

Environmental Initiatives

Disclosure of Information regarding Climate Change

Sharp will expand its disclosure of information regarding climate change in accordance with the TCFD* framework.

1. Governance

Sharp established the Sharp Global SER Committee as an organization dedicated to promoting company-wide initiatives such as those related to climate change. This committee works to promote specific initiatives as well as introduce further improvements and new measures.

2. Strategy

We recognize the risks and opportunities presented by climate change to Sharp's business are as follows.

Type		Relation to Sharp's business	
Risks	Transition	Policies/regulations	Increased business costs and workloads due to policy changes, stricter regulations (such as large increases in carbon tax rates), or stricter energy-saving standards imposed on products. [Countermeasures] We will constantly strive to understand regulatory trends while thoroughly complying with existing regulations and standards, as well as participate in policy making opportunities, etc.
	Physical change	Acute	Business continuity risks caused by production delays and losses in sales opportunities due to stoppages of production site operations or disruptions in material procurement resulting from increased/intensified natural disasters such as typhoons and flooding. [Countermeasures] Reinforcements will be carried out at sites where the risk of flood damage exists. Measures will also be taken to secure multiple suppliers and prepare disaster response manuals.
Opportunities	Transition	Products/services	Expand use of solar power generation systems and storage battery systems that assist in mitigating and adapting to climate change. Expand business for AIoT technology, devices and related products to meet increased demand for energy-saving products.
	Physical change	Products/services	As a measure for responding to natural disasters, expand socially innovative businesses that enable efficient management of energy conservation and energy creation through combinations with AIoT technology.

3. Risk management

Based on the Business Risk Management Guidelines which defines the basic concept of business risk management, Sharp manages and assesses climate-related risks by positioning them as "specific risks" which have an especially large impact on management.

4. Indicators/goals

In our long-term environmental vision for 2050 entitled "SHARP Eco Vision 2050," we have set long-term goals to reduce greenhouse gas emissions, particularly in the area of climate change. These goals include "achieving net zero CO₂ emissions due to our own business activities" and "generating clean energy in excess of the energy consumed throughout our supply chain."

*Climate-related financial disclosure task force formed by the Financial Stability Board (international body that works toward financial systems stability) in 2017.

Suppress Greenhouse Gas Emissions Associated with Business Activities

Sharp suppresses greenhouse gas emissions associated with our business activities, contributing to a carbon-free society. Greenhouse gas emission levels from Sharp Group business activities in fiscal 2019 decreased by 9.6% from the previous year to 974,000 t-CO₂ by transferring production to more efficient factories and consolidating production sites. Our improvement rate of energy intensity was 18% compared to a fiscal 2012 baseline*.

*Please refer to P.2, Greenhouse gas emissions.

Social Initiatives

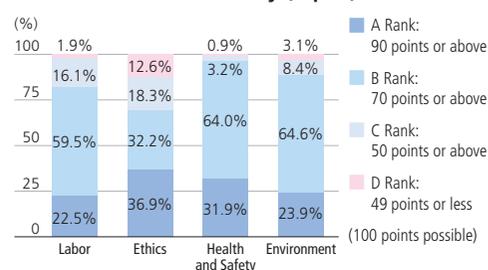
Promoting CSR across the Entire Supply Chain -Fair and Impartial Procurement Activities-

Sharp has created and published our Sharp Supply-Chain CSR Deployment Guidebook, which conforms to the RBA Code of Conduct. Our Basic Parts Purchase Agreement also includes articles requiring suppliers to comply with CSR initiatives based on our guidebook.

Sharp conducts a CSR/green procurement survey, which is based on a format conforming to the RBA self-assessment questionnaire. Manufacturing facilities receiving low scores are asked to submit an improvement plan. Through communications of this type and others with suppliers, Sharp strives to raise the level of CSR engagement throughout our supply chain.

Sharp will continue to be active in pursuing CSR initiatives throughout our global entire supply chain.

Assessment Distribution of CSR/ Green Procurement Survey (Japan)



Number of Factories Responding to CSR Survey (Cumulative since fiscal 2017)

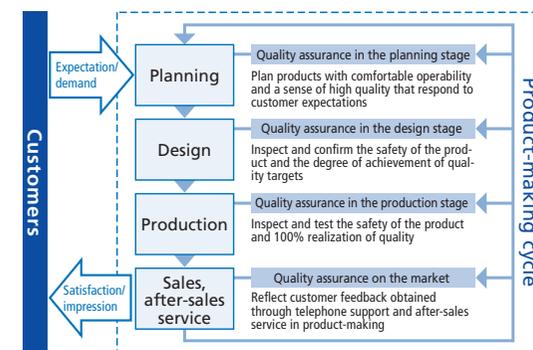
Country/Region	No. of Factories
Japan	1,438
Korea	37
China	157
Hong Kong	39
Thailand	263
Indonesia	233
Malaysia	329
Philippines	72
Vietnam	4
Total	2,572

Ensuring Quality and Safety

To gain customer trust and improve satisfaction, Sharp responds to customer needs and demands, offering high-quality products and services that are safe, reliable, and environmentally conscious.

