

# Sustainability

## Basic Approach to Sustainability

Since our inception, Sharp has pursued our founding spirit, with a business philosophy of contributing to the culture, benefits, and welfare of people throughout the world and of expecting mutual prosperity with all who cooperate with Sharp. Our basic approach to Sustainability 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\*<sup>1</sup>, we established the Sharp Group

Charter of Corporate Behavior as a code of conduct for group companies and the Sharp Code of Conduct\*<sup>2</sup> for all directors, executives, and employees. These are the group's basic policy for Sustainability 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.

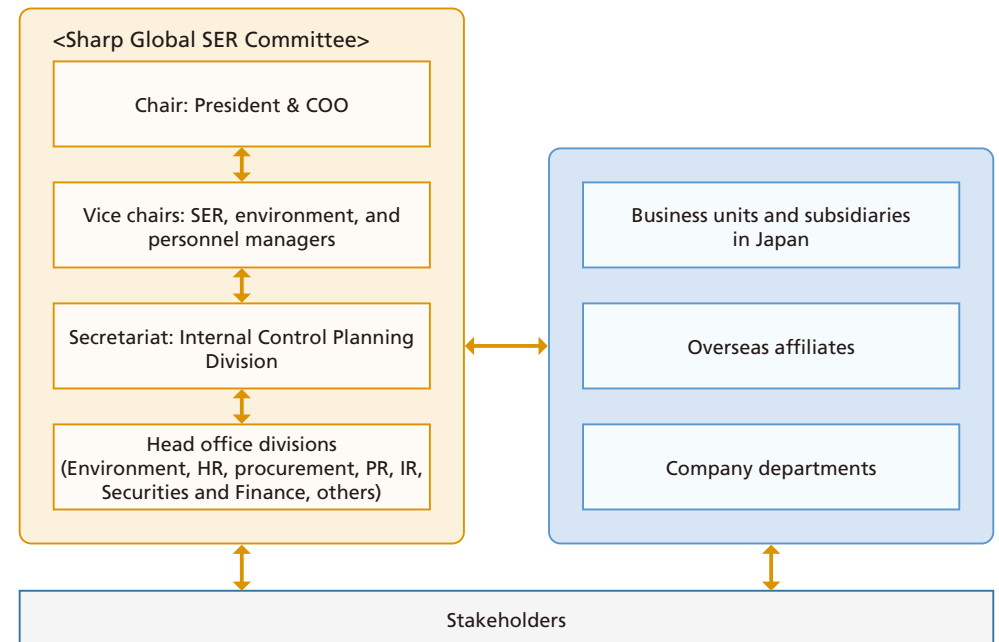
Looking forward, while enhancing our efforts in ESG—Environment, Society, and Governance—and improving our ESG rating, we will build a strong business infrastructure capable of supporting sustainable growth, and contribute to bringing about a sustainable society.

To reduce these policies to actionable mea-

asures managed via the PDCA cycle, Sharp launched the SHARP SER Committee in 2016, comprised of senior executives, headquarters functional divisions (e.g. environment/HR/procurement), business units and subsidiaries. This committee deliberates and promotes SER measures and the thorough implementation of policies and visions, and conducts such activities as sharing the latest trends related to social issues.

## <Organization for Sustainability Management>

As of March 2021



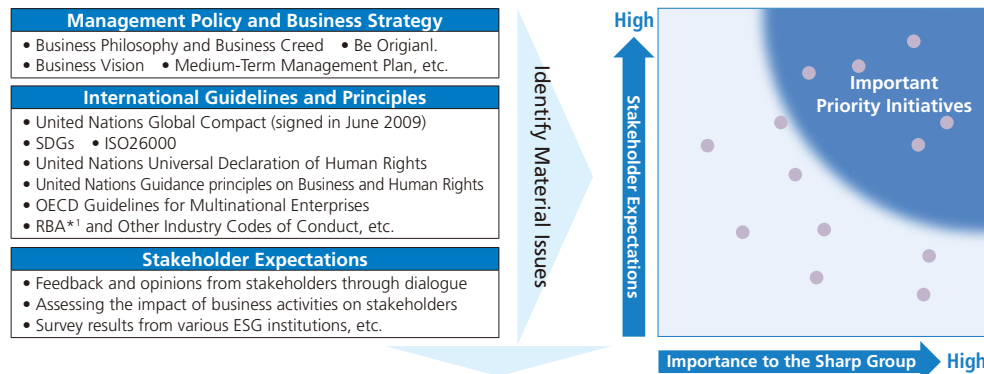
# Sustainability

## Materiality

There are successive announcements of international long-term goals aimed at resolving global social issues, and we are seeing increased expectations for corporate initiatives such as increased interest in human rights issues such as forced labor in global supply chains. Against this backdrop, we are aiming to contribute to goals that solve global social issues, 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



Solving Social Issues through Innovation		Reducing Impact of our Business Activities on Society and Environment	
<b>Smart Life</b>	Being more human and realizing lifestyles truer to oneself	<b>Human Rights and Labor</b>	<ul style="list-style-type: none"> <li>Ensuring the health and safety of employees by preventing overwork</li> <li>Harassment prevention</li> <li>Respect for human rights</li> </ul>
<b>8K Ecosystem</b>	Accelerating social innovation with cutting-edge video technology at the core	<b>Environment</b>	Initiatives for <i>SHARP Eco Vision 2050</i> , Our Long-Term Environmental Vision*2 <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>
<b>ICT</b>	Building a seamless society with wireless and mobile technologies	<b>Supply Chain Management</b>	<ul style="list-style-type: none"> <li>ESG risk management throughout the supply chain</li> <li>Responsible mineral procurement</li> </ul>
<b>Display Device</b>	Driving DX with the world's No.1 display technology	<b>Stronger Governance</b>	
<b>Electronic Device</b>	Using our unique device technology to contribute to development of smart society	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.10, Environmental Initiatives.

of solving social issues through innovation and reducing the impact of our business activities on society and the environment.

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

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\*3 our progress here.

Each fiscal 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 business unit and company selects those issues important to them from these guidelines, engaging in and self-evaluating their progress in SER measures (goals, KPIs, scope, action plan, etc.) on a quarterly basis.

The SHARP SER Committee conducts ongoing

follow-ups of how the SER measures in each business unit and company (using self-evaluations), sharing the status of promotion company-wide and conducting comprehensive reviews. All business units and companies generally made progress as planned with their SER measures\*4 for fiscal 2020, but we are also confirming measures for improvement for those remaining themes that need to be addressed.

Besides confirming the status of initiatives at company-wide meetings, we have also established annual targets\*5 for strengthening governance for each major field of emphasis at each supervising department.

\*3 Please see the following link for more about the progress of our contribution in achieving the SDGs through our business. <https://global.sharp/corporate/eco/sdgs/#anc03>

\*4 Please see the following link for more about fiscal 2020 SER measures. <https://global.sharp/corporate/eco/management/#anc02>

\*5 Targets and results are detailed on the pages concerning Governance on the sustainability site shown below. <https://global.sharp/corporate/eco/governance/>

### ESG Indexes

As of September 2021, Sharp has been included in the following ESG indexes.

- FTSE4Good Developed Index
- FTSE Blossom Japan Index
- S&P/JPX Carbon Efficient Index

- MSCI ESG Leaders Indexes

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