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



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.

Related information: > Modern Slavery Act Transparency Statement

^{*} See page 012.

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.

Preventing Workplace Harassment

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
 Provide e-learning for all employees at least once a year on how to prevent harassment Respond to and resolve harassment-related consultation cases 	 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 	**	 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.

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.).

Human Resource Development

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
 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 	 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 	**	 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

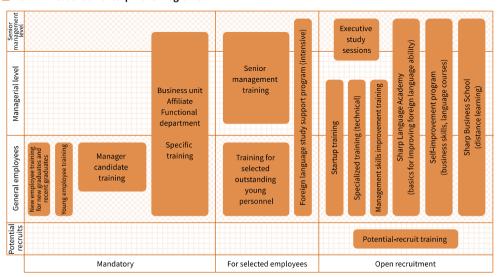
Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

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.

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.

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.



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).

Developing Diversity Management

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
 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 	■ 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	*	 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
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

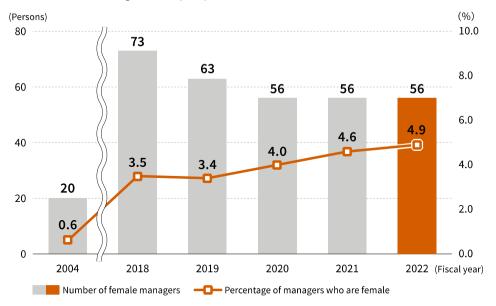
Developing Diversity Management

Contents

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.

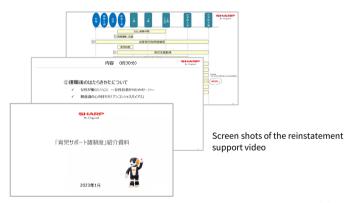
■ Number of Female Managers at Sharp Corporation



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.



Developing Diversity Management

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

Person

	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
	Executive officers	4	0	4
F	Managers	1,078	56	1,134
Employees	General staff	3,494	689	4,183
	Subtotal	4,576	745	5,321
Total		4,583	745	5,328
Ratio		86.0%	14.0%	
Average age	e	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)

Ratio of Meli and Women at Major Overseas Substituties (AS Of Malch 31, 2025)								
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%	

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

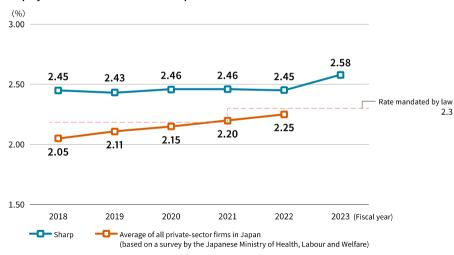
Ever since Sharp founder Tokuji Hayakawa established the "accumulation of community service" as one of the "Five Accumulations of Competency*1," Sharp has been actively involved in social service and welfare. The entire Sharp Group makes efforts to promote the employment of the disabled and to create 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.

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.

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

Social Initiatives: Activities to Support Work-Life Balance

Activities to Support Work-Life Balance

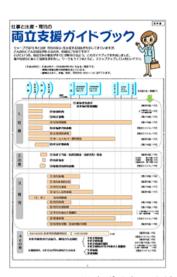
Basic Concept

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.





Work-Life Balance Guidebook and Nursing Care Guidebook

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.



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			
Program Name	Description		Fiscal 2020 (usage rate)	Fiscal 2021 (usage rate)	Fiscal 2022 (usage rate)	
Childcare Leave*1	Allows leave until the child turns two years old	Fiscal 2022 Return to work rate Men: 100%; Women:				
eave for Purposes	Allows leave for up to four weeks during the first eight weeks after the child is born	90% Retention rate* ² Men: 88%; Women: 94%	74 (43%) ¹³ Men: 50 (34%) Women: 24 (100%)	56 (44%) *3 Men: 36 (34%) Women: 20 (100%)	107 (97%) *3 Men: 88 (95%) Women: 19 (105%)	
Paternity Leave	Allows leave for up to five days during the period one week before the due	five days during the period one week before the due date and six weeks after the child is born		Women. 20 (100 70)	Women. 13 (103 /0)	
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	
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 Other Programs 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

