SHARP

2024
Sustainability Report

Next Innovation for a Better Life

Index

Editorial Policy / Disclosure System 002

002 Editorial Policy / Disclosure System
003 Company Information
004 Consolidated Subsidiaries

Philosophy, Policy and Management 005

006 Business Philosophy and Business Creed
007 Message from the President & CEO
008 Management
- 008 Sustainability Management
- 011 Participating in Various Initiatives
- 013 Material Issues
- 016 Stakeholder Engagement
- 017 Third-party Evaluations

Sharp and the SDGs 018

019 Business Philosophy and the SDGs
- 020 Smart Appliances & Solutions BU
- 021 Sharp Energy Solutions Corporation (SESJ)
- 022 Smart Business Solutions BU
- 023 Dynabook Inc.
- 024 TV Systems BU
- 025 Mobile Communication BU
- 026 Corporate Research & Development Group

Environmental Initiatives 027

028 Environmental Vision
- 028 SHARP Eco Vision 2050 Long-Term Environmental Vision
- 029 Long-Term Environmental Goals

030 Climate Change
- 030 Sharp's Stance on Climate Change
- 032 TCFD-Based Information Disclosure
- 034 Greenhouse Gas Emissions Based on the GHG Protocol Initiative
- 035 Reducing Business Activity-Linked Greenhouse Gas Emissions
- 037 Product Life Cycle Assessment
- 037 Utilizing Renewable Energy
- 042 Reducing Logistics-Related Environmental Impact

043 Resource Recycling
- 043 Minimizing and Recycling Business Activity-Linked Waste
- 044 Expanding the Recycling of Used Products
- 047 Environmental Technologies That Contribute to a Sustainable, Recycling-Based Society
- 050 Effectively Using Water Resources

053 Safety and Security
- 053 Sharp's Policy on Management of Chemical Substances
- 054 Managing Chemical Substances Contained in Products
- 056 Effective Management of Chemical Substances Used at Factories and Their Risk Management
- 057 Release and Transfer of PRTR-Listed Substances
- 059 Managing Environmental Load into Air and Water Areas

061 Environmental Management
- 061 Putting Sustainable Management into Practice
- 063 Developing Environmentally Conscious Products and Devices
- 065 Environmentally Conscious Products
- 066 Protecting Biodiversity

071 Biodiversity Protection
- 071 Material Balance
- 072 Calculation Standards for Environmental Performance Data

Management 074

075 Human Resources
- 075 HR Strategy (HITO-Based Management)
- 076 Human Resource Development
- 079 Personnel System Conducive to Talent Development and Motivation Boosting
- 081 Developing Diversity Management
- 085 Activities to Support Work-Life Balance
- 087 Promoting Occupational Safety and Health
- 093 Human Resources Data

096 Efforts Related to Human Rights
- 096 Efforts Related to Human Rights
- 097 Labor-Management Relationship
- 097 Preventing Workplace Harassment

099 Promoting Supply Chain CSR
- 099 Determining Procurement from the Standpoint of Providing Equal Opportunity and Fair Evaluation
- 101 Promoting CSR across the Entire Supply Chain
- 105 Audits and Education to Ensure Full Compliance with the Subcontract Act
- 106 Responsible Minerals Procurement

108 Quality
- 108 Ensuring Quality and Safety
- 110 Fostering Quality Experts
- 111 Ensuring Product Safety
- 113 Making Easier-to-Use Products

116 Customer Satisfaction
- 116 Enhancing Customer Satisfaction
- 118 Enhancing Customer Satisfaction through After-Sales Service

121 Communication with Shareholders and Investors
- 121 Communication with Shareholders and Investors

123 For Local Communities
- 123 Contributing to the Community

Governance 128

129 Corporate Governance
- 129 Corporate Governance

132 Internal Control
- 132 Internal Control

133 Risk Management
- 133 Risk Management

134 Compliance
- 134 Compliance
- 135 Hotline for Compliance Issues
- 136 Compliance with Competition Laws
- 137 Preventing Corruption in All Forms and Dealing Properly with Donations
- 138 Preventing Corruption in All Forms and Dealing Properly with Donations/Exclusion of Antisocial Forces
- 139 Management of Personal Information
- 141 Appropriate Advertising and Promotion, Representation-Related Law Compliance
- 142 Tax Management Initiatives

