - Provide Speed, Reliability, and Peace of Mind -

I’m a service engineer at Sharp Marketing Japan Corporation, Customer Service Company. As such, I strive every day to improve my aftersales skills to make customers happy. With people’s increasingly diverse lifestyles and growing concern about zero waste in society, I am keenly aware that aftersales service is more important than ever. That’s why we strive for customers’ peace of mind by offering prompt and reliable repairs to quickly resolve any inconvenience. After repairs are completed, I make it a point to leave customers with a smile by explaining what we have done in plain, simple language and giving advice on future product use.

I’ll keep improving myself as a service engineer by boosting my technical and customer satisfaction skills. My goal is to provide speed, reliability, and peace of mind to customers so that I can change their temporary negative experience to a positive one and make them want to buy Sharp next time too.



Hideto Wada
South Tokyo Service Center, Customer Service
Company, Sharp Marketing Japan Corporation

Social Initiatives: Customer Satisfaction

Enhancing Customer Satisfaction through After-Sales Service

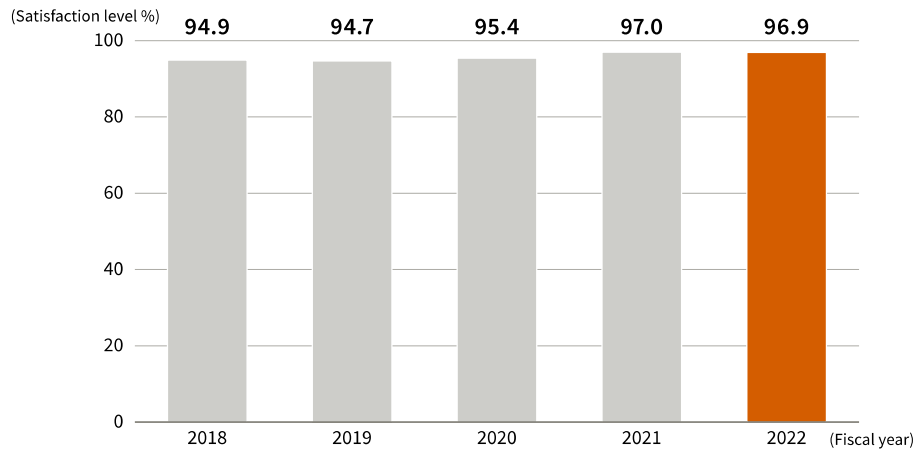
Customer Questionnaire

At Sharp, all customers who are visited by service engineers are asked to answer a questionnaire covering the entire service process, from initial inquiry and appointment to product repair. More than 100,000 customer opinions are received annually via this questionnaire.

To improve convenience for customers and to speed up response, the traditionally postcard-based questionnaire has also been available on the Sharp website since fiscal 2017. Starting in fiscal 2022, the survey is completely web-based.

Sharp will continue to pass on customers' valuable opinions to relevant company departments, closely analyze problems, and use the information gathered to improve service mechanisms and manufacturing.

Percentage of Customers Giving Satisfactory and High Marks to Service Engineers (postcard and online surveys)



Example

Reflecting on Customer Questionnaires (Japan) - Customer Service (CS) Awareness Meetings -

At service bases in Japan, we work to improve CS skills through training sessions (CS awareness meetings) that involve reflecting on the feedback and suggestions provided via customer questionnaires.

Despite the fact that the work required disassembling so many parts, the service engineer was skillful and did a great job. He even removed a large amount of dust from the washing machine. Even after he left, the area around the washing machine was completely free of any debris or dirt. I was extremely satisfied. Thank you very much. (Woman in her 40s)



The service engineer was extremely polite. He also told me the product's features and explained each. I decided to go with mostly Sharp products after my last move, and because of the great repair service that I received, I intend to stick with Sharp products in the future. The service engineer was a great help. Thank you very much! (Man in his 40s)



CS awareness meeting

I was thinking of going with a different manufacturer, but the service staff made such a good impression that I decided, if they were so good at figuring out the cause of problems and providing solid after-sales service, I would continue using Sharp products. (Woman in her 30s)



Social Initiatives: Communication with Shareholders and Investors

Communication with Shareholders and Investors

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> Strengthen communication through various IR (investor relations) events and further enhance the IR website 	<ul style="list-style-type: none"> Communication with analysts and investors was strengthened by, for example, having senior executives host small meetings and participate in conferences The IR website was redesigned to make it easier to use 	★★	<ul style="list-style-type: none"> Actively disclose information by, for example, having senior executives continue to take part in conferences and putting more information on the IR website

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

IR Disclosure Policy

Sharp discloses information to shareholders and investors in a fair and timely manner, in order to increase trust in its IR activities and to ensure a proper assessment of the company’s corporate value in capital markets.

Sharp discloses information designated under the laws and regulations of Japan, and it also adequately discloses other information, such as business overview, management policy, and strategy.

Basic Policy on Allocating Profits

Sharp considers distributing profits to shareholders to be one of management’s top priorities. Sharp pays dividends from surplus, comprehensively taking into account its consolidated business performance, financial situation, and future business development, while making active investments in R&D and other areas and strengthening the financial standing from a long-term perspective. In line with this, Sharp’s basic policy is to ensure stable dividends at a payout ratio of 30%.

Communicating with Shareholders and Investors

Sharp actively facilitates opportunities for shareholders, investors, and analysts to communicate directly with senior executives. In addition to financial results briefings, management policy briefings, and one-on-one meetings, whenever possible senior executives attend conferences organized by securities companies. And whenever senior executives are unavailable, the IR department meets with shareholders and investors.

At the same time, Sharp seeks to respond sincerely to changing investor needs. For example, we are pursuing greater interdepartmental cooperation with regard to ESG*, which represents one of the company’s key business challenges in recent years and an area of growing investor interest. Related departments cooperate by sharing industry information, and discussing matters such as the responses to various questionnaires and agendas for ESG-themed investor meetings. The IR department is constantly collecting information about investor needs, how they are changing, investors’ views on Sharp, and the outlook for the industry. It then relays all of this feedback to the senior executives.

Sharp will continue to use IR activities to help a wide range of shareholders and investors better understand Sharp’s management situation and business policy.

General Shareholders’ Meeting, Management Briefings

Sharp strives to create an environment that enables shareholders to easily exercise their voting rights. Efforts include disclosing notices of the meetings before they are sent out, posting English notices about the meetings and other information on its website, participating in an electronic voting platform (for institutional investors), and allowing shareholders to exercise voting rights via the Internet or their smartphones.

To further deepen shareholders’ understanding of Sharp’s business and policies, we hold management briefings after the general shareholders’ meeting.

* Environmental, social, governance.

Social Initiatives: Communication with Shareholders and Investors

Communication with Shareholders and Investors

IR Activities Designed to Meet the Diversifying Needs of Investors

In response to diversifying needs, Sharp makes every effort to properly disclose a wide range of information promptly and accurately, and enhance its communication with shareholders and investors in Japan and overseas.

In particular, Sharp endeavors to provide detailed disclosure of financial information for which there is great interest, such as through securities reports, summaries of financial results, financial presentation materials, and integrated reports. ESG represents another important business challenge, about which Sharp actively discloses information through not only sustainability reports but also finance-related materials and other sources.

Sharp also maintains an accessible and easy-to-understand IR website. It is compatible with smartphone viewing and has a page tailored for individual investors. It offers a robust array of content, such as “Sharp at a Glance,” offering a compact summary of a variety of information, including financial data. There’s also a page providing graphs of major performance data. In fiscal 2022, we fully redesigned the IR website. It now boasts better usability thanks to things like a more intuitive home page, and the latest news and document links whose location makes them easier to find.

Preventing Insider Trading

Sharp has effectuated regulations restricting insider trading, established strict controls on undisclosed material facts (“insider tips”), and instituted restrictions on the buying and selling of stocks and other securities. Sharp has also implemented in-house training related to insider trading. This training includes, among other approaches, an educational campaign on the corporate intranet that targets Sharp Group employees in Japan with the aim of preventing insider trading by Sharp Group directors, audit and supervisory board members, executive officers, or employees.

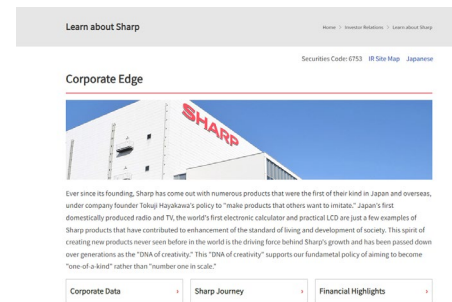
In addition, given the importance of disclosure, when “material facts specified in the Financial Instruments and Exchange Act” and/or “important company information that should be disclosed in a timely manner as stipulated by securities exchanges” is generated, Sharp does its utmost to promptly disclose and publicize the relevant details. Further, regarding media and analyst coverage, Sharp deals with it while fully honoring the spirit of disclosure and remaining attentive so as not to violate insider-trading regulations.