Contents

- 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.
- 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

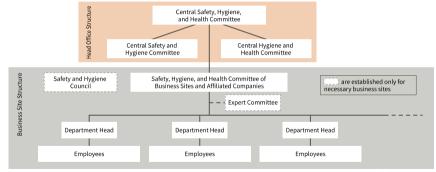
Sharp works to ensure the safety and to maintain and improve the health of all of its employees, as well as further the creation of a pleasant working environment. Towards that end, it has developed a clear administrative responsibility system for preventing industrial accidents and improving occupational 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



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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
■ Eliminate severe accidents, reduce industrial accidents ■ Prevent health problems caused by overwork	 Number of industrial accidents: 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 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 	**	■ 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 nearmiss 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







stairs





diagonally



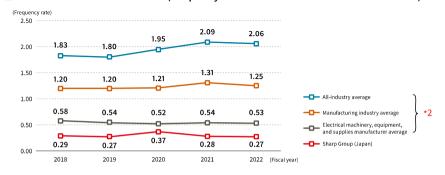
Beware of

collision

Safety e-learning textbook

and text 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. Fliminate 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

Primary prevention

Prevention, health improvement

Measures to prevent mental health issues

Legally designated stress check

(Make employees aware of stress, give high-stress people interviews and guidance, and follow up by analyzing participants)

Secondary prevention

Early detection, early treatment

Measures to prevent worsening of mental health issues

Tertiary prevention

Return to work, prevent reoccurrence

Measures to ensure a smooth return to work and prevent the reoccurrence of mental disorders

Mental health counseling by outside specialists

(Contact with expert counselors in person, online, or by phone, email or social networking service)

Mental health information provision

Event-related screening and interview

(joining the company, workplace transfer [with or without family], promotion, long work hours, etc.)

Mental health counseling meetings

(Periodic counseling with specialists at key sites)

Return-to-work support program

(Trial return to work, consultation upon returning to work, shorter work hours, and work support systems

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	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	Two no overtime days are set per week
Rules to secure rest time	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	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	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

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.

Related information: > <u>Basic Purchasing Principles</u>

Basic Purchasing Principles Requests to Suppliers

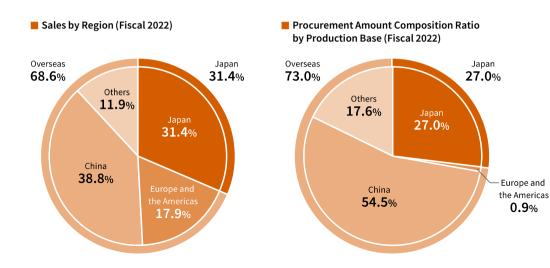
- ① Compliance with laws and social standards that are applicable in countries and regions where suppliers do business
- ② Promotion of sound business operations
- ③ Consideration for the environment
- 4 Securing optimal quality and cost
- ⑤ Stable supply of parts and materials
- **6** Leading technology
- ① 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

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.



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

Promoting CSR across the Entire Supply Chain

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
■ Continue CSR/Green procurement survey using the new system	■ Carried out CSR/Green procurement survey within Japan (March 2023)	**	■ 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

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

A. Labor

- 1) Freely Chosen Employment 2) Young Workers 3) Working Hours
- 4) Wages and Benefits 5) Humane Treatment 6) Non-Discrimination
- 7) Freedom of Association

B. Health and Safety

- 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

C. Environmental

- 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

D. Ethics

- 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

E. Management System

- 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

^{*} See page 009.

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.