143 Innovation Management
- 143 Corporate R&D Initiatives
- 144 Intellectual Property Protection

145 Information Security
- 145 Information Security

146 Export and Import Control
- 146 Export and Import Control

Third-Party Verification 147

147 Third-Party Verification

Editorial Policy / Disclosure System

Editorial Policy / Disclosure System

Policy on Information Disclosure

The Sharp Sustainability Report 2024 discloses information on initiatives that contribute to realization of a sustainable society as a tool for disclosing non-financial information (ESG information).

Non-Financial Information (ESG Information)

Sustainability

Sustainability Report
(This report)

- Sustainability Report
- Green Procurement
- CSR Procurement
- For Suppliers
- Recycling Related Information
- Environmental Information on Products

etc.

> Sustainability

ESG Information (Excerpt)

Financial/Non-Financial Information

Investor Relations

Annual Report
(Integrated Report)

- Annual Report (Integrated Report)
- Consolidated Financial Results
- Fact Book
- Corporate Governance

etc.

> Investor Relations

Period Covered

Fiscal 2023 (April 2023 to March 2024)
However, some actual facts prior to and after this period, as well as subsequent policies, objectives, and plans, are also included.

Coverage

Sharp Corporation, along with its domestic and overseas subsidiaries and affiliates.

Referenced Guidelines

- GRI Sustainability Reporting Standards (GRI Standards), Global Reporting Initiative (GRI)
- Environmental Reporting Guidelines 2018, Ministry of the Environment, Japan

Content indexes between this report and the following guidelines and principles are disclosed on Sharp's official website together with related information.

> GRI Standards Content Index
> United Nations Global Content Index
> ISO2600 Content Index

Environmental and Social Activities Performance Data

We share detailed environmental data on greenhouse gases, waste, and water and social activities data on percentage of female managers, OHS-related data, and more on the Sharp Corporation website.

> Environmental and Social Activities Performance Data

Scheduled Publication Date for Next Report

August 2025 (published annually since 1999)

Inquiries

ESG Promotion Department, Management Planning Division,
Corporate Strategic Planning and Control Group, Sharp Corporation
ssr-info@sharp.co.jp