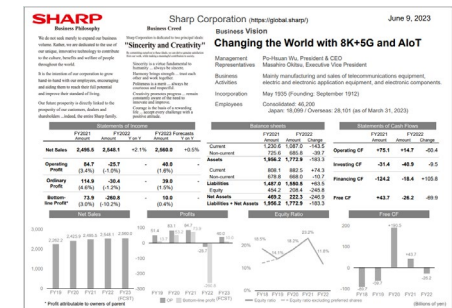
Investor relations website



2022 Annual Report



Webpage for “Learn about Sharp”



Sharp at a Glance

- Related information: > [Investor relations](#)
 > [Annual Report](#)
 > [Learn about Sharp](#)
 > [Sharp at a Glance](#)

Social Initiatives: For Local Communities

Contributing to the Community

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> Collaborate with local communities to solve social problems, with employees taking the lead role in conducting activities that benefit communities and, thereby, contribute to achieving the Sustainable Development Goals (SDGs) 	<ul style="list-style-type: none"> Total number of participants in environmental conservation activities: 10,515 (including family members), total number of activities: 778 Career education provided to total of 1,656 students at special-needs schools 	<p>★★</p>	<ul style="list-style-type: none"> Collaborate with local communities to solve social problems, with employees taking the lead role in conducting activities that benefit communities and, thereby, contribute to achieving the SDGs

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Based on its business philosophy of “contributing to the culture, benefits, and welfare of people throughout the world,” Sharp is working to address local social issues as a member of the communities where it does business. In order to continue fostering relationships of mutual prosperity with communities, Sharp employees take the initiative in carrying out voluntary and ongoing activities centered on the environment, education, and social welfare.

Environmental Conservation Activities

In recognition of the fact that preserving ecosystems and the diversity of life that they contain contributes to a healthier and more prosperous living environment for both companies and people, Sharp carries out environmental conservation activities at its production sites and sales and service bases across Japan.

Activities aimed at protecting the interdependent balance of life on Earth, its biodiversity, specifically the biodiversity of *satoyama* (areas that lie between the foot of a mountain and arable land), are spearheaded by the Sharp Green Club (SGC), a volunteer organization composed of Sharp and its labor union. The SGC’s activities focus on environmental challenges that are familiar to the lives of Sharp Group employees in Japan and emphasize communication with local residents and other stakeholders to raise environmental protection awareness. An example of the SGC’s *satoyama* protection activities is the Sharp Forest project, which involves afforestation efforts conducted by volunteers in five locations around Japan that seeks to use forest cultivation as a means of fostering an understanding of the relationship, as well as deepening the connection, between forests, wildlife, and humanity and to foster greater global environmental mindedness. The SGC also works with the Ministry of the Environment, local governments, and other organizations in four locations in Japan to protect wetlands and waterfowl listed under the Ramsar Convention, such as by eliminating invasive species and conducting cleanup activities. In addition, employee volunteers take part in ongoing cleanup activities around the Sharp Group’s various factories and business locations as well as participate in cleanup and greening initiatives organized by local governments and other organizations, all for the sake of facilitating environmental protection tied to, and carried out in conjunction with, local communities.

In fiscal 2022, 778 such activities took place with the participation of a total 10,515 volunteers,

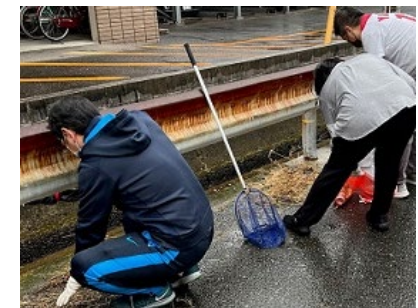
including Sharp executives, employees, and their family members. Overseas, as well, Sharp pursues a program of corporate social responsibility (CSR) encompassing activities focused on environmental protection, educational support, and social welfare.

For Sharp, social contribution starts with what the company founder described as a “heart of gratitude.” Sharp will continue to pursue activities that are tied to the local community in order to repay the kindness that the local community, and society as a whole, has shown Sharp.

Example



Employees from the Nagaoka Building (Nagaoka, Niigata Prefecture) cleaning up after the Nagaoka Fireworks Festival



Employees from the Hiroshima Building (Asaminami Ward, Hiroshima) participating in the Yagi Waterway Cleanup

Social Initiatives: For Local Communities

Contributing to the Community

Activities in Japan

Management and employees work together on community-based volunteer activities that tackle environmental challenges.

Example

The Makuhari Site (Chiba, Chiba Prefecture) participates in activities to beautify and preserve the area's landscape, organized by the Makuhari New City Development Council.

In June 2022, the Urban Open Garden Project was held as a joint community effort to plant flowers in 100 planters on Kokusai-odori Avenue close to JR Kaihin-Makuhari Station. Five of our employees joined those from neighboring companies and planted marigold seedlings in 20 of the containers.



Participants listening to the briefing



Planting marigold seedlings

Example

At the Mie Plant (Taki District, Mie Prefecture) we engage in woodland conservation and landscape improvement around Taki's Fureai no Mori Forest as a part of our Taki Sharp Forest initiative.

In July 2022, 26 employees and their family members pruned hydrangeas and chopped firewood. In November of the same year, they provided footpath maintenance, clearing vegetation and removing old signage.



Pruning hydrangeas and chopping firewood



Clearing around the footpath

Example

Every year in spring and fall, labor and management come together for community service at the Tenri Plant, (Tenri, Nara Prefecture).

In November 2022, six employees cleared trash and weeds around the Takase River, which flows close to the plant. Together with 29 participants in the Tenri Kofun Sharp Forest project held on the same day, they harvested peanuts and sweet potatoes, which were planted in May.



Picking up trash in the Takase River



Harvesting sweet potatoes

Social Initiatives: For Local Communities

Contributing to the Community

Activities around the World

Sharp bases around the world actively carry out community service activities.

Example

SEM: Sharp Electronics (Malaysia) Sdn. Bhd.

Malaysian R&D and sales base SEM and Yayasan Guru Malaysia Berhad signed a memorandum of understanding in May 2022 to support the introduction of programs that will allow education in digital classrooms across Malaysia.

Digital transformation in education has become an urgent topic in many schools. The programs are interactive and enable top-level online education, as well as allowing for hybrid learning between teachers and students.

We will continue to apply the latest technologies and provide smart solutions into the future.



Presenting the Smart Classroom solution

Example

SEID: P.T. Sharp Electronics Indonesia

Indonesian production and sales base SEID has resumed its environmental protection campaign, which was suspended due to the pandemic. It was conducted in August 2022 at the headwaters of the Ciliwung River, where pollution is a concern.

Participants learned how to measure the quality of river water using biological and physical analyses. All participants, including the SEID representative, also planted trees in the Telaga Saat district to protect its environment.



Measuring the river's water quality



Planting a tree

Example

SEID: P.T. Sharp Electronics Indonesia

Indonesian production and sales base SEID contributes to the educational sector through the Sharp Class Program. SEID engineers provide two months of training in theory, practice, and readiness for students at SMK (Sekolah Menengah Kejuruan; vocational college in Indonesia). Outstanding students are offered internship opportunities at SEID's service offices and sometimes are hired as employees.

Training took place at Lampung in July 2022 and at Blitar in November 2022.



Participants at the Lampung campus



Participants at the Blitar campus

Social Initiatives: For Local Communities

Contributing to the Community

Career Education for Disabled Children

As part of a larger program of community service activities that draws on its founder's commitment to helping disabled individuals, Sharp works with Sharp Tokusen Industry Co., a Sharp special subsidiary*, to enhance career education activities conducted at special-needs schools and similar organizations for disabled students. The following courses are provided with the aim of fostering a career-minded perspective in students and motivating them to work and achieve greater self-sufficiency.

- Workplace tour: Visit the workplace of disabled employees and attend a lecture
- Workplace experience: Experience work where disabled employees are active
- School visits: Disabled Sharp employees visit schools to give talks on what it means to work

* A subsidiary that a company establishes and that gives special efforts to employ the disabled, in order to provide them with more employment opportunities and greater job security.



A workplace visit



A participant in a workplace experience



A classroom during a school visit

Example

New Developments in the School Visit Program

The school visit program initiated in 2012 was expanded to include standard and special-needs classes in regular schools as a new endeavor in fiscal 2022.

The program initially focused on those who were hearing-impaired and conducted classes at special schools for the deaf across Japan. Subsequently, we received numerous requests, and in 2014, the program was expanded to include those with intellectual disabilities, and we began our work at special-needs schools in Osaka. We started the online school visit program as a measure against Covid-19 starting in July 2020. Although in-person school visits were limited to schools for the deaf around the country and special-needs schools within Osaka, the online program made it possible to reach out to special-needs schools nationwide.

The school visit program was initially developed to promote employment for those with disabilities. In response to a request from a teacher, we held a class at a regular school for the first time, themed on inclusive societies where everyone could live in harmony. The teachers there wanted to have students think about how they could work together to create an inclusive society. With a total of around 130 regular and special-needs students from four classes, we were able to use the concept of an inclusive society to find ways in which we could help to create a better work environment for people with disabilities.

Carrying on our founder's passion to give support to people with disabilities, the school visit program seeks to help their search for employment. The program has evolved and expanded its reach in response to people's requests and their environment. This time, it was a fortunate encounter that resulted in our new course of action.

We will continue with the initiative in collaboration with our partner institutions so that it may become a useful contributing factor for the creation of inclusive societies. At the same time, we will be listening to the community and developing programs that benefit society, as well as continuing to provide career training for special-needs schools.

Social Initiatives: For Local Communities

Contributing to the Community

Voice

Comment from a Principal of a Special-needs School Participating in Career Education

Sharp Tokusen Industry Co. is a steadfast supporter of our school with regard to student career paths, and for this I am deeply grateful. For roughly three years and four months every part of our lives has been significantly impacted by the pandemic, with schools, as well, trying to figure out ways to operate amidst a variety of restrictions. During all of this, Sharp Tokusen's online career education school visits and other initiatives were appreciated by our students as opportunities for them to think independently about the value and joy of work.

Naniwa High School for Special Needs Education opened in April 2015 as the fifth special-needs high school in Osaka Prefecture to provide vocational education. Since then, our goal has been to help students with intellectual disabilities participate in society and achieve independent and fulfilling lives through employment after graduation. Students work toward this goal with a heartfelt commitment to keep trying, keep persevering, and keep believing as they pursue on-campus practical and classroom vocational education along with a variety of hands-on training outside the school. The powerful encouragement the students receive through Sharp Tokusen's workplace experience and school visit programs is of irreplaceable value. I eagerly look forward to the further instruction and support that Sharp Tokusen can provide.

