

I Environmental Initiatives



See the following for more information on environmental activities.
<https://global.sharp/corporate/eco/environment/>

The SHARP Eco Vision 2050, Our Long-Term Environmental Vision

Global environmental issues such as climate change, resource depletion, and the problems presented by plastic waste are becoming more serious and are recognized as important issues among the international community. Under these circumstances, global movements aimed at resolving social issues are accelerating, such as those designed to respond to SDGs and carbon neutrality*¹, as well as initiatives to realize a circular economy*².

In 2019, Sharp established its long-term environmental vision *SHARP Eco Vision 2050* based on its principal environmental philosophy of “Creating an Environmentally Conscious Company with Sincerity and Creativity,” which was established in 1992. Our aim is to realize a sustainable global environment by setting long-term goals for 2050 in the areas of climate change, resource recycling, and safety and security.

With regard to the pressing worldwide issue of climate change, one of the areas of our long-term environmental vision, we accelerate our efforts to achieve net-zero CO₂ emissions arising from our own business activities (Scope 1+2) by 2030 and net zero CO₂ emissions from the entire supply chain (Scope 1+2+3) by 2050.

Sharp is engaged in initiatives to solve social issues and sustainably raise corporate value. In order to accomplish the initiatives, we will work more closely with our stakeholders through corporate and environmental conservation activities.

*1 A state in which the total amount of greenhouse gas emissions minus the absorption volume is effectively zero.

*2 An economic system in which discarded products and raw materials are considered as new resources and in which resources are circulated without generating waste products.

Long-Term Environmental Targets

Toward achieving the *SHARP Eco Vision 2050*, we have defined long-term goals in the three following areas to generate clean energy in excess of energy consumed and minimize the environmental impact of corporate activities on the global environment.



Climate Change

See page 25

Throughout our history, Sharp has endeavored to reduce the energy we use as an organization, while making more energy-efficiency products to help reduce the amount of energy consumed in the home and by society.

As our founder, Tokuji Hayakawa, said, “Everything we produce uses electricity. As we become a bigger company, we will be responsible for using more electricity, so I propose that we also begin making electricity.” Following this course, Sharp began development of solar cell, striving to popularize photovoltaic power generation for more than 50 years.

As a company that makes products that use electricity, we must take responsibility for the environmental impact of this electricity usage.

Sharp supports the global goal of achieving carbon neutrality, and we have set ourselves the challenge of meeting the following two goals by 2050 in our own activities and throughout the supply chain as a whole, so that we can achieve a decarbonized society.

Goals

- Achieve net zero CO₂ emissions across the supply chain
- Generate clean energy in excess of the energy consumed throughout our supply chain



Resource Recycling

See page 26

Sharp has created new products that offer a variety of value to the world. At the same time, we have used many of the world's resources.

Our desire is to continue to offer a variety of value to our stakeholders amid the constraints of limited resources.

Sharp intends to reach new levels of effective resource use, maximizing value from minimal resources and constructing a circular economy. We have defined two goals to achieve by the year 2050 in efforts to create a recycling-oriented society.

Goals

- Eliminate the use of new mined resources* in products
- Eliminate final disposal of waste products generated through our business activities

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



Safety and Security

See page 26

Sharp factories use a variety of chemical substances in the product manufacturing process. Our products also contain a variety of chemical substances. Chemical substances include substances that have a negative impact on the human body, the environment, and ecosystems. Accordingly, these chemicals must be managed in a careful and detailed manner.

Sharp corporate activities must not do harm to human health, the global environment, or ecosystems.

Sharp follows current international standards, as well as our own standards oriented toward the future, for the strict management of these relevant chemical substances. Under these standards, we are striving to eliminate any negative effects that chemicals may have on human health, the global environment, or ecosystems.

Goals

- Conduct proper management of chemical substances to protect human health, the global environment, or ecosystems

Information Disclosure based on TCFD

Addressing TCFD Recommendations



The Task Force on Climate-Related Financial Disclosures (TCFD) formed by the Financial Stability Board (international body that works toward financial systems stability) put forth recommendations that companies disclose information on the risks and opportunities regarding climate change in 2017. Sharp declared its support for the recommendations of the TCFD, and intends to expand disclosure of information regarding climate change in accordance with the TCFD framework.

1. Governance

The president & CEO, who chairs the Sustainability Committee*1, has the responsibility for monitoring and supervising climate-related issues. The Sustainability Committee consists of the committee chair, senior executives, head office divisions, business units, and subsidiaries. The Committee is responsible for the thorough implementation of policies and vision on ESG, including those on climate change. They also deliberate and promote measures and share the latest trends in social issues.

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

2. Strategy

Sharp considers climate change as one of our medium- to long-term risks and opportunities. We explore strategies and organizational resilience in light of related risks and opportunities. We conducted a scenario analysis referring to climate change scenarios (1.5°C scenario*2 and 4°C scenario*3) by the International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC) to consider long-term impacts up to the year 2050.

See the following website for more information on each risk and opportunity, as well as our measures taken.
https://global.sharp/corporate/eco/environment/climate_change/#anc0

Progress towards Reducing of Greenhouse Gas Emissions (FY2024)

Base year (FY2021 results)	FY2024 results	vs. Base year
1,365 thousand tons CO ₂	820 thousand tons CO ₂	39.9% reduction

*1 Please refer to page 22.
*2 Referenced the IEA Net Zero Emission by 2050 Scenario and the IPCC Sixth Assessment Report (AR6) SSP1-1.9 scenario, etc.
*3 Referenced the IPCC Fifth Assessment Report (AR5) RCP8.5 scenario, etc.