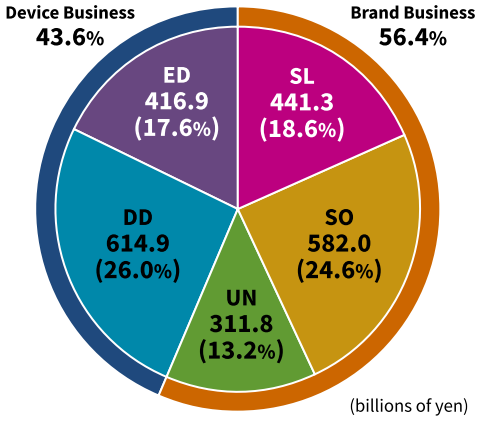
Company Information

Company Name	Sharp Corporation
Head Office	1 Takumi-cho, Sakai-ku, Sakai City, Osaka 590-8522, Japan
Tel	+81-72-282-1221
Management Representatives	Po-Hsuan Wu, Executive Deputy Chairman Masahiro Okitsu, President & Chief Executive Officer
Business Activities	Mainly manufacturing and sales of telecommunications equipment, electric and electronic equipment, and electronic components
Founding	September 15, 1912
Origin of Company Name	Founder Tokuji Hayakawa continued to research and improve the techniques for making metal writing instruments, and in 1915, he invented a mechanical pencil that, after further improvements, would take the world by storm. In 1916, Mr. Hayakawa's mechanical pencil was named the "Ever-Ready Sharp Pencil." The present name of the company and its trademark are derived from that product.
Incorporation	In May 1935, the structure of the company was modified to become a joint-stock corporation under the name Hayakawa Metal Works Institute Co. (capitalization: 300,000 yen)
Capital Stock	5 billion yen (as of March 31, 2024)
Sales	2,321,917 million yen (consolidated) 527,291 million yen (non-consolidated) (the year ended March 31, 2024)
Employees	Consolidated: 43,445 Japan: 17,209 (Sharp Corporation 5,029; affiliated companies 12,180) Overseas: 26,236 (consolidated) (as of March 31, 2024)

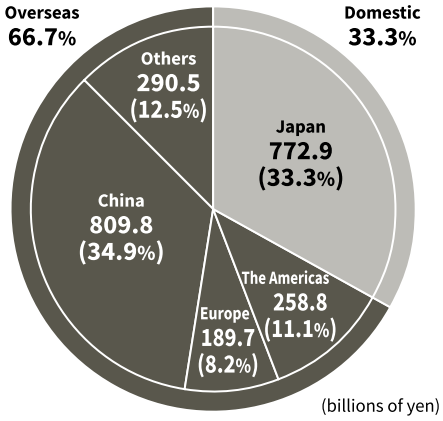
■ Main Products/Services (As of March 31, 2024)

Segments		Main products/services
Brand Business	Smart Life	Refrigerators, superheated steam ovens, microwave ovens, small cooking appliances, air conditioners, washing machines, vacuum cleaners, air purifiers, fans, dehumidifiers, humidifiers, electric heating equipment, Plasmacluster ion generators, beauty equipment, LED lighting, electronic dictionaries, calculators, telephones, network control units, solar cells, storage batteries, face masks, etc.
	Smart Office	Digital MFPs, information displays, business projectors, POS system equipment, FA equipment, various options/consumables, office solutions, various software, PCs, etc.
	Universal Network	TVs, Blu-ray disc recorders, audio equipment, mobile phones, tablet devices, routers, etc.
Device Business	Display Device	Display modules, in-vehicle cameras, etc.
	Electronic Device	Camera modules, sensor modules, optical sensors, optoelectronic devices, CMOS image sensors, wafer foundry, semiconductor lasers, etc.

■ FY2023 Sales by Segment



■ FY2023 Sales by Region



Related Information: > Sharp at Glance

Consolidated Subsidiaries (As of March 24, 2024)

Japan

Sharp Marketing Japan Corporation
Sharp Energy Solutions Corporation
Sharp Display Manufacturing Corporation
Sakai Display Products Corporation
Sharp IP Infinity Co., Ltd.
Dynabook Inc.
Sharp Semiconductor Innovation Corporation
Sharp Fukuyama Laser Co., Ltd.
Sharp Cocoro Life Inc.
Sharp Display Technology Corporation
Sharp NEC Display Solutions, Ltd.
Sharp Sensing Technology Corporation

