

ESG (CSR)

Basic Approach to CSR

Since our foundation, Sharp has pursued our founding spirit, to contribute to the culture, benefits, and welfare of people throughout the world and a business philosophy stating that our future prosperity is directly linked to the prosperity of our customers, dealers, and shareholders... indeed, the entire Sharp family and answer the expectations of society and our stakeholders, aiming for the sustainable mutual development of both Sharp and society. These two elements form our basic approach to CSR.

To embody this business philosophy and business creed^{*1}, we established the Sharp Group Charter of Corporate Behavior as a code of conduct for group companies and the Sharp Code of Conduct^{*2} for all officers and employees.

^{*1} See below for more about our business philosophy and business creed.
<https://global.sharp/corporate/info/philosophy/>

^{*2} See below for more about Sharp Group Charter of Corporate Behavior and Sharp Code of Conduct.
<https://global.sharp/corporate/info/charter/>

Policy, Vision, and Strategy for Sustainability

In August 2016, Sharp identified initiatives we believe to be particularly important in reducing our impact on society and the environment. We defined these initiatives as our Social and Environmental Responsibility (SER), establishing an SER policy.

The Sustainable Development Goals (SDGs) were adopted by the United Nations in September 2015. Sharp is contributing to the achievement of the SDGs since fiscal 2018 as part of our medium- and long-term vision.

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.



CSR Management Promotion Framework

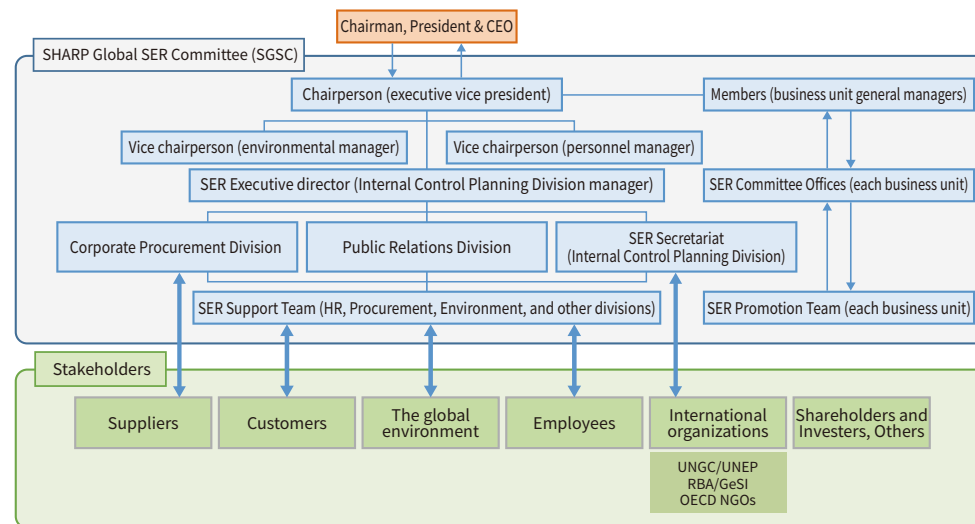
To reduce our SER Policy to actionable measures managed via the PDCA cycle, Sharp launched the SHARP Global SER Committee in 2016.

The SER Conference is held as the deliberative body of the SHARP Global SER Committee. The SER Conference deliberates the thorough implementation of the Sharp Group SER policy and vision, as well as key measures. The Conference also confirms the progress of business activities and SER measures designed for each company

and business unit to achieve the SDGs.

Each company and business unit has an SER Promotion Team under the leadership of each company president and business unit head. These SER Promotion Teams conduct business to achieve the SDGs, while at the same time engaging in solving social issues after selecting important SER measures related intimately to the business unit or company.

<Sharp SER Committee Organization Chart>

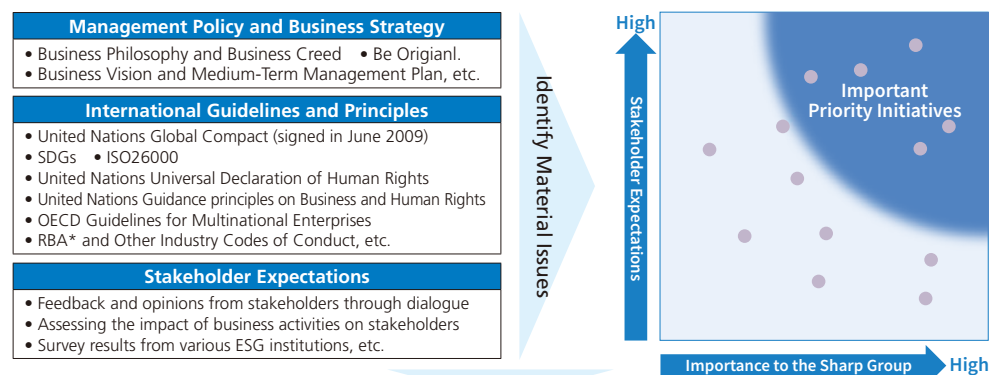


(As of March 2019)

Identification and Monitoring of Material Issues

Aiming to contribute to goals that solve global social issues, we identify material issues for the Sharp Group from a medium- to long-term perspective. In identifying material issues, we map

important issues from the two-axis perspective of importance to society (stakeholder expectations) and importance to the Sharp Group. Accordingly, we have identified top-priority issues.



