**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/](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/](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>**

![Sharp SER Committee Organization Chart](As of March 2019)
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.

Identification and Monitoring of Material 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.

Management Policy and Business Strategy
- Business Philosophy and Business Creed
- Business Vision and Medium-Term Management Plan, etc.

International Guidelines and Principles
- United Nations Global Compact (signed in June 2009)
- SDGs
- ISO26000
- United Nations Universal Declaration of Human Rights
- United Nations Guidance principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- RBA and Other Industry Codes of Conduct, etc.

Stakeholder Expectations
- Feedback and opinions from stakeholders through dialogue
- Assessing the impact of business activities on stakeholders
- Survey results from various ESG institutions, etc.

Solving Social Issues through Innovation

Business Vision
- ESG risk management throughout the supply chain
- Responsible mineral procurement

Human Rights and Labor
- Employee health and safety
- Harassment prevention
- Respect for human rights

Environment
- Initiatives for SHARP Eco Vision 2050, Our Long-Term Environmental Vision
- 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

Corporate governance, risk management, compliance, information security, etc.

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

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.