Overseas

Sharp Electronics Corporation (U.S.)
Sharp Laboratories of America, Inc. (U.S.)
Dynabook Americas, Inc. (U.S.)
Sharp NEC Display Solutions of America, Inc. (U.S.)
Sharp Electronics of Canada Ltd. (Canada)
Sharp Corporation Mexico, S.A. de C.V. (Mexico)
Sharp Electronics (Europe) Limited (U.K.)
Sharp International Finance (U.K.) Plc. (U.K.)
Sharp Electronics (Europe) GmbH (Germany)
Sharp Devices Europe GmbH (Germany)
Sharp NEC Display Solutions Europe GmbH (Germany)
SHARP Consumer Electronics Poland Sp. z o.o. (Poland)
Sharp Middle East Free Zone Establishment (U.A.E.)
Sharp Universal Technology (Shenzhen) Co., Ltd. (China)
Sharp Universal Technology (Shanghai) Co., Ltd. (China)
Shanghai Sharp Electronics Co., Ltd. (China)
Sharp Electronics Sales (China) Co., Ltd. (China)
Nanjing Sharp Electronics Co., Ltd. (China)
Sharp Office Equipments (Changshu) Co., Ltd. (China)
Wuxi Sharp Electronic Components Co., Ltd. (China)
Wuxi Sharp Display Technology Co., Ltd. (China)
Dynabook Technology (Hangzhou) Inc. (China)
Yantai Xia Ye Electrons Co., Ltd. (China)
Sharp Hong Kong Limited (Hong Kong)
Sharp (Taiwan) Electronics Corporation (Taiwan)
Dynabook Technology (Taiwan) Co., Ltd. (Taiwan)
Sharp Electronics (Malaysia) Sdn. Bhd. (Malaysia)
Sharp Manufacturing Corporation (M) Sdn. Bhd. (Malaysia)
Sharp North Malaysia Sdn. Bhd. (Malaysia)
Sharp Singapore Electronics Corporation Pte. Ltd. (Singapore)
Sharp Appliances (Thailand) Ltd. (Thailand)
Sharp Manufacturing (Thailand) Co., Ltd. (Thailand)
P.T. Sharp Electronics Indonesia (Indonesia)
SAIGON STEC CO., LTD. (Vietnam)
SHARP Manufacturing Vietnam CO., LTD. (Vietnam)
Sharp Business Systems (India) Private Ltd. (India)
Sharp Corporation of Australia Pty. Ltd. (Australia)

Note: In addition to the above companies, Sharp has 65 other consolidated subsidiaries.

Philosophy, Policy and Management

Business Philosophy and Business Creed ····· 006
Message from the President & CEO ····· 007
Sustainability Management ····· 008
Participating in Various Initiatives ····· 011
Material Issues ····· 013
Stakeholder Engagement ····· 016
Third-Party Evaluations ····· 017

Business Philosophy and Business Creed

Sharp Will Continue to Fulfill Its Social Responsibility through Its Business Activities

Business Philosophy

We do not seek merely to expand our business volume. Rather, we are dedicated to the use of our unique, innovative technology to contribute to the culture, benefits and welfare of people throughout the world.

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.

Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders ...indeed, the entire Sharp family.

Business Creed

Sharp Corporation is dedicated to two principal ideals:

"Sincerity and Creativity"

By committing ourselves to these ideals, we can derive genuine satisfaction from our work, while making a meaningful contribution to society.

Sincerity is a virtue fundamental to humanity ... always be sincere.

Harmony brings strength ... trust each other and work together.

Politeness is a merit ... always be courteous and respectful.

Creativity promotes progress ... remain constantly aware of the need to innovate and improve.

Courage is the basis of a rewarding life ... accept every challenge with a positive attitude.

"Make products that others want to imitate." These words, spoken by Sharp founder Tokuji Hayakawa, exemplify his management concept of contributing to society through the company's technologies and manufacturing. This concept is realized by being the first to make products that meet the needs of a new era and by becoming a corporation that is known and trusted by society. In 1973, Sharp articulated this spirit in the company's business philosophy and business creed. This spirit has been passed down continuously over the generations, ever since the company's founding over a hundred years ago.
The business philosophy represents the image that Sharp aims to present. As stated in the words "contributing to the culture, benefits and welfare of people throughout the world," Sharp has always strived for mutual prosperity with society and stakeholders, ever since its founding. This philosophy is the foundation of corporate sustainability today.

The business creed represents the beliefs and attitudes that all employees must hold fast to in order to realize the business philosophy. Sharp is dedicated to the two principal ideals of "Sincerity and Creativity." These ideals, which form the foundation of Sharp, involve thoroughly maintaining a customer's perspective and bringing forth inventive products.
Sharp will remain committed to fulfilling its social responsibility and to being a company that is known and trusted throughout society through business activities that abide by its business philosophy and business creed.