Quality Assurance System

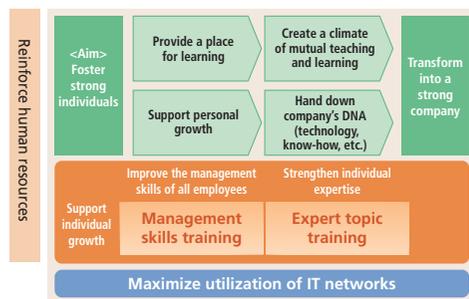
Sharp specifies the quality levels we promise to customers, thereby ensuring all employees in every department involved in product planning, design, production, sales, and after-sales service continue to strive for improved quality.



Social Initiatives

Human Resource Development

Sharp strives create a learning environment in which any individual has access to self-driven learning tools related to both basic and expert knowledge related to their work. In this way, we foster professionals who are well versed in their businesses. We aim to transform into a strong company through human resource development and enhancement to foster strong individuals, creating a climate of mutual teaching and learning through sustained personnel, education, and training systems.



Diversity Management

Sharp's approach to diversity is clearly stated in its Business Philosophy: "It is the intention of our corporation to grow hand-in-hand with our employees, encouraging and aiding them to reach their full potential and improve their standard of living." Through mutual respect of individual employee personalities, we aim to create new value, leading to the proposal of services and development of new lifestyle products that we, alongside our customers, will use to build the stepping stones toward our future.

Diversity management is a human resources strategy for utilizing a diverse range of employees; it is also a business strategy.

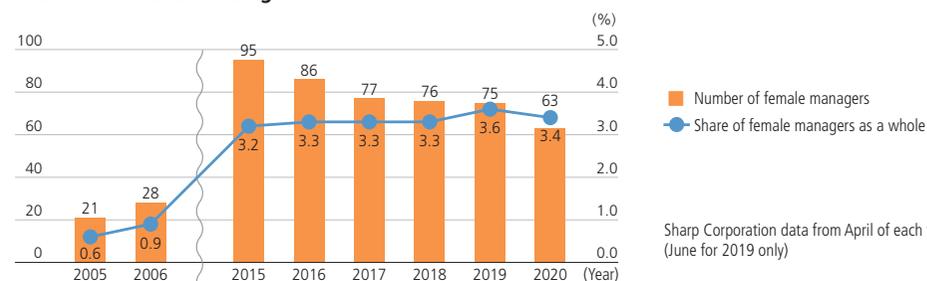
For years, Sharp has striven to expand the roles of women in the workplace and promote female employees to managers. In April 2020, the share of women in manager positions was 3.4%, a nearly six-fold increase compared to the 0.6% share in 2005, the year Sharp launched a program to promote more women to managerial positions.

Ever since Sharp founder Tokuji Hayakawa established the *accumulation of community service* as one of the Five Accumulations of Competency*, Sharp has been actively involved in social service and welfare. As of June 1, 2020, the Sharp Group employed approximately 320 disabled persons. The percentage of disabled employees among all employees was 2.46%, well over the 2.2% rate mandated by law (as stated in the Act on Employment Promotion etc., of Persons with Disabilities).



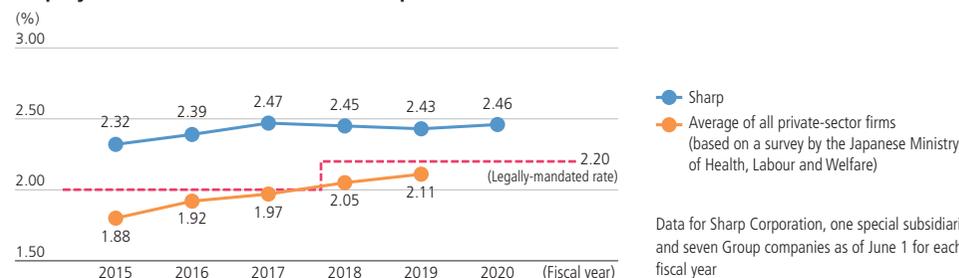
*Accumulation of trust, accumulation of capital, accumulation of community service, accumulation of human resources, and accumulation of trading partners

Number of Female Managers



Sharp Corporation data from April of each year (June for 2019 only)

Employment Rate of the Disabled in Japan



Data for Sharp Corporation, one special subsidiaries, and seven Group companies as of June 1 for each fiscal year

ESG Indexes

As of June 2020, 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



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