All of the faculty and staff at our school are united in a continuing commitment to educational activities, undertaken in conjunction with various relevant organizations, that will heighten each and every student's desire to find employment, as well as help them to achieve it. I sincerely appreciate the wonderful opportunities with which Sharp Tokusen provides us, and I wish Sharp Tokusen all the best for its continued development and success.



Kyoichi Narasaki
Principal, Osaka Prefectural
Naniwa High School for Special
Needs Education

Message from a School Visit Employee Instructor

This is now my seventh year as a school visit instructor since starting in fiscal 2016. I was extremely nervous during my first class, but the attentiveness of both the students and teachers put me at ease and everything went well. Now, after so much experience, I am perfectly comfortable getting up and speaking in front of everyone. During the class group work, the students are always so diligent in exchanging opinions and in how they work that it makes me motivated to work hard as well.

I hope all of the students will think about their futures without rushing and will cultivate a lot of great memories of their school days.

I also hope that they are fastidious about writing down what their teachers have taught them, and that they will regularly go back and reflect on them. These school visits have also helped me to grow, and they encourage me to keep tackling new challenges in my own work.



Yasunori Kishi
Sharp Tokusen Industry Co.

Governance



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Governance: Corporate Governance

Corporate Governance

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> Revise approval authority to improve decision-making speed Construct a new business promotion system aimed at the early realization of ESG-focused management 	<ul style="list-style-type: none"> Expanded decision-making authority of business unit heads Established the Global Business Group, the Digital Healthcare Business Promotion Division, and the ESG Promotion Division 	★★	<ul style="list-style-type: none"> Pursue structural development aimed at further improving the functioning of the Board of Directors Pursue effective and efficient operation of the Executive Management Meeting

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Basic Policy

Sharp’s basic policy on corporate governance is to maximize corporate value through timely and appropriate management while ensuring transparency, objectivity, and soundness supported by the concept, “Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders...” as stated in the company’s Business Philosophy.

Based on this policy, Sharp is strengthening the supervisory function over the Board of Directors and enhancing the flexibility of decision-making by appointing outside director and operating an Audit and Supervisory Committee. Sharp has also introduced an executive officer system that clearly separates supervisory and decision-making functions from business execution functions, thereby creating a structure that steadily facilitates nimble and efficient business execution. Further, Sharp is implementing deep-rooted enhancements to individual fields of business and operations by establishing a divisionalized management system in which each business unit assumes responsibility for their earnings, to be regulated by the CEO Office and the Corporate Strategic Planning and Control Group at the head office.

In addition, Sharp has formulated the Sharp Group Charter of Corporate Behavior as action guidelines for all directors, executives, and employees to raise their awareness of compliance, and it is working for its permeation across the entire Sharp Group.

Corporate Governance System: Supervisory and Decision-Making Functions

Sharp Corporation Board of Directors meetings are held on a monthly basis in principle to make decisions on matters stipulated by law and on management-related matters of importance, and to supervise the state of business execution. The Board of Directors comprises internal directors who are experts in the fields of business of the Sharp Group and outside directors appointed from talent with high specialism and abundant experience in fields such as social and economic trends and management. Sharp has established a voluntary Nominating Committee and Compensation Committee as advisory committees to the Board of Directors. The Nominating Committee recommends candidates for directorships to the Board of Directors and the Compensation Committee determines the value of remuneration and bonus packages for directors undertaking a role on the Board of Directors. The majority of members of both committees are independent outside directors and independent outside directors serve as the committee chairs. Additionally, important matters pertaining to dealings between the parent company group and the Sharp Group that are within the purview of the Executive Management Meeting shall, before any decision is made, be subject to study and approval by the Board of Directors (the majority of who are independent outside directors) with regard to the necessity, reasonableness, and appropriateness of the dealings in question.

In addition, Sharp has established an Internal Control Committee to serve as an advisory committee to the Board of Directors. The Internal Control Committee discusses basic policy, maintenance and operation of internal control and internal audits, reports to the Board of Directors, and, when necessary, refers matters for discussion to the Board of Directors.

Composition of Supervisory and Decision-Making Organs

	All Members (Persons)	Internal Directors (Persons)	Outside Directors (Persons)	Non-directors (Persons)	Chairperson / Committee Chair
Board of Directors	7	2	5	0	Chairperson: President & CEO
Nominating Committee	3	1	2	0	Committee chair: Independent outside director
Compensation Committee	3	1	2	0	Committee chair: Independent outside director
Internal Control Committee	7	2	3	2	Committee chair: President & CEO

Directors (except Audit and Supervisory Committee members)/ Directors Who Are Audit and Supervisory Committee Members

	All Members (Persons)	Internal Directors (Persons)	Outside Directors (Persons)	Independent Directors (Persons)	Term
Directors (except Audit and Supervisory Committee members)	4	2	2	2	1 year
Directors who are Audit and Supervisory Committee members	3	0	3	2	2 years

Governance: Corporate Governance

Corporate Governance

Business Execution Functions

The Board of Directors' rules stipulate matters on which the Board must decide upon. These matters include Sharp's basic management policy, management plans, other important matters of management, and matters prescribed by laws, regulations, and articles of incorporation.

As for decisions on other matters of management and business operations, these are stipulated in in-house rules such as the Internal Authorization Rules, and the most relevant rules are used to make decisions. For matters that are key to company-wide management and business operations, these are deliberated on at an Executive Management Meeting that comprises Sharp executives (the CEO, executive vice president, and CFO). The meeting convenes in a timely manner, which allows rapid management decision-making.

Audit Functions

The Audit and Supervisory Committee is composed of three directors, all of whom are outside directors with a high level of expertise. Two of them have specialisms to an appropriate extent in finance or accounting. Further, two members are independent directors and one is a full-time member of the Audit and Supervisory Committee. On the Sharp website can be found the "Standards for Independence of Outside Directors," which stipulates standards for judging the independence of outside directors.

The Audit and Supervisory Committee exchanges opinions periodically with executive directors, the internal audit division, and accounting auditor, and seeks to attain legality, propriety, and efficiency in business execution. Sharp has also established an Audit and Supervisory Committee Office composed of employees with specialisms in specific fields such as accounting and law, which supports the Audit and Supervisory Committee. Sharp undergoes audits by its accounting auditor, PricewaterhouseCoopers Arata LLC, in order to ensure the reliability of financial documents and other finance-related information. Through audits, Sharp receives proposals on how to make operational improvements.

To preserve the independence of the internal audit division from the business execution divisions, an Internal Audit Division has been established directly under the jurisdiction of the President. It audits the propriety of business execution and the appropriateness and efficiency of management. It also makes defined proposals on operational and business improvements as a means of increasing management efficiency and supporting the internal control system.

Related Information: > [Corporate Governance](#)

Management of Related Party Transactions and Others*

Sharp has established the Regulations on Related Party Transactions. Sharp manages these transactions so that they will not adversely affect the company's finances or business performance.

Sharp has also created a list of related parties. When entering into business with the counterparty, Sharp determines whether or not the transaction should be considered a related party transaction. Such transactions undergo all of the internal procedures that are followed for conventional transactions. In doing so, Sharp assesses the necessity, reasonability, and appropriateness of the transaction terms and conditions. This allows Sharp to exercise prudence when deciding on business deals.

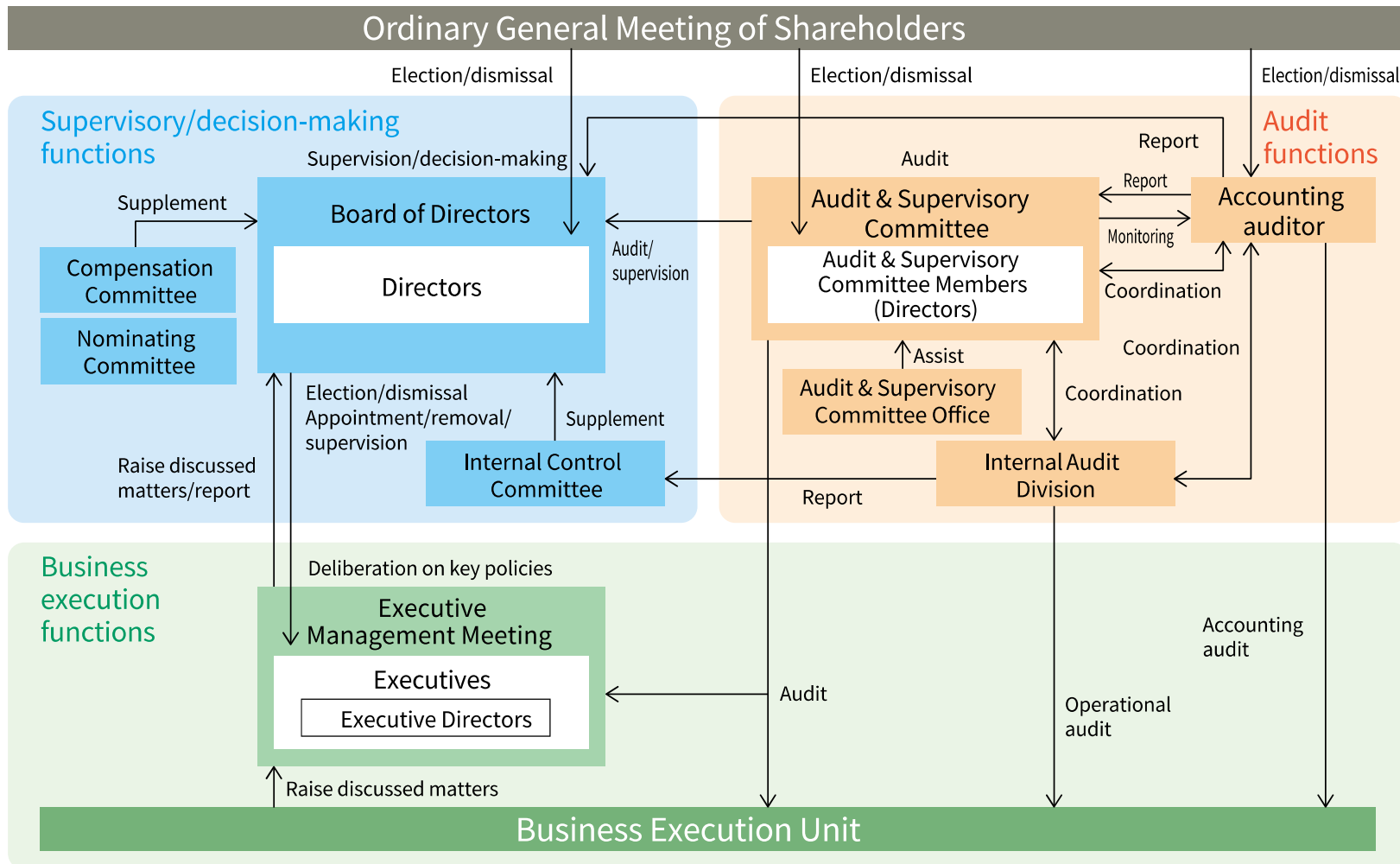
Once a year Sharp verifies the content of transactions specified by outside directors, and the results are reported to the Board of Directors.