Message from the President & CEO

Contributing to a sustainable society through ESG management based on our business philosophy

Masahiro Okitsu
President & Chief Executive Officer

We are currently implementing reforms that will propel Sharp forward. As president, I am striving to establish Sharp as a trusted Japanese brand by putting into action three points stated in our medium-term management direction of May 2024: asset-light transformation in the device business, growth model establishment using a cycle of existing brand business and new innovation, and HQ function enhancement.

Regarding the point of HQ function enhancement, one of its key measures is ESG management. Sharp's ESG management is rooted in its business philosophy, and this will never change. Our business philosophy states that "we are dedicated to the use of our unique, innovative technology to contribute to the culture, benefits and welfare of people throughout the world" and "our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders." This is the foundation of Sharp's mission to cooperate with stakeholders to continuously provide society with new value.

Under the SHARP Eco Vision 2050 long-term environmental vision, we have set goals to be achieved by 2050 in three fields of action: climate change, resource recycling, and safety and security. In climate change, an urgent problem facing the entire world, we are stepping up efforts with the goal of achieving net zero CO_2 emissions in Sharp business activities by 2030. In resource recycling, we are doing everything possible to reuse material in products and packaging to help achieve a circular economy. In safety and security, we are properly managing chemicals to protect people's health and the natural environment. We also became a member of the Japanese Ministry of the Environment's 30by30 Alliance for Biodiversity in June 2024 with the aim of achieving our biodiversity preservation and nature positive targets. In support of the aims of this alliance, Sharp bases conduct activities that help protect biodiversity and clean up habitats; for example, the Tenri Plant protects bamboo lilies and the Kameyama Plant propagates Tanakia lanceolata, a freshwater fish.

Sharp signed the United Nations Global Compact in 2009 and supports this framework's 10 principles in the areas of human rights, labor, the environment, and anti-corruption. This support comes in the form of fulfilling corporate responsibilities to solve worldwide problems such as conflict minerals and human rights abuses.

The Sustainability Committee, of which I am the chair, convenes twice a year. As well, to step up the pace of our ESG efforts, we have established sustainability subcommittees, each comprising members of departments related to its specific issue. These subcommittees are in the process of implementing action plans they have made, which will further synergize their activities and help Sharp achieve its company-wide goals all that much sooner.

Sharp will continue to pursue ESG management based on its business philosophy with the goal of contributing to a sustainable society in which no one on this Earth is left behind.

September 2024

Management: Sustainability Management

Sharp's Sustainability Policy

Basic Philosophy on Sustainability

It has been Sharp's business philosophy since its founding to "contribute to the culture, benefits and welfare of people throughout the world" and to understand that "our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders." Based on this business philosophy, Sharp has continued to meet the expectations and requirements of society and its stakeholders, and these aspirations for sustained mutual growth of the company and society are maintained as Sharp's basic philosophy on sustainability.

Related Information: > Business Philosophy and Business Creed

Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct

To concretize its business philosophy and business creed, the company has set out the Sharp Group Charter of Corporate Behavior to serve as the principles of behavior for Sharp Group companies, and the Sharp Code of Conduct to serve as a standard for all directors and employees. Sharp works to ensure that these guidelines permeate the Group as fundamental sustainability policies, and that the Group takes appropriate and sincere action in all of its business endeavors with a high ethical standard and full compliance with the law.
Resolutions regarding the adoption of the Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct are issued by the boards of directors of Sharp Corporation and its main subsidiaries and affiliate companies in Japan and overseas. At overseas subsidiaries and affiliates, these documents are translated into local languages so that employees can fully understand and comply with them.
The content of the Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct is reviewed each year to determine if revisions need to be made.

Participation in the RBA

In December 2021, Sharp joined the Responsible Business Alliance (RBA) to further fulfill its social responsibility in its global supply chain in line with international standards. Sharp shares the RBA's vision and mission company-wide, and uses the RBA Code of Conduct, formulated by the RBA, as a concrete guideline for its own efforts to identify and address risks at its, and its suppliers', factories.

Related Information: > Sharp Charter of Corporate
Sharp Code of Conduct
Responsible Business Alliance
RBA Code of Conduct

■ System for Sustainability Policy

Management: Sustainability Management

Sharp's Sustainability Policy

Ensuring Adherence to the Sharp Code of Conduct

To deepen understanding of the Sharp Code of Conduct and ensure that all executives and employees act in accordance with it, compliance-related training based on the Sharp Code of Conduct is held every year in Japan.
In fiscal 2023, Sharp carried out Sharp Code of Conduct compliance e-learning for eligible employees at Sharp Corporation and affiliate companies in Japan, as well as eligible labor union members. This e-learning saw participation by about 18,000 employees. The training covered a range of areas and how to deal with issues related to them: conducting business activities in line with the Sharp Code of Conduct; raising awareness of the whistleblowing system; labor and human rights issues such as working hours, pay, and benefits; compliance matters such as abidance with the Act against Unjustifiable Premiums and Misleading Representations, insider trading rules, and preventing fraudulent accounting; and information security and confidential information management. We also spread knowledge about the Sharp Code of Conduct at overseas bases. This included distributing e-learning materials as part of efforts to ensure understanding globally at Sharp.

The compliance training will continue to be held and expanded in content with the goal of ensuring that employees have a better understanding of compliance and fostering awareness for potential problems and ways to prevent them. The training is held as an in-house measure based on the Basic Policy for Internal Control. Training results are reported to the Internal Control Committee, which is chaired by the president & CEO, and to the Board of Directors.

Management: Sustainability Management

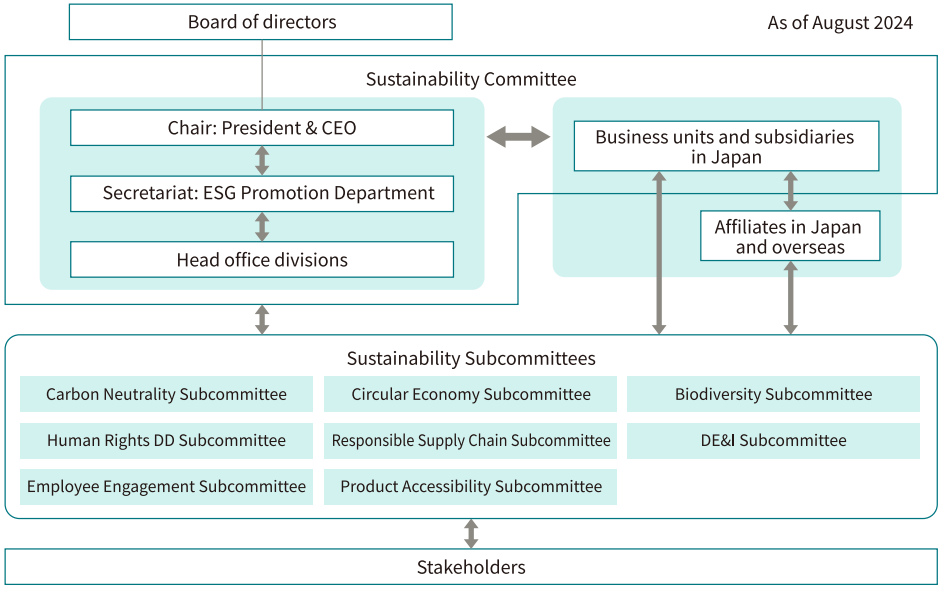
Sustainability Strategy and Implementation System

In line with Sharp's basic philosophy towards sustainability, Sharp has positioned its role to contribute to the achievement of the Sustainable Development Goals (SDGs)—adopted by the UN in September 2015 with major expectations placed on corporations—in its medium-to long-term vision, and is moving forward with those efforts.
In fiscal 2018, with this medium-to long-term vision in mind, Sharp established a fundamental strategy of proceeding with a sustainable management approach aimed at achieving the SDGs. The strategy takes a two-pronged approach: creating solutions to social problems through business and technological innovation, and reducing social and environmental impact through sustainable business activities.
Through these efforts, we are contributing to solving the social issues facing us today: realizing a low-carbon world, solving medical and nursing care problems, eliminating labor shortages, and realizing a diverse range of lifestyles. These contributions will ensure that we are always there for people and society and that Sharp more quickly achieves recognition as a company with a strong brand that continuously provides new value.

■ **Fundamental Strategy of Sustainable Management**

To execute these strategies and manage them in a PDCA cycle, the company launched the Sustainability Committee, which is chaired by the president & CEO of Sharp and comprises members of top management, head office divisions such as environment, personnel, and procurement, business units, and subsidiaries. The committee engrains policies and visions into the Sharp Group, discusses crucial measures, shares the latest trends in social issues, and reports important policies and decisions to the Board of Directors. To accelerate its efforts, Sharp set up sustainability subcommittees in fiscal 2024, each focused on specific sustainability issues.
Sharp will continue to step up its efforts in the SDGs and ESG and improve its ESG rating, while at the same time building a solid management foundation to support sustainable growth and contributing to the realization of a sustainable society.

■ **Organization for Sustainability Management**



Management: Sustainability Management

Participating in Various Initiatives

As a member of the global community, Sharp conducts business in way that respects international guidelines and norms.

United Nations Global Compact

We became a signatory to the United Nations Global Compact in September 2009. We carry out measures in line with the Global Compact's 10 principles in the four areas of human rights, labor, the environment, and anti-corruption.

Related information: > United Nations Global Compact

RBA (Responsible Business Alliance)

In December 2021, we joined the RBA, an alliance of companies that pursues social responsibility across the global supply chain. We endorse the RBA vision and mission.

Related information: > Responsible Business Alliance

RMI (Responsible Minerals Initiatives)

Since December 2021, we have been a member of the RMI, an international initiative for the responsible sourcing of minerals. We actively pursue due diligence in our procurement of minerals.

Related information: > Responsible Minerals Initiatives

JaCER (Japan Center for Engagement and Remedy on Business and Human Rights)

In October 2022, Sharp joined JaCER, which provides a platform for addressing grievances in accordance with the United Nations Guiding Principles on Business and Human Rights, and is working to establish mechanisms for addressing grievances within the global supply chain.

Related information: > JaCER

Other groups Sharp is a member of:

- Keidanren (Japan Business Federation)
- JEMA (Japan Electrical Manufacturers' Association)
- JEITA (Japan Electronics and Information Technology Industries Association)
- JBMIA (Japan Business Machine and Information System Industries Association)
- JMC (Japan Machinery Center for Trade and Investment)
- JPEA (Japan Photovoltaic Energy Association)

Management: Sustainability Management

Participating in Various Initiatives

As a member of the global community, Sharp conducts business in way that respects international guidelines and norms.

TCFD (Task Force on Climate-related Financial Disclosures)

In August 2022, we declared our support for the TCFD recommendations. We are expanding and improving the disclosure of information related to climate change, in accordance with the framework set by the TCFD.

Related information: > TCFD

SBTi (Science Based Targets Initiative)

In March 2024, we were certified for SBT 1.5°C. This was a recognition that our targets for reducing greenhouse gas emissions are based on science and conform with the Paris Agreement.

Related information: > SBTi

GX League

In April 2023, we joined the Japanese Ministry of Economy, Trade and Industry's GX League. The GX League is a forum that brings together corporations, the government, and academic institutions. Through collaborations, the League seeks to reduce greenhouse gas emissions while building a society that can grow in measurable ways—the aim is to achieve a virtuous cycle encompassing the economy, environment, and society.

Related information: > GX League

Industry-Government-Academia Partnership on Circular Economy

In December 2023, Sharp joined the Industry-Government-Academia Partnership on