

Corporate Social Responsibility

At Sharp, we fulfill our social responsibility through our commitment to our foundational Business Philosophy and Business Creed.

The foundation of corporate social responsibility (CSR) activities at Sharp lie in our Business Philosophy and Business Creed*1, which distill the philosophy of our founder. This philosophy inspires us to be the first to make products that meet the needs of a new era and become a corporation that is known and trusted by society.

The Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct*2 formalize our Business philosophy and Business Creed, reflecting the changing expectations of

our stakeholders, revised and new laws, and changes in the business environment.

The Sharp Group Charter of Corporate Behavior serves as the group's action principles, while the Sharp Code of Conduct provides standards of conduct for group officers and employees.

*1 Sharp articulated this spirit in the company's Business Philosophy and Business Creed in 1973. See the following for more. <http://www.sharp-world.com/corporate/info/philosophy/>

*2 See the following for more about Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct <http://www.sharp-world.com/corporate/info/charter/>

Reference to Global Guidelines and Principles

Sharp CSR activities refer to several international standards and principles. These include the Ten Principles of the United Nations Global Compact, which Sharp joined in June 2009, and the Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015, which defines 17 goals for the year 2030 related

to such issues as poverty and hunger, energy, climate change, and peaceful societies.

- The Ten Principles of the United Nations Global Compact
- ISO26000 (international guidance on social responsibility)
- Sustainable Development Goals



CSR Initiatives ~ Raising our Response to Social and Environmental Responsibility ~

With the transition to a new management structure, Sharp also took the opportunity to revise our CSR promotion structure based on a new Basic Management Policy. In December

2016, we established the Sharp Global SER Committee and formulated our SER Policy to fulfill the social and environmental responsibilities of the Sharp Group.

SER Policy

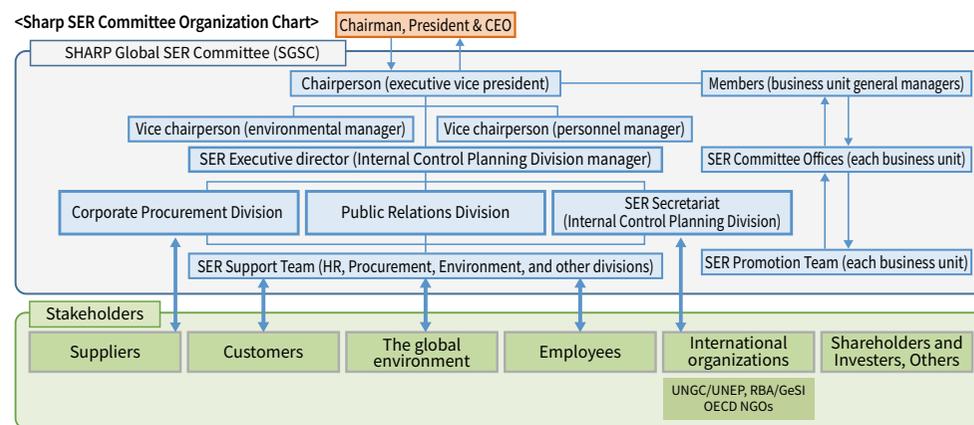
- (1) Value the rights of employees and ensure their health and safety.
- (2) Fulfill environmental responsibilities in business activities and manufacturing processes.
- (3) Build and operate an SER management system based on international standards, regulations, and client requests.

Sharp SER Committee

The SER Committee makes decisions on items related to the promotion of SER activities throughout the Sharp Group. Activities include formulating SER guidelines, relaying them to each business unit, disclosing information outside the company, and

communicating with stakeholders.

In addition, Sharp regularly holds an SER Conference with the participation business unit SER personnel to deliberate and decide important matters related to SER, publicizing these matters company wide.