* Related party transactions and management-involved transactions:
Related party transactions are transactions with a company or person having a certain level of connection with Sharp, including Sharp's officers, subsidiaries, and major shareholders.
Management-involved transactions are transactions that Sharp's management personnel have introduced or planned.

Governance: Corporate Governance

Corporate Governance

■ Corporate Governance System of Sharp Corporation (as of June 28, 2023)



Governance: Internal Control

Internal Control

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> Implement comprehensive design and operation of internal controls based on Basic Policy for Internal Control Establish internal control systems for new consolidated subsidiaries (e.g., Sakai Display Products) and make a concentrated effort to resolve material issues (problems) 	<ul style="list-style-type: none"> Implemented 55 measures based on the Basic Policy for Internal Control Designed internal controls, evaluated their operation, and confirmed their improvement to handle material issues (problems) discovered at new consolidated subsidiaries (e.g., Sakai Display Products) 	<p>★★</p>	<ul style="list-style-type: none"> Implement comprehensive design and operation of internal controls based on the Basic Policy for Internal Control Assess the design and operation of internal controls focused on material issues (problems) discovered in each control domain

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

As a means of facilitating the effective functioning of corporate governance, Sharp has designed and operates an internal control system for ensuring the propriety of business activities across the entire Sharp Group based on the provisions of Japan’s Companies Act and of the Internal Control Report System, which falls under the Financial Instruments and Exchange Act.

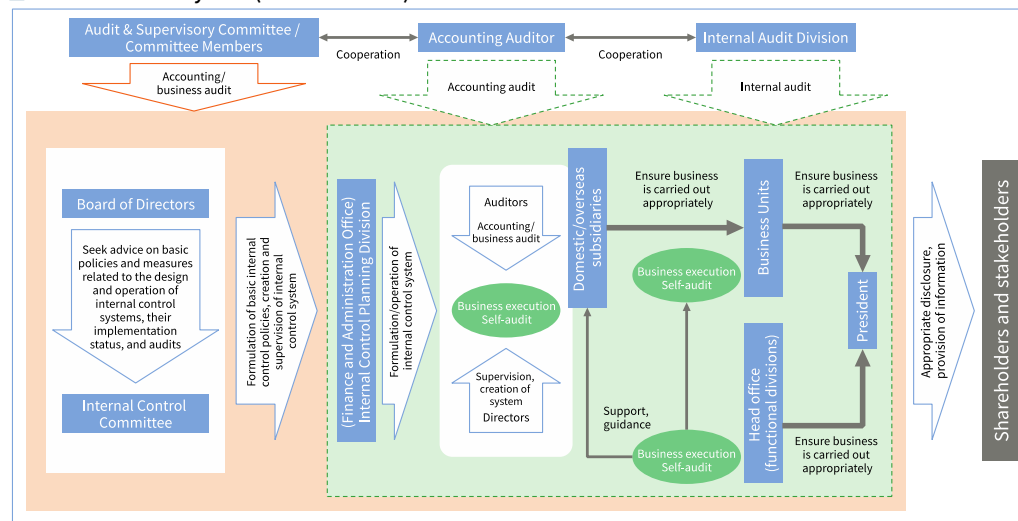
Specifically, in order to establish Sharp’s basic approach to internal control, the Basic Policy for Internal Control was adopted by the Board of Directors. In accordance with this policy, Sharp also established the Internal Control Committee to serve as an advisory panel to the Board of Directors. The Internal Control Committee discusses various internal control system-related policy measures, while also affirming their design and operation, and, when necessary, carries out other duties, such as proposing revisions to the Basic Policy. Sharp also develops and maintains systems and structures, such as specialized departments, in accordance with the Basic Policy, establishing and implementing measures to facilitate them and comprehensively checking and evaluating their status of operation, as well as working to entrench and improve them. In particular, Sharp endeavors to, among other things, improve its financial reporting-related systems, strengthen compliance, and reduce business risks all for the sake of increasing the effectiveness of its internal control system.

In fiscal 2022, Sharp designed internal controls for the newly

consolidated subsidiary Sakai Display Products (SDP), and conducted an exhaustive confirmation and evaluation of their operations, part of efforts to redesign and improve operations of internal controls for SDP and the rest of the Sharp Group. These efforts helped to ensure the effective functioning of the Group internal control system in each of the control domains in fiscal 2022, as detailed in an Internal Control Report, which was submitted in June 2023.

Based on “On the Revision of the Standards and Practice Standards for Management Assessment and Audit Concerning Internal Control over Financial Reporting (Council Opinions)”, announced on April 7, in fiscal 2023 we will continue to strengthen the control functions of each control domain, and more efficiently evaluate them. We will also conduct concentrated efforts to resolve the material issues (problems) discovered during evaluation as we strive for the most efficient and effective internal control.

Internal Control System (As of June 2023)



Governance: Risk Management

Risk Management

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> At new consolidated subsidiaries (e.g., Sakai Display Products), build a management system based on risk management-related rules, and firmly establish response rules for the occurrence of a major risk incident Review operation of business continuity management 	<ul style="list-style-type: none"> At Sakai Display Products, built a management system based on risk management-related rules, and firmly established response rules for the occurrence of a major risk incident Surveyed the state of business continuity plans (BCPs) and strengthened ongoing efforts 	<p>★★</p>	<ul style="list-style-type: none"> Revise the rules for reporting to executives and relevant departments in the occurrence of a major risk incident, and ensure that business units and affiliated companies thoroughly understand these revisions

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Basic Approach to Risk Management

Sharp positions risk management as one its most important efforts in fulfilling corporate social responsibility, which entails meeting the expectations of stakeholders through the sustainable development of business.

Sharp has formulated the Rules of Business Risk Management as a basic approach to risk management. In the Rules, risk items that could have a major impact on management are identified and managed as “specific risks” through the creation of a risk management system. For each specific risk, a functional department responsible for risk management across the entire company and business units and affiliated companies responsible for risk management in their respective business domains collaborate to minimize risks and to prevent risks from actually occurring. To be able to respond to changes in the business environment and market, Sharp is constantly defining and revising specific risks, evaluating and grading them, working to prevent them from occurring, and considering and formulating responses should they occur. The results are reviewed by the general manager of the Corporate Strategic Planning and Control Group and reported to the Internal Control Committee, which is chaired by the president & CEO. Reports to the Internal Control Committee include overviews of and countermeasures to the below-mentioned major risk incidents, and their numbers. The content of reports to the Internal Control Committee is also relayed to the Board of Directors.

Response to Occurrence of Major Risks

The Rules of Business Risk Management prescribe rules for response if a major risk incident does come to pass. Taking prompt and appropriate action when an emergency situation occurs works to minimize loss and to prevent the damage from spreading not only across the company, but also to society at large. These emergency rules also specify action items to be implemented to ensure prompt and appropriate information disclosure to stakeholders. When a major risk incident occurs, depending on its severity and priority level, a report is made to the president & CEO, executive vice presidents, head of the CEO Office, head of the Corporate Strategic Planning and Control Group, full-time audit and supervisory committee members, and heads of relevant departments.

In fiscal 2022, 84 major risk incidents were reported. Improvements were made to the Sharp Group’s management system based on rules related to risk management. At the same time, rules on responses in the event of major risk incidents were reinforced.

Promoting Business Continuity Management

Sharp has formulated BCPs (business continuity plans) to expedite the continuation or early recovery of business in a large-scale disaster, such as an earthquake or an outbreak of an infectious disease. Basic policies for BCPs shared across the Sharp Group are “First priority to human life,” “Proactive program and program for recovery from disasters,” and “Support for local community and business connections.” Besides periodically reviewing these basic policies, Sharp seeks to maintain and improve the business continuity performance of its organization through reviews to account for organizational and business changes and through drills. If, in the event of a major disaster, a significant impact on its business activities is anticipated, Sharp will establish an emergency headquarters at the head office to support and work with Sharp sites in affected areas and to implement an initial response focused on ensuring the safety of employees and their families and a business continuity and recovery response.