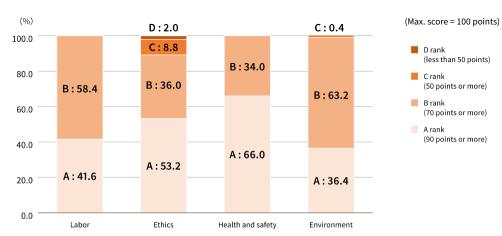
In fiscal 2022, the survey was carried out at 409 bases of 93 companies in Japan. At production and procurement bases in China and ASEAN countries, since fiscal 2017 Sharp has been introducing two types of supplier management systems through which it has been carrying out ongoing risk management equivalent 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	
etnicat conduct	Provide e-learning to employees	
It cannot be confirmed whether suppliers are conducting themselves ethically	Conduct a questionnaire among suppliers	

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.

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: > <u>Japan Center for Engagement and Remedy on</u>
Business and Human Rights (JaCER)

^{*3} See page 123.

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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.

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.

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	 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	 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	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	 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	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
■ Ensure reliability and strengthen efforts to raise product/brand value to achieve quality that customers around the world will acknowledge	 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 	**	■ 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

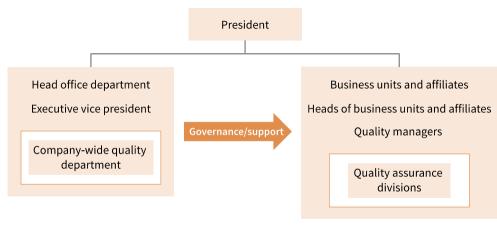
Basic Stance and Vision on Quality

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



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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 Assurance Activities in the Product-Making Cycle



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

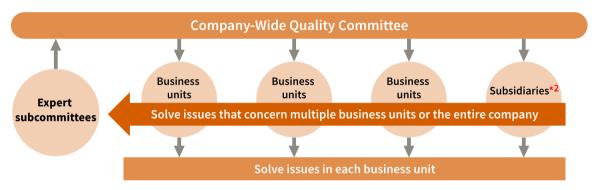
Provide high quality and attractive products that customers can continuously use them with safety and satisfactory.

- (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, AloT*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.

■ Company-Wide Quality Committee System



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

Philosophy, Policy **Editorial Policy** Environmental Sharp and the SDGs Social Initiatives Contents Governance and Management **Company Information** Initiatives

Social Initiatives: Quality

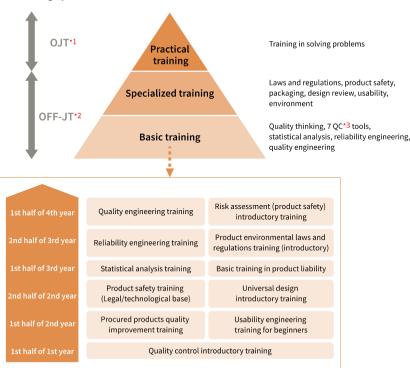
Fostering Quality Experts

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.

OC Practical Training System



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.

■ 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

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.

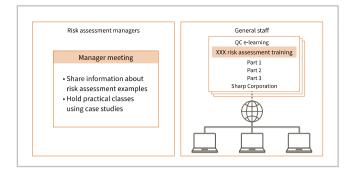
Efforts to Ensure Product Safety

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



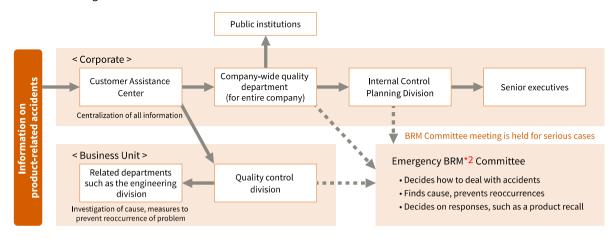
Information Disclosure and Response When Problems Occur

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.

