

# Sustainability

## Basic Approach to CSR

Since our inception, 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 we expect mutual prosperity with all who cooperate with Sharp. Our basic approach to CSR is to answer the expectations of society and our stakeholders, aiming for the sustainable development of both Sharp and society.

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. These are the group's basic policy for CSR and we are working to ensure its rigorous understanding.

\*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/>

## Sustainability Policies and Promotion Structure

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.

### 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.

In addition, as of fiscal 2018, our medium and long-term visions have taken up the purpose of contributing to the achievement of the SDGs (Sustainable Development Goals), adopted by the

United Nations in September 2015. These visions have adopted the dual concepts of *solving social issues through innovation in business and technology* and *reducing the impact of our business activities on society and the environment through promoting measures according to SER Policy*. In this way, we will continue to support ESG\*3 investment and target contribution to the achievement of the SDGs, working under the basic strategy of *promoting sustainability management*.

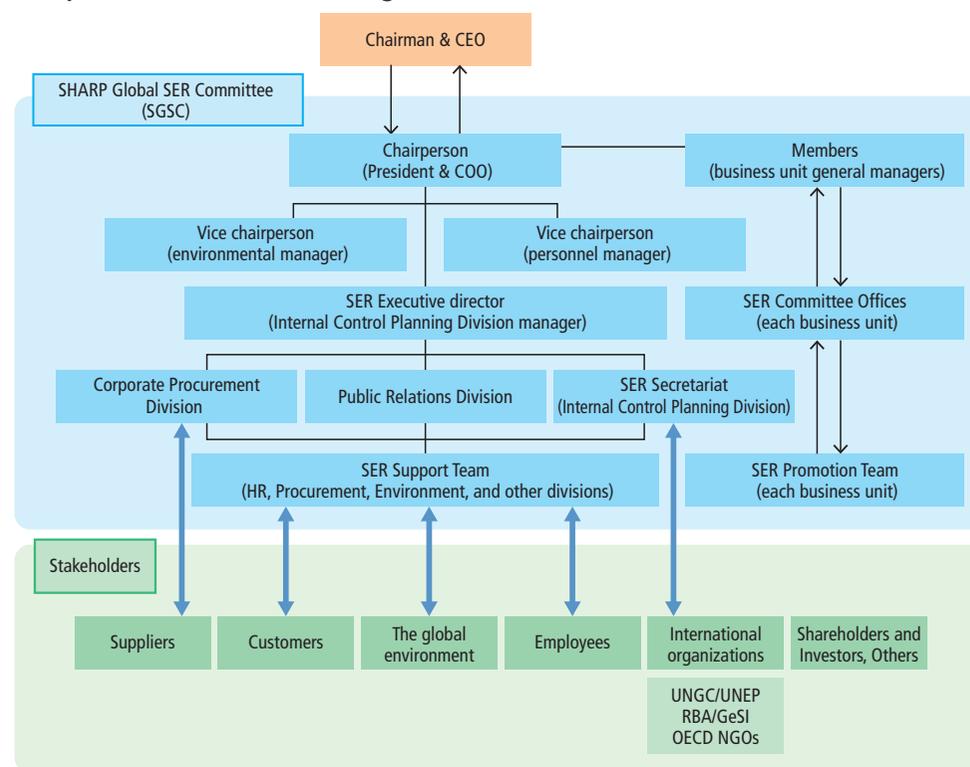
\*3 Environment, Social, Governance



To reduce these policies to actionable measures managed via the PDCA cycle, Sharp launched the SHARP Global SER Committee in 2016, comprised of senior executives, headquarters functional divisions (e.g. environment/HR/procurement) and

companies and business units. This committee deliberates and promotes SER measures and the thorough implementation of policies and visions, and conducts such activities as sharing the latest global trends related to social issues.

## Sharp Global SER Committee Organization Chart



(As of July 2020)