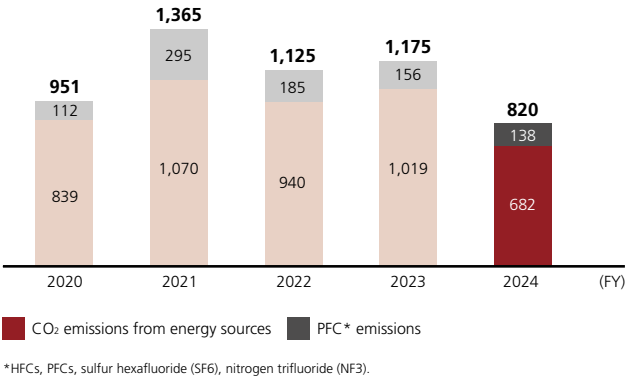
3. Risk Management

Based on the Rules of Business Risk Management which defines the basic concept of business risk management, Sharp manages and assesses risks, including climate-related risks, in an integrated manner. We identify high-probability climate risks by analyzing projected future climate scenarios. We report the details of the analysis to senior management and the Internal Control Planning Division (secretariat of the risk management office) as necessary. Measures for improvement are discussed among the related departments.

4. Metrics and Target

In 2019, Sharp established the long-term environmental vision *SHARP Eco Vision 2050* based on our principal environmental philosophy of “Creating an Environmentally Conscious Company with Sincerity and Creativity,” which was established in 1992. Our aim is to realize a sustainable global environment by setting long-term goals for 2050 in the three areas of climate change, resource recycling, and safety and security. With regard to climate change, a pressing issue worldwide, we accelerate our efforts to achieve net-zero CO₂ emissions arising from our own business activities (Scope 1+2) by 2030 and net zero CO₂ emissions from the entire supply chain (Scope 1+2+3) by 2050.

Sharp Group's Greenhouse Gas Emissions from Business Activities (thousand tons CO₂)

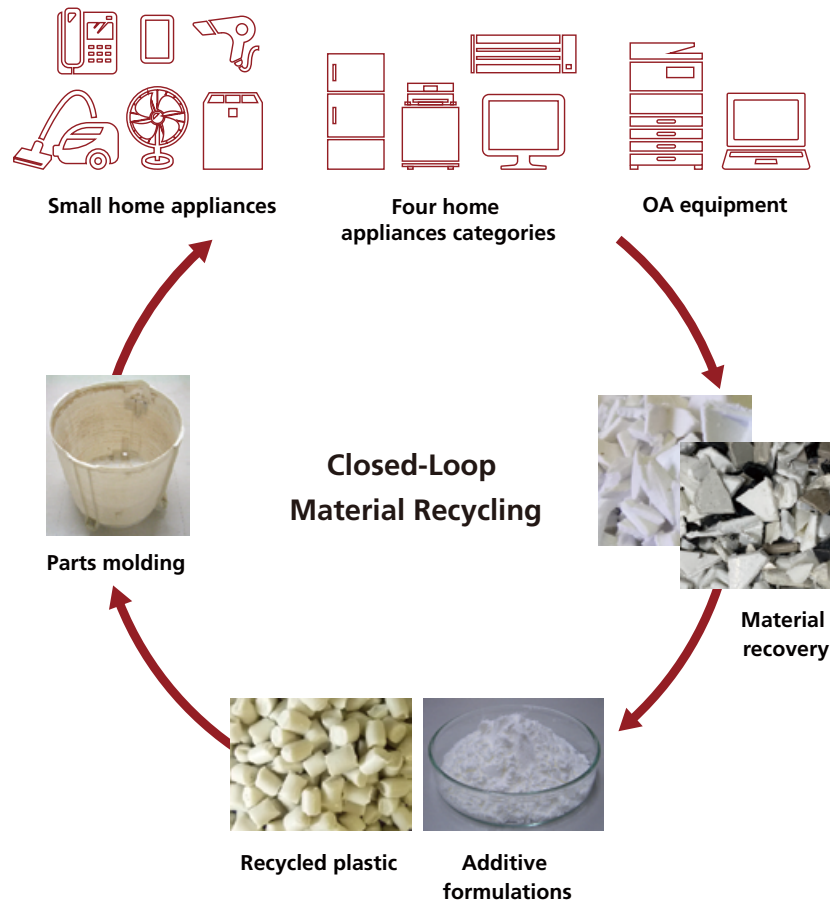


Resource Recycling

Achieving a Circular Economy

Recycled plastic developed through Sharp's own closed-loop material recycling technology is used in refrigerators, air conditioners, washing machines, and small home appliances for FY2024 models. The use of this recycled plastic reached a cumulative total of 21,000 tons (FY2001-2024 results).

We will help realize a circular economy, aiming to expand self-circulating material recycling to all of our products going forward, not just these four home appliances categories.



Adoption of Recycled Plastics



Safety and Security

Proper Management of Chemical Substances

As part of our efforts to manage chemical substances, we conduct a Delivered Goods Evaluation of chemical substances contained in product components and materials. We work with our suppliers and other business partners to conduct this evaluation to grasp and manage information on chemical substances contained in our products. Each plant also introduced the Process Assessment System to evaluate and confirm safety and environmental impact before new chemical substances are used or when facilities are expanded or modified.

Chemical Substance Management System