In fiscal 2022, we surveyed the periodic review of our BCPs and the status of training and strengthened ongoing efforts. In response to the Covid-19 pandemic, the company put in place infection-prevention measures for employees. These measures are based on considerations such as the workplace physical environment, the number of employees in a given team, the job category, and job duties. When an employee returns a positive Covid-19 test, we take steps to ensure business continuity. We report the case promptly to the head office and take the necessary measures at the department in question.

Going forward, Sharp will continue to work towards business continuity management as responses to all forms of disasters and pandemics.

Governance: Compliance

Compliance

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> Continue global compliance enhancement 	<ul style="list-style-type: none"> At affiliated companies in Southeast Asia, Oceania, and the Middle East, introduced bribery and corruption risk management processes and updated rules for preventing bribery and corruption Responded to (by conducting fact-finding surveys, signing agreements, revising documents, etc.) the formulation of and revisions to personal information protection laws in Japan, Europe, and China 	<p>★★</p>	<ul style="list-style-type: none"> Continue compliance enhancement in Japan and other countries Continue to respond to China’s Personal Information Protection Law, and establish a personal information management system and in-house rules

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

System to Promote Compliance

Sharp defines compliance as “observing laws, regulations, and company rules, and acting in line with corporate ethics.” Accordingly, Sharp is pursuing management practices that give priority to compliance.

The person most responsible for leading compliance at Sharp is the head of the Corporate Strategic Planning and Control Group. This person’s job is to take a global outlook in formulating basic policies for compliance and making sure these policies are firmly established within the company. Meanwhile, the person responsible for leading compliance for the entire Sharp Group is the head of the CEO Office. This person is in charge of devising concrete measures for compliance and thoroughly implementing them. As well as affirming the implementation status of compliance measures, they draw up corrective measures where necessary and makes sure they are thoroughly executed.

Under these two heads, the presidents of the business units are responsible for compliance within their respective organizations. The business unit presidents are also responsible for guiding and supervising compliance measures at subsidiaries and affiliated companies (hereafter, “affiliates”) under their business units. Promoting compliance at each affiliate in and outside Japan is the responsibility of the affiliate president.

Among the laws and regulations that pertain to business execution, some are considered to be critically important and capable of affecting the entire Sharp Group. For each of these material categories of laws and regulations, the company sets up a dedicated legal department. The aim is to achieve thorough compliance with these laws and regulations. Each legal department fully understands the content of the critically important law and studies the effects it could have on the business of the entire Sharp Group and on operations shared by different departments. It then reviews—as needed—business operations and processes, revises company regulations, formulates or revises routine operation standards, communicates these changes, and provides guidance and supervision to executives and employees.

If a compliance-related risk occurs, Sharp will respond appropriately in accordance with the Basic Rules for Compliance and the Rules for Business Risk Management, and take comprehensive corrective measures and prevent recurrence.

Compliance Training

As a means of promoting compliance, the Sharp Group has formulated the Sharp Group Compliance Guidebook, which states defined standards for matters to be observed, matters which are prohibited, and actions to be taken for all executives and employees, and publishes and disseminates this throughout the company.

Sharp also periodically carries out compliance training (including e-learning) on the Sharp Code of Conduct and material categories of laws and regulations (such as competition laws, anticorruption, and personal information protection). In fiscal 2022, the approximately 18,000* who took part in this training included members of Sharp Corporation, affiliated companies in Japan, and the labor union. The Sharp Code of Conduct was communicated* to employees at all Sharp overseas bases.

* See page 008.

Governance: Compliance

Hotline for Compliance Issues

In line with revisions to Japan's Whistleblower Protection Act in June 2022, Sharp Corporation and its affiliated companies in Japan have established the Crystal Hotline, a hotline to report problems in the workplace, such as work-related violations of laws, and words and actions that are counter to the Sharp Group Charter of Corporate Behavior, the Sharp Code of Conduct, in-house rules, social norms, and ethics. The company has also set up a competition law hotline, which serves as a contact point specifically for issues related to competition laws. These hotlines have been set up both inside the company and externally (via an outside law firm providing legal counsel). They are available via email, phone, and other means for employees and temporary staff, as well as business partners*, to make reports. The Crystal Hotline also accepts anonymous reports. Sharp also has a consultation service dedicated to addressing workplace harassment (which includes sexual harassment, pregnancy discrimination, and abuse of authority).

The hotlines and consultation service receive reports and conduct fact-finding investigations in line with strict operating rules. Those who have submitted a report or requested a consultation are informed of the details of the response. If the investigation reveals any violation of laws, regulations, or company rules, or any other compliance issues (actions counter to social norms or ethics), Sharp will put into effect measures for remediation and recurrence prevention.

The hotlines are operated in line with the clear stipulation of both the Sharp Code of Conduct and the rules governing hotline service operation that information identifying the individual contacting the hotlines and details of the individual's report will be strictly protected and that those persons will suffer no unfavorable treatment or penalties. Such rules are thoroughly communicated to all executives and employees through training and other means.

Six months after any corrective action is taken, we check that the whistleblower contacting the Crystal Hotline has not been disadvantaged. After a further period, we also check whether the corrective actions and recurrence prevention measures are working effectively.

In fiscal 2022, the Crystal Hotline received 43 reports and the harassment consultation service received one report. For each of these, Sharp investigated the facts of the matter and issued orders for any necessary corrective measures. Meanwhile, the competition law hotline received zero reports in fiscal 2022.

Hotlines have been set up at Sharp's major overseas bases, with consideration for the legal system and other matters in each country. Action is taken to swiftly address any problems. In fiscal 2022, there were 88 reports.

The number of cases in and outside Japan and their summaries are reported to the Internal Control Committee, which is chaired by the president & CEO, and to the Board of Directors.

* Only the Crystal Hotline is available for use by employees of business partners.

Compliance with Competition Laws

In order to comply with Japan's Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, as well as with equivalent overseas laws and treaties enacted to protect the interests of consumers by maintaining and promoting free and fair markets (hereafter, "competition laws"), Sharp has put in place rules across the entire Sharp Group on observing competition laws. It has also created an Antimonopoly Act Compliance Manual (Action Guidelines). These guidelines stipulate basic compliance matters that employees must adhere to in their duties with regard to cartels.

To raise awareness amongst employees, Sharp has prepared a guidebook summarizing the key points of competition laws for each field of business, and it carries out periodic internal training via e-learning. Sharp also raises awareness internally of case studies relating to competition laws from within Japan and internationally as well as information on major revisions to the laws.

When considering raising product prices in response to rising costs in society, to ensure that Sharp does not violate competition laws by, for example, taking part in cartels, circulars are sent periodically to every part of the company. Sharp prevents actualization of competition law-related risks in transactions by reviewing all contracts and consulting with its legal department when approving new contracts.

To enable Sharp to more effectively prevent the occurrence of competition law risks (such as cartel activities or bid-rigging), business departments periodically confirm their dealings and interactions with competing companies. Depending on the risk, it may be reported to the legal department, which monitors the status of Sharp's compliance with competition laws. Such efforts maintain the effectiveness of Sharp's compliance program.

In fiscal 2022, a cease and desist order was issued to Sharp subsidiary Dynabook Inc. by the Japan Fair Trade Commission because of its partial involvement in bid rigging. In response, besides Dynabook holding training to prevent such a reoccurrence, e-learning was held at Sharp and all its affiliates in Japan in order to prevent such a thing from happening in the Sharp Group and ensuring thorough compliance.

Governance: Compliance

Preventing Corruption in All Forms and Dealing Properly with Donations

General Policy

The Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct contain provisions that strictly prohibit any form of corrupt behavior, such as extortion or direct or indirect bribes of money, goods, or services. The Group Charter and Code of Conduct also stipulate that donations must be handled in a proper manner.

The Compliance Guidebook follows the Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct in stipulating policies, for example, on providing gifts and entertainment, and on prohibiting bribery.

We also have the Rules for Prohibition of Bribery (hereinafter “the Rules”), which detail the actions that both executives and employees should and should not take in order to prevent corruption such as bribes, and which describe Sharp’s system for preventing bribery (see below). Under the Rules, Sharp is working to clarify and strengthen an internal checking system and prevent any act of bribery.

Systems and Rules for Preventing Bribery

Sharp has established a clear and effective system for preventing bribery that clarifies the points that should be confirmed by relevant departments when using third parties such as agents and consultants, providing or exchanging gifts or entertainment to government employees, and participating in associations. It has also set up a consulting department for providing internal approval for each issue above.

The Rules define “facilitation payments” as “small payments to government officials and others for the sole purpose of speeding up routine administrative procedures.” The Rules clearly state that these payments are considered a form of bribery and are prohibited in principle.

Working with Business Partners

We only deal with business partners who agree to abide by our Basic Purchasing Principles, which were created to prevent things like bribes and unfair actions.

We also ensure that our business partners abide by the Sharp Supply-Chain CSR Deployment Guidebook, aimed at preventing inappropriate profits.

Working with Overseas Affiliates

Sharp’s overseas affiliates also follow the Sharp Group Compliance Guidebook and the Sharp Code of Conduct, which stipulate rules that employees must abide by, such as avoiding bribery and other corrupt actions.

In order to ascertain the risk of bribery and corruption among overseas affiliates and institute a more effective checking system, Sharp has investigated and analyzed risks at overseas affiliates. Based on the results, Sharp has proceeded to update its overseas affiliates’ internal rules of anti-bribery and introduce to overseas affiliates the bribery risk management processes utilized at Sharp in Japan, depending on the level and type of risk at each overseas affiliate.