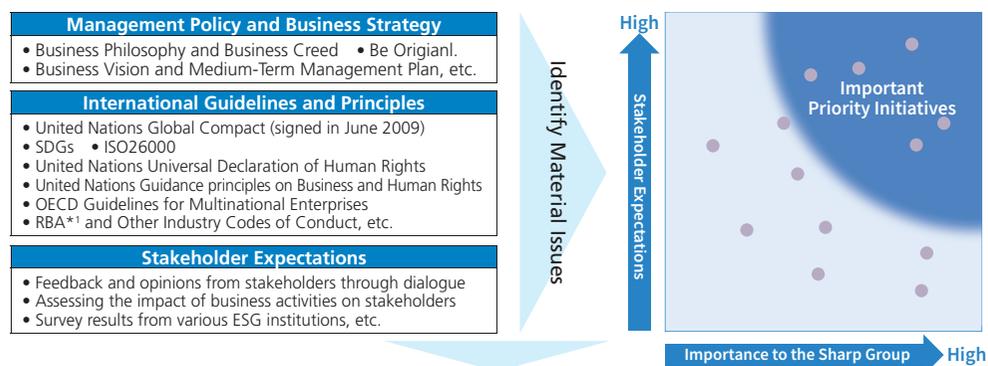
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## Materiality

Aiming to contribute to goals that solve global social issues, we identify materialities in the Sharp Group from a medium- to long-term perspective, and strive to promote sustainability management.

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. In addition, with *strengthening governance* at the foundation of all of our corporate activities, we have arranged material issues under the two perspectives of *solving social issues through innovation* and *reducing the impact of our business activities on society and the environment*.



Solving Social Issues through Innovation	Reduce our impact of our business activities on society and the environment
<p><b>Building an 8K+5G Ecosystem</b></p> <p>Offer solutions in medical, security, inspection systems, infrastructure maintenance and other fields through ultra-high-definition 8K</p> <p><b>Expand People-Oriented AIoT</b></p> <p>Offer a safe, convenient, comfortable smart life through AI- and IoT-compatible devices across a range of scenarios</p> <p><b>ICT Utilization</b></p> <p>Offer remote factory support systems, meeting solutions, and education solutions through computing</p>	<p><b>Human Rights and Labor</b></p> <ul style="list-style-type: none"> <li>Employee health and safety</li> <li>Harassment prevention</li> <li>Respect for human rights</li> </ul> <p><b>Environment</b></p> <p>Initiatives for SHARP Eco Vision 2050, Our Long-Term Environmental Vision*2</p> <ul style="list-style-type: none"> <li>Climate change (achieving carbon-free society)</li> <li>Resource recycling (achieving a circular economy)</li> <li>Safety and security (careful and detailed management of chemical substances)</li> </ul> <p><b>Supply Chain Management</b></p> <ul style="list-style-type: none"> <li>ESG risk management throughout the supply chain</li> <li>Responsible mineral procurement</li> </ul>
<b>Stronger Governance</b>	
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.

Identified material issues are reduced to measurable and specific measures and monitored.

Each year, we formulate company-wide SER priority policy guidelines in the interest of reducing the impact of our business activities on society and the environment. Each company and business unit selects important issues from these guidelines, engaging in and self-evaluating their progress in SER measures (goals, KPIs, scope, action plan, etc.) on a quarterly basis.

Further, to solve social issues through innovation, we have as of fiscal 2019 established a medium- and long-term vision for contributing

to the SDGs through each of our companies and business units, reporting and confirming our progress\*3 here.

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.

\*3 See the following link for more about the progress of our medium- and long-term vision.  
<https://global.sharp/corporate/eco/sdgs/>

## Fiscal 2019 SER Policy Guidelines

SER Measures	Scope	Target SDGs
Restrict long working hours that can lead to health problems	All employees in Japan	3, 8, 10, 11
Prevent harassment	All employees in Japan	5, 8, 10, 16
Respect for human rights at overseas bases	All employees at overseas bases	8, 10, 16, 17
Compliance with and efficient response to laws and regulations related to conflict minerals (national/international)	Applicable business units	16
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	1, 3, 5, 8, 10, 12, 13, 16, 17
Restructure supplier SER management system	Suppliers	8, 10, 12, 13, 16, 17
Reduce and recycle waste	All production sites	6, 12, 13
Suppress greenhouse gas emissions associated with business activities (More efficient use of energy)	All production sites	7, 13, 17
Suppress greenhouse gas emissions associated with product use (make Sharp products more energy-efficient)	Product-related business units	7, 12, 13
Comply with EU RoHS Directive*4, WEEE Directive*5, and REACH*6	All business units	3, 6, 8, 9, 12

\*4 RoHS: Restriction of Hazardous Substances. An EU directive on the restriction on the use of certain hazardous substances in electrical and electronic equipment.

\*5 WEEE: Waste Electrical and Electronic Equipment. An EU directive on waste electrical and electronic equipment.

\*6 REACH: Registration, Evaluation, Authorization, and Restriction of Chemicals. A set of EU regulations on the registration, evaluation, authorization, and restriction of chemicals.