Solving Social Issues through Innovation	Reduce our impact of our business activities on society and the environment
Building a 8K+5G Ecosystem Offer solutions in medical, security, inspection systems, infrastructure maintenance and other fields through ultra-high-definition 8K	Human Rights and Labor • Employee health and safety • Harassment prevention • Respect for human rights
Expand People-Oriented AIoT Offer a safe, convenient, comfortable smart life through AI- and IoT-compatible devices across a range of scenarios	Environment Initiatives for SHARP Eco Vision 2050, Our Long-Term Environmental Vision*2 • Climate change (achieving carbon-free society) • Resource recycling (achieving a circular economy) • Safety and security (careful and detailed management of chemical substances)
ICT Utilization Offer remote factory support systems, meeting solutions, and education solutions through computing	Supply Chain Management • ESG risk management throughout the supply chain • Responsible mineral procurement
Stronger Governance Corporate governance, risk management, compliance, information security, etc.	

*1 Responsible Business Alliance. Founded in 2004 by a group of leading electronics companies including Hewlett-Packard, IBM, and Dell, the RBA, formerly the Electronic Industry Citizenship Coalition (EICC), has a code of conduct covering the social, environmental, and ethical responsibilities in the global supply chain of its members in the electronics and a wide range of other industries.

*2 Please refer to P.12, Environmental Initiatives.

To solve social issues through innovation, we monitor our progress using the financial performance indicators defined in our medium-term management plan. Further, we have established a medium- and long-term vision for contributing to the SDGs through each of our companies and business units. The SER Conference receives reports and confirms our progress here.

In addition, each company and business unit

selects important issues from Sharp-wide SER Policy Guidelines, engaging in and self-evaluating their progress in SER measures.

Besides confirming the status of initiatives at company-wide meetings, we have also established annual targets for strengthening governance for each major field of emphasis at each supervising department.

<Fiscal 2018 Company-Wide SER Priority Policy Guidelines, (Excerpt)>

SER Measures	Scope	Target SDGs
Restrict long working hours that can lead to health problems	All employees in Japan	SDG 3: Good Health and Well-being, SDG 8: Decent Work and Economic Growth
Prevent harassment	All employees in Japan	SDG 5: Gender Equality, SDG 10: Reduced Inequalities
Respect for human rights at overseas bases	All employees at overseas bases	SDG 8: Decent Work and Economic Growth, SDG 10: Reduced Inequalities, SDG 16: Peace, Justice and Strong Institutions
Compliance with and efficient response to laws and regulations (national/international)	Applicable business units	SDG 16: Peace, Justice and Strong Institutions
Conduct internal production plant SER performance surveys and audits based on international SER standards (RBA Code of Conduct)	All production sites in Japan Consolidated manufacturing subsidiaries	SDG 1: No Poverty, SDG 3: Good Health and Well-being, SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth, SDG 10: Reduced Inequalities, SDG 12: Responsible Consumption and Production, SDG 13: Climate Action, SDG 16: Peace, Justice and Strong Institutions
Restructure supplier SER management system	Suppliers	SDG 8: Decent Work and Economic Growth, SDG 10: Reduced Inequalities, SDG 12: Responsible Consumption and Production, SDG 13: Climate Action, SDG 16: Peace, Justice and Strong Institutions
Reduce and recycle waste	All production sites	SDG 12: Responsible Consumption and Production, SDG 13: Climate Action
Suppress greenhouse gas emissions associated with business activities (More efficient use of energy)	All production sites	SDG 7: Affordable and Clean Energy, SDG 13: Climate Action
Suppress greenhouse gas emissions associated with product use (make Sharp products more energy-efficient)	Product-related business units	SDG 7: Affordable and Clean Energy, SDG 13: Climate Action

ESG Indexes

As of July 2019, Sharp has been included in the following ESG indexes.

• FTSE4Good Developed Index

• FTSE Blossom Japan Index

• MSCI ESG Leaders Indexes

• MSCI Japan ESG Select Leaders Indexes



FTSE4Good



FTSE Blossom Japan



MSCI

2019 Constituent
MSCI ESG
Leaders Indexes



MSCI

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MSCI ジャパンESG
セレクト・リーダーズ指数