Raising Awareness within the Sharp Group

To raise awareness among employees in Japan and overseas, Sharp has created and published an in-house guidebook and training materials, which give information on bribery laws and describe real world examples. Sharp also conducts annual in-house training related to preventing bribery. Sharp’s intranet for affiliates in Japan and its global intranet for overseas affiliates periodically feature articles on bribery in Japanese, English, and Chinese. These articles present bribery-related cases and analyze and explain related issues. The aim is to deepen understanding and raise awareness of bribery among employees of affiliates in Japan and overseas.

As a result of these efforts, there were no violations of any bribery-related rules in fiscal 2022.

Governance: Compliance

Preventing Corruption in All Forms and Dealing Properly with Donations

Dealing Properly with Donations

In Japan, Sharp prevents illegal payoffs and improper expenditures through a system of reviews that check legality, reasonableness, and transparency. In place since December 2008, this system serves to assess the propriety of monetary disbursements such as donations and contributions made by Sharp Corporation and its affiliated companies. In fiscal 2022, 12 cases of contributions were reviewed.

The Sharp Code of Conduct states, “Regarding political donations, we will observe all applicable laws and regulations and we will ensure transparency and proceed in strict conformance with internal company rules when making such donations in line with the company policy to build a healthy and responsible relationship with politics and government.” Based on this policy, any political donations abide by relevant laws and follow the necessary internal procedures.

Exclusion of Antisocial Forces

Basic Policy

As a matter of basic policy, Sharp prevents or excludes any association with antisocial forces without exception, and deals with them in a resolute manner. It has established specific guidelines in the Sharp Group Charter of Corporate Behavior under the section entitled “Practice of Fair and Open Management,” as well as clearly stipulated in the Sharp Code of Conduct that Sharp shall seek to exclude antisocial forces by being “cooperative in the maintenance of social order, and will not engage in antisocial activity.”

Activities Aimed at Excluding Antisocial Forces

Sharp Corporation has established Rules for Excluding Antisocial Forces, which serve as the basis for Sharp’s effort to prevent antisocial transactions, as well as Sharp’s preparation and updating, as needed, of such resources as manuals for dealing with antisocial forces.

In order to facilitate its handling of antisocial forces, Sharp maintains a system of prompt communication and cooperation with the police, legal advisors, and other external experts, from whom it regularly obtains information, which is then thoroughly disseminated and managed amongst the Sharp Group. Sharp also works to raise employee awareness by conducting once-a-year compliance training, which includes how to deal with antisocial forces.

In addition, Sharp Corporation and its affiliated companies in Japan take other steps to exclude antisocial forces, such as including a stipulation of antisocial forces exclusion in all basic agreements for ongoing transactions and concluding memorandums containing the equivalent stipulation with existing suppliers.

Governance: Compliance

Management of Personal Information

Domestic Response

To ensure that personal information is appropriately managed and to prevent incidents of data leakage, Sharp provides regular compliance training (including e-learning). In addition, individual training sessions are held for employees who handle personal information as part of their job duties.

To ensure the effectiveness of Sharp's efforts to protect personal information, processes that require approval from the department specialized in personal information protection are incorporated into Sharp's internal approval system regarding the handling of personal information. This contributes to consistently appropriate management of personal information obtainment, sub-processing, and provision to third parties by relevant departments. Also, following approval, the handling status—e.g., obtainment, storage, management, usage, deletion—of each customer's personal information is to be recorded in Sharp's own management database and updated as needed so that it can be checked and reviewed on an ongoing basis.

Appropriate handling of personal information is further ensured through the management of database audits of all departments that obtain customers' personal information, checking the handling status against what is recorded in the management database. Moreover, on-site audits are also performed for specific departments that must follow even more stringent handling requirements.

Global Response

Data protection has become an increasingly important issue around the world. Ever since the General Data Protection Regulation (GDPR) in the EU was enacted to protect personal data, countries around the world have been introducing data protection regulations, and there have already been many examples of these regulations being enforced.

Sharp has been sharing information with its overseas subsidiaries as part of periodic group-wide fact-finding surveys and risk analysis on the various areas related to the acquisition and processing of personal information in the EU and other overseas regions. Based on findings, the company has been taking measures that include providing appropriate privacy notices*, signing agreements, and putting in place internal rules required for proper handling of personal data. Sharp is also raising awareness among employees by periodically issuing information about the enactment of—and amendments to—laws and regulations on global protection of personal information. Along with that, Sharp shares examples of financial penalties for breaches of these laws and regulations. This information is posted on the company intranet for all employees to see.

Sharp is continuously gathering and analyzing information on data protection regulations around the world, such as the California Privacy Rights Act (CPRA) and China's Personal Information Protection Law (PIPL). It also signs agreements based on fact-finding surveys and the requirements of data protection regulations as part of global efforts to implement measures to comply with laws on the handling of personal information.

* Privacy notice: A notice that tells website visitors how the personal information that they provide will be used by the website operator. The purpose is to ensure website visitors that their personal information will be handled appropriately based on personal data protection regulations such as the GDPR.

Governance: Compliance

Appropriate Advertising and Promotion, Representation-Related Law Compliance

Under its business creed of “Sincerity and Creativity,” Sharp strives to reliably fulfill its corporate social responsibilities to customers and all stakeholders in the provision of correct information useful for selecting products and services. To this end, Sharp prioritizes appropriate advertising and promotion activities. It also complies with product and service representation-related laws, such as the Act against Unjustifiable Premiums and Misleading Representations, Pharmaceutical and Medical Device Act^{*1}, and Fair Competition Code. Sharp positions compliance with these laws as a control item within its Rules of Business Risk Management^{*2}, and implements various measures to promote compliance.

Systems and Rules for Preventing Legal Violations

With regard to product and service representation within Japan, Sharp follows internal rules (listed below), which stipulate the basic approach to representation and a system for checking appropriate representations.

1. A dedicated supervisor is appointed to work with departments involved in the production of representations and to perform a final check prior to the publication of brochures and mass advertising
2. A senior committee is established to make decisions about any questionable representations (Representation Review Committee, Sharp Fair Representation Council)
3. Operations are carried out in line with the Fair Competition Code^{*3}, formulated by the Home Electric Appliances Fair Trade Conference, with regard to product representations and premiums
4. Public external organizations^{*4} are consulted for objective guidance and advice

Also, overseas, Sharp follows local laws along with the Fair Expression Guidelines, which have been developed based on the same thinking utilized in Japan, in order to facilitate appropriate decision-making.

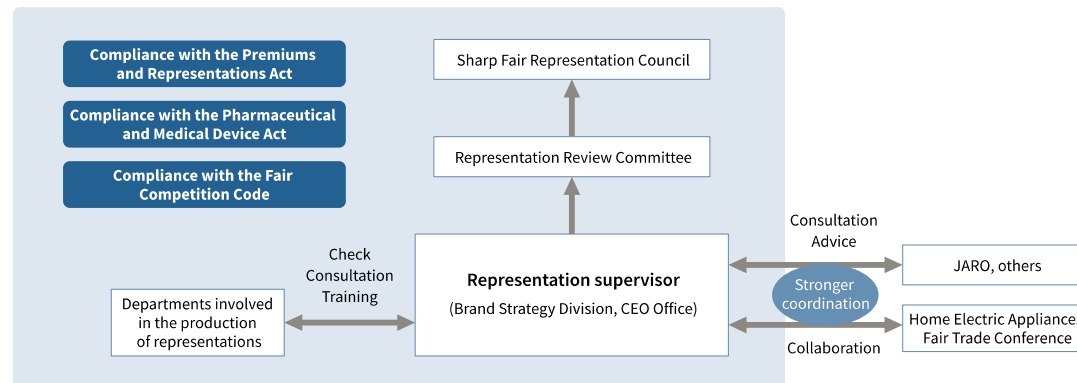
Awareness Activities Boost Knowledge for Relevant Personnel

Awareness activities are held for employees in departments involved in the production of representations.

1. Training on the Premiums and Representations Act, Pharmaceutical and Medical Device Act, and Fair Competition Code
2. Participation by Sharp employees in outside seminars led by public institutions, and dissemination of what is learned (the latest trends) to the rest of Sharp
3. Information on the Premiums and Representations Portal Site on the intranet
 - Laws, public guidelines, in-house rules, etc.
 - Revisions to laws and regulations

In fiscal 2022, there were no violations of the Premiums and Representations Act or the Pharmaceutical and Medical Device Act by the Sharp Group.

Representation Review Framework



Strengthening Ties with Stakeholders

In fiscal 2022, many employees in Sharp departments involved in the production of representations and employees on the front lines of sales took part in Fair Competition Code e-learning. The curriculum of this new course, started by the Home Electric Appliances Fair Trade Conference for its member companies, covers subjects like representations and premiums. We are strengthening ties with industry groups and other stakeholders and pursuing appropriate sales promotion activities that will help us bounce back from the effects of the pandemic.

^{*1} Act on Securing Quality, Efficacy, and Safety of Products Including Pharmaceuticals and Medical Devices.
^{*2} See page 123.
^{*3} Voluntary industry standards formulated by the Home Electric Appliances Fair Trade Conference and recognized by the Consumer Affairs Agency and Japan Fair Trade Commission.
^{*4} Home Electric Appliances Fair Trade Conference, Japan Advertising Review Organization (JARO), others.

Governance: Compliance

Tax Management Initiatives

Tax Policy

Sharp demonstrates sincerity and creativity in its pursuit of sound business activities, in the process fulfilling its responsibilities as a member of society. A basic policy of the Sharp Group Charter of Corporate Behavior and Sharp Code of Conduct is the “Practice of fair and open management” in all corporate activities and operations, conforming to the laws and regulations of each country and region, international rules and company rules, as well as social norms and corporate ethics. Based on this basic policy, Sharp works to maintain and improve its compliance with tax laws and other tax-related regulations through proper payment of taxes and employee education.

Tax Governance System

The general manager of the Finance and Administration Office oversees tax obligations for the Sharp Group as a whole. In line with Sharp’s global tax policy, group companies have a responsibility to understand and comply with the relevant tax laws and regulations that apply to their operations. The Accounting Department in the Finance and Administration Office supports group companies and handles overall tax-related duties for the Sharp Group to reduce tax-related risk.

When faced with a tax-related issue, Sharp works together with relevant affiliated companies in Japan and overseas and, when necessary, seeks advice from tax professionals in order to address the issue. When the issue is deemed to be one of significant importance, it is reported to top management who then decide on a course of action.

Proper Payment of Taxes

Legal and regulatory compliance is Sharp’s top priority, endeavoring to fulfill all fair and appropriate tax obligations. When filing tax returns, we do not seek to evade the legislative intent of the tax system nor engage in tax avoidance in violation of international tax rules. Sharp endeavors to appropriately meet its tax obligations while making use of preferential tax measures available to it as part of normal business operations.

In fiscal 2021, Sharp recorded 17.0 billion yen* (Japan: 64%, overseas: 36%*) in corporate income tax.

* Based on Country-by-Country Report submitted to the tax authority.

Compliance with Transfer Pricing Rules

Regarding transactions with parties related to the Sharp Group, appropriate pricing is established based on the arm’s-length principle, in line with OECD (Organisation for Economic Co-operation and Development) transfer pricing guidelines and in accordance with each company’s functions and risks. Sharp also draws up transfer pricing documentation based on the laws and regulations of each country. Also, for important transactions, Sharp takes steps, such as actively working with tax authorities to make use of APAs (Advance Pricing Arrangements), to reduce tax-related uncertainty, and to prevent double taxation.

Relationship with Tax Authorities

In order to maintain good relations with tax authorities, Sharp endeavors to be diligent and responsive to the requests of tax authorities in each country, such as by providing them with information in an appropriate and timely manner. Whenever tax authorities raise questions about Sharp’s filing and payment of taxes, Sharp examines the validity of their claims and, if it has an objection, may opt to formally file a petition against the tax authority with regard to the matter. However, if any corrective action is required, such action will be promptly implemented.

Governance: Innovation Management

Corporate R&D Initiatives

Initiatives of the Corporate Research and Development Group

The Corporate Research and Development Group is pursuing a mission to develop pioneering, groundbreaking, proprietary technology that creates new ecosystems and new and expanded businesses contributing to the realization of a sustainable society.

To put into practice ESG-focused management, we are using “One Sharp” partnership and collaboration to accelerate development of new businesses in the digital healthcare field and step up our contributions to carbon neutrality. In addition, we are applying the technological innovations of AI to create proprietary technologies in area such as DX solutions for industry.

With social problems becoming increasingly complex and diverse, we are implementing sustainable management through R&D aimed at creating innovative services and solutions so that we can contribute to Sharp’s sustainable growth.

Notable Initiatives

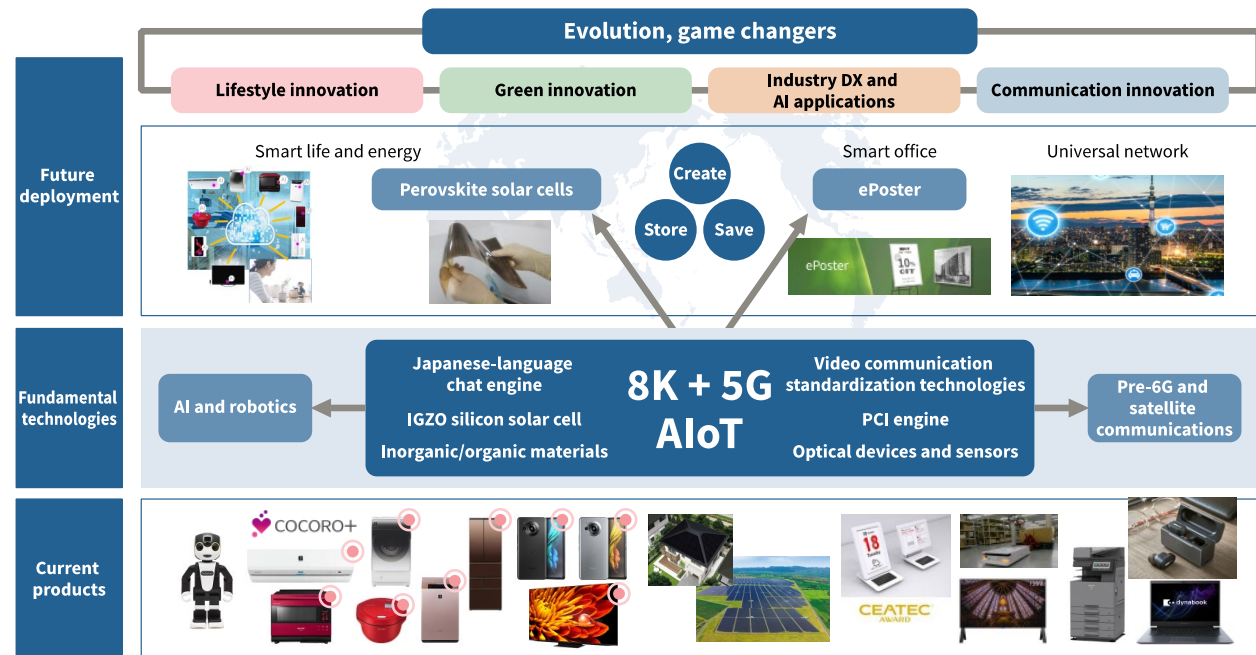
Sharp aims to change the game by creating technologies that will serve as the core engine of future company growth. With a focus on achieving lifestyle innovation, green innovation, communication innovation, and industry DX and AI applications, we are working towards the early realization of new businesses that drive sustainable growth into the future.

Turning to communications technology, Sharp holds more than

6,000 patents of critical importance for communications standards in more than 50 countries worldwide, and it grants licenses to numerous leading companies. Sharp has dived headfirst into activities to create standards in the field of video communications and is contributing to creating the social infrastructure that will realize a variety of innovations and DX.

In addition, as part of our open incubation activities, we are collaborating with other companies, including in efforts to support startups, to give birth to technological innovations. To utilize the fruits of our R&D in new business domains, we have created a dedicated team in the Corporate Research and Development Group to oversee partnerships inside and outside the company as we aggressively strive for co-creation with different industries, chiefly in DX businesses.

R&D Aimed at ESG Management



Governance: Innovation Management

Intellectual Property Protection

Intellectual Property Strategy and Management System

Sharp regards its intellectual property strategy as one of its critically important management strategies, and it is promoting it together with its business strategy and R&D strategy. By aggressively obtaining patents, Sharp is boosting the superiority of its product and device businesses and strengthening its business foundation. The company's intellectual property department was spun off into ScienBizIP Japan Co., Ltd. (SBPJ) in 2016, with a view to making it a profit center of Sharp. Because SBPJ is well versed in Sharp's products, technologies, and businesses, it can offer a high level of specialized service and improved efficiency. SBPJ gives Sharp more driving force in its intellectual property management, generating strong patents and economic value from Sharp's state-of-the-art technologies.

Regarding patent applications, Sharp defines core technology areas with respect to each business and strategically files patent applications that are tightly coupled with its business development. Sharp is also acquiring useful patents invented in cooperation with other companies or derived from the activities of alliances, such as industry-university cooperation.

In addition, Sharp is filing applications and registering rights for designs and trademarks globally under its brand strategy.

Protecting Intellectual Property

Sharp maximizes the use of its intellectual property by linking it to its business strategy and R&D strategy. It is also firmly committed to protecting its own intellectual property rights, while also respecting the intellectual property rights of others. While Sharp takes an amicable approach to resolving issues of infringement, it is the company's policy to seek the judgment of a third party, such as the courts, when its intellectual property rights are not respected.

Sharp is also working to bolster protection for trade secrets and to prevent unauthorized disclosure of production technologies and manufacturing know-how, particularly those that are unique or critically important to Sharp. Further, counterfeit Sharp-brand products have had a growing impact in overseas markets in recent years, and Sharp is taking measures to counter these imitations through cooperation with industry groups and with regulatory authorities taking enforcement actions.

Governance: Information Security

Information Security

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
<ul style="list-style-type: none"> ■ Pass the certification renewal screening for ISO 27001 ■ To raise employee awareness of information security, reinforce education for employees who inadvertently opened malicious emails sent as part of a previous training exercise. Also expand the number of overseas bases holding training on targeted email attacks 	<ul style="list-style-type: none"> ■ Maintained ISO 27001 certification (renewed June 30, 2022) ■ Improved the practicality of content of training for employees who did not take proper measures in response to targeted email attacks. Also expanded training to more overseas affiliates (12 companies) 	<p>★★</p>	<ul style="list-style-type: none"> ■ Pass the certification renewal screening for ISO 27001 ■ Step up educational measures for employees as a way to deal with targeted email attacks, and expand education to more overseas affiliates

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Sharp is working to ensure information security by setting forth a Global Basic Policy on Information Security for the safe and appropriate management and use of information and information systems.

As part of its efforts to enhance information security, Sharp also acquired ISO 27001 certification in 2015 and has secured an appropriate information security management system.

■ Summary of ISO 27001 Certification Activities

Organization	Sharp Corporation
Scope of Certification	<ul style="list-style-type: none"> • The planning, management and operation of call center service, taking care of users' complaints. • The administration and operation of an affiliated web site. • The implementation of in-company information management.
Certification Number	IS 635826
Certification Body	BSI Group Japan K.K.
Initial Certification Date	June 30, 2015

Related Information: > [Global Basic Policy on Information Security](#)

Information Security Measures

Sharp strives to raise security awareness with thorough dissemination of in-house information security rules; for example, through compliance-related training based on the Sharp Code of Conduct. In addition, we have affiliates in Japan conduct periodic information security self-checks in order to confirm that measures are being properly taken and thus ensure that the entire Sharp Group continues to maintain and improve its security.

To focus on targeted email attacks, a security risk that employees deal directly with, we are stepping up drills in which employees receive malicious mock emails.

In fiscal 2022, we tested our response capabilities by having all employees at Sharp and affiliates in Japan receive several types of malicious emails that mimicked real-life ones. Employees who did not deal with the email appropriately were given further guidance on the dangers of email attacks to raise their security awareness. We will continue to provide such training that mimics the latest email attack methods, as well as step up measures by expanding training to more overseas affiliates to strengthen our global security.

We will continue to maintain and strengthen our security by stepping up activities. For example, to prevent information leaks to outside of Sharp, we check the vulnerability of publicly accessible Sharp-related websites, and we put in place measures to prevent hacking and the access of illicit websites.

Governance: Export and Import Control

Export and Import Control

Security Export Control

The security environment worldwide is characterized by instability and growing uncertainty in the international order, including in the form of moves to strengthen military capabilities by some states, for example through the development of nuclear weapons, missiles, and other weapons of mass destruction; the pursuit of military action against other countries; territorial disputes among states; and the threat of international terrorism. Looking to implement export controls to ensure security, Japan has adopted the Foreign Exchange and Foreign Trade Act (“FEFTA”) and put in place stringent procedures to prevent the proliferation of weapons of mass destruction as well as ordinary weapons. Against this backdrop, Sharp has long engaged in security-related export controls, including by becoming one of the first companies in Japan to incorporate provisions adopted by the Coordinating Committee for Multilateral Export Controls (so-called COCOM regulations) into its own internal rules during the Cold War.

As technology advances and the line between civilian and military technologies blurs, the number of items of concern, for example dual-use products that potentially allow civilian technologies to be harnessed for military purposes, is growing. Adherence to security-related export controls is becoming more complex as countries impose sanctions in response to a variety of geopolitical tensions and strengthen associated export control laws.

To accommodate this state of affairs, Sharp Corporation and affiliates in Japan have incorporated thorough compliance with security-related export controls as a model for behavior into the Sharp Code of Conduct. The company has also formulated the Sharp Compliance Program on Export Control based on FEFTA to govern export controls.

When exporting products overseas, Sharp conducts an internal investigation to determine whether controls apply to goods and technologies; to confirm destinations, counterparties, and end-users; and to assess whether there are any concerns about applications and uses. Sharp strives for legal compliance by reviewing internal rules in a timely manner whenever export control laws are revised. Sharp also strictly complies with the Export Administration Regulations of the U.S.

To maintain export control structures like these, Sharp regularly offers various export control-related education programs, including with e-learning components, for all employees. Sharp will maintain and further improve these systems to secure comprehensive export control.

*1 An exporter or importer recognized by the Japan Customs as having put in place a system for security control of goods and compliance.

Trade Control

The Customs Act and other laws of Japan require proper export and import controls (trade controls). In particular, there is a strong need for appropriate logistics control regarding the security of imported and exported goods, for example to stop the flow of supplies to domestic and international terrorist groups and to address the problem of illegal cross-border movements of goods like illegal drugs and products violating intellectual property rights, a major social issue. Sharp strives to ensure its import and export operations are conducted in an appropriate manner by maintaining licensing as an AEO (authorized economic operator) exporter*1 and importer*1 and by strictly observing laws and regulations across every import/export process, including management of security, distribution, and customs clearance procedures as well as payment of import consumption tax and duties. This approach provides benefits such as simplification of customs procedures while helping ensure the safety of the global supply chain. When it comes to a diverse range of export/import items other than those described above—for example, international courier/mail or hand luggage carried by business trip travelers and visitors—Sharp has put in place compliance structures to ensure appropriate trade controls and strengthened internal management, including reviewing and updating operational rules, making a database of export/import records, and conducting thorough training. Sharp will continue to conduct appropriate trade controls.

Example

SATL, a Sharp production base in Thailand, is in the process of building an in-house management system for security export control. A number of SATL employees who earned ICP*2 instructor certification from Thailand’s Department of Foreign Trade (DFT) led training (completed in March 2023) for employees who work in export control. The company also underwent an audit in May 2023 in order to be certified with ICP status from the DFT. Through these efforts, SATL is ensuring thorough abidance with export-procedure laws and even greater reliability of the Sharp brand.

*2 Internal Compliance Program: An internal control measure for monitoring compliance with export control regulation.



ICP instructor certificate

Third-Party Verification

Sharp has undergone independent third-party verification by JACO (Japan Audit and Certification Organization for Environment and Quality) to ensure the reliability of its data on greenhouse gas emissions and environmental and social initiatives.

**Greenhouse Gas Emissions
Independent Verification Report**

To: SHARP CORPORATION

August 10, 2023

Japan Audit and Certification Organization
for Environment and Quality (JACO)
2-2-19 Akasaka Minato-ku, Tokyo, Japan

H. Onodera
President HIROYUKI Onodera

Japan Audit and Certification Organization for Environment and Quality (JACO) has been engaged by SHARP CORPORATION including its domestic consolidated company and overseas consolidated production subsidiary (hereinafter referred to as "the Organization") to conduct independent verification of its GHG emissions information prepared under the responsibility of the Organization.

1. Purpose and scope of verification

With regard to the Sharp group GHG emissions information reported by the Organization for the fiscal year 2022 (from April 1, 2022 to March 31, 2023), the verification was conducted. The aim of this verification is to consider the accuracy of the GHG emissions data and to provide a verification opinion.

1) Scope 1 and Scope 2 Greenhouse gas emissions

- CO₂ emissions from energy consumption by business activities at the Organization's 40 sites
- Greenhouse gas emissions from production processes at 40 domestic and overseas factories

2) Scope 3 Greenhouse gas emissions as defined by the Organization (Category 11)

The Organization revised a part of the data in GHG emissions information that was used for the verification based on the verification results. The responsibility for preparing a calculation report and reporting GHG emissions is in the Organization and our responsibility is to express an opinion on GHG emissions stated in the calculation report by independent standpoint.

2. Verification procedure

JACO conducted verification in accordance with ISO 14064-3:2019, Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements. We conducted the following activities as part of limited assurance:

- Hearing or document inquiries to the Organization's officials who are responsible for identifying and accounting greenhouse gas emissions;
- Evaluation of the application of the accounting criteria, the method of data measurement, the assumptions adopted by the Organization as well as its basis, and the description of the GHG statement related to the information (data) used to determine the GHG emissions; and
- Verification by sampling in order to confirm accuracy of GHG emissions.


3. Conclusion

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the Organization's GHG statements:

- are not materially accurate and are not a fair representation of the GHG emissions as per the scope of work; and
- are not prepared in accordance with the methodology implemented by the Organization.

Verified greenhouse gas emissions
Scope 1: 331 ktCO₂e, Scope 2: 794 ktCO₂e, Scope 3: 25,800 ktCO₂e (Category 11)

The Organization and JACO verification team did not have any specific conflicts of interest and carried out the verification on an independent basis.



総合認証機関
JACO

Greenhouse gas emissions verification report

**Environmental and Social Activities Performance Data
Independent Verification Report**

To: SHARP CORPORATION

August 10, 2023

Japan Audit and Certification Organization
for Environment and Quality (JACO)
2-2-19 Akasaka Minato-ku, Tokyo, Japan

H. Onodera
President HIROYUKI Onodera

Japan Audit and Certification Organization for Environment and Quality (JACO) has been engaged by SHARP CORPORATION including its domestic consolidated companies and overseas consolidated production subsidiaries (hereinafter referred to as "the Organization") to conduct independent verification of its environmental and social activities information under the responsibility of the Organization. The aim of this verification is to consider the accuracy of environmental data and to provide a verification opinion.

Verification was conducted as limited assurance according to the procedure agreed with the Organization based on JACO verification standards in accordance with International Assurance Business Standard (ISAE) 3000. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.


Summary of verification

With regard to the following Environmental Performance Data for the fiscal year 2022 (April 1, 2022 to March 31, 2023), verification was conducted.

Verification scope	Sampling sites
The Environmental Performance Data of business activities in the Organization's 40 sites (20 sites overseas consolidated production subsidiaries) as of March 31, 2023: <ul style="list-style-type: none"> - Energy usage (Electricity, City gas · LPG · LNG, Fuel oils, Renewable energy, Hot water: cold water: steam); - Water (intake amount). 	Sites visited: 2 sites Verification was conducted based on confirmation of related documents formulated, interviews with or inquiries to the responsible persons and persons in charge, confirmation of the method of obtaining data, and comparison between the reported data and its supporting documented information (evidence). Data sampling sites: 7 sites Verification was conducted based on comparison between the reported data and its supporting documented information (evidence).

With regard to the following Social Activities Performance Data, verification was conducted.

Verification scope	Calculation period /Calculation date	Scope
Percentage of Disabled Employees	June 1, 2023	SHARP CORPORATION, a Sharp special subsidiary and group companies
Percentage of Female Managers	March 31, 2023	SHARP CORPORATION
Average Age	March 31, 2023	SHARP CORPORATION
Average Years of Service	March 31, 2023	SHARP CORPORATION



総合認証機関
JACO

Environmental and social activities performance data independent verification report

Related information: > [Independent Verification Report](#)



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