Corporate Social Responsibility

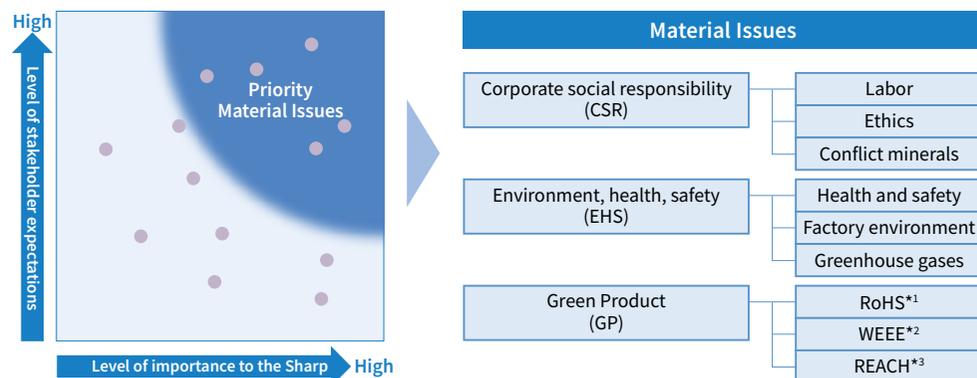
Identifying Material Issues

We have identified the impact of Sharp business activities on society, collecting the opinions and expectations of shareholders. We then categorized these matters into separate topics.

We mapped out these major topics along two axes: (1) Level of importance to society (level of

stakeholder expectations) and (2) Level of importance to the sharp Group. Once we prioritized these issues, we identified nine themes.

Last, we incorporated these matters into our SER management (CSR promotion structure) PDCA cycle.



*1 An EU directive on the restriction on the use of certain hazardous substances in electrical and electronic equipment
 *2 An EU directive on waste electrical and electronic equipment
 *3 A set of EU regulations on the registration, evaluation, authorization, and restriction of chemicals

Incorporation into SER Management

To incorporate defined materiality into specific actions, the Sharp SER Committee conducts an annual review and revision of SER Policy Guidelines.

Each business unit selects SER policy guidelines

that are most important to them, after which they formulate and pursue their own SER measures (targets, key performance indicators, scope, execution plan, etc.).

SER Policy Guidelines (Excerpt)

| Theme | Policy | Scope | SDGs GOALS |
|---------------------------|---|--|---|
| Labor, health, and safety | Restrict long working hours that can lead to health problems | All employees in Japan | 3, 8, 10, 12, 13 |
| Labor and ethics | Prevent harassment | All employees in Japan | 5, 8, 10, 16 |
| Labor and ethics | Respect for human rights at overseas bases | Employees at overseas bases | 8, 10, 16, 17 |
| Conflict minerals | Compliance with and efficient response to laws and regulations (national/international) | Applicable business units | 15, 16 |
| General | Respond to survey and audit requests from clients | All production sites and consolidated production subsidiaries in Japan | 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 |
| General | Restructure supplier SER management system | Suppliers | 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 |
| Factory environment | Reduce and recycle waste | All production sites | 6, 9, 11, 12, 13 |
| Greenhouse gases | Suppress greenhouse gas emissions associated with business activities (improve energy use efficiency) | All production sites | 7, 9, 11, 13 |
| Greenhouse gases | Suppress greenhouse gas emissions associated with product use (energy efficiency of Sharp products) | All production sites | 7, 9, 11, 13 |
| RoHS | Eliminate the use of newly restricted substances*1 under the EU RoHS directive | All business units | 6, 12, 13 |
| WEEE | Comply with requirements set by the waste electrical and electronic equipment recycling laws of each country, such as the EU WEEE directive | All business units | 6, 12, 13 |
| REACH | Manage substances of very high concern*2, as stipulated by the EU REACH regulations | All business units | 3, 6, 12, 13 |

*1 Four phthalate esters (DEHP, BBP, DBP, and DIBP) mainly used as plasticizers for resins
 *2 Substances that may have serious effects on human health and the environment

Inclusion in ESG Indexes

As of July 2018, Sharp is a component member of several leading ESG indexes:

- FTSE4Good Developed Index
- FTSE Blossom Japan Index
- MSCI ESG Leaders Indexes



- MSCI Japan ESG Select Leaders Indexes

- Morningstar Socially Responsible Investment Index (Japan)