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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

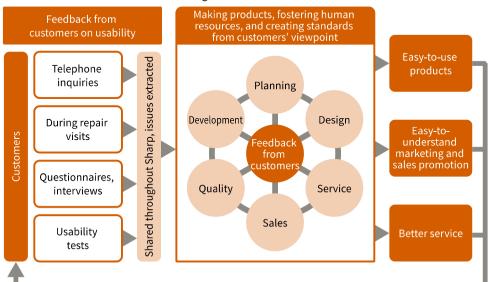
Making Easier-to-Use Products

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.

Flow of Customer-Oriented Manufacturing



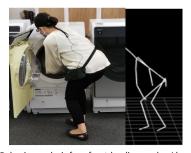
Customer-Oriented Manufacturing

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.



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.



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)

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.



Walking as a vision-impaired person in UD experience learning



Online UD experience learning



Computer screen image for online UD experience learning

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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







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

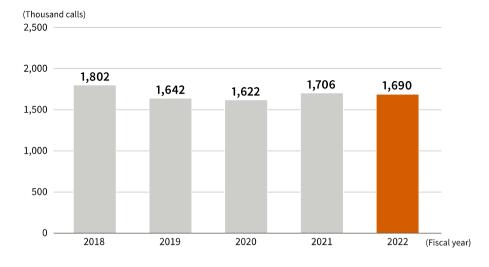
< Customer Assistance Center (Japan) >

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-toperson 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	Improve customer consultant skills through periodic training and study sessions	
starting their jobs)	Determine how well customer consultants have acquired skills by having them periodically take qualification upgrading tests	
	Ensure person is fit to be a supervisor	
Supervisors	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
■ Increase customer satisfaction Customer satisfaction rate 90.0% or higher	■ Improved service quality By improving employees' CS awareness and repair skills: Customer satisfaction rate was 96.9%	**	■ 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.

CS Slogan

Building a relationship of trust through quality and service so that customers choose Sharp now, next time, and every time

Related information: > Sharp Group Charter of Corporate Behavior

After-Sales Service System

■ Flowchart

• Ouality Control

Customer Support

Department

Department

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.

Customers (Japan and overseas) Inquiries, responses Customer Assistance Center Sale company after-sales service department After-sales service agent Dealer Sharp business units Overseas bases

Head office

Ouality Control

Customer Support

Department

Department

Sales department

Sale company

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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.

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

^{*1} As of April 2023.

^{*2} Business days vary from region to region.

Social Initiatives: Customer Satisfaction

Enhancing Customer Satisfaction through After-Sales Service

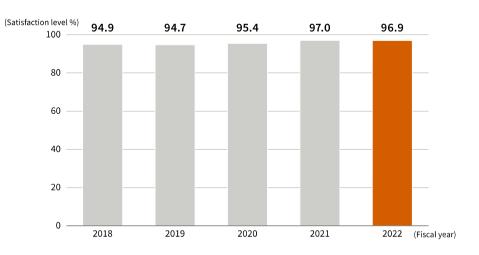
Customer Questionnaire

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
 Strengthen communication through various IR (investor relations) events and further enhance the IR website 	 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 	**	 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.

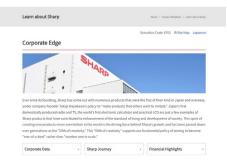
Preventing Insider Trading

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.

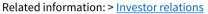
In addition, given the importance of disclosure, when "material facts specified in the Financial Instruments and Exchange Act" and/or "important company information that should be disclosed in a timely manner as stipulated by securities exchanges" is generated, Sharp does its utmost to promptly disclose 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



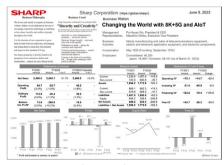
Webpage for "Learn about Sharp"



- > <u>Annual Report</u>
- > <u>Learn about Sharp</u>
- > Sharp at a Glance



2022 Annual Report



Sharp at a Glance

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Social Initiatives: For Local Communities

Contributing to the Community

Fiscal 2022 Objectives	Fiscal 2022 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2023
■ 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)	 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 	**	■ 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

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

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

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.

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



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

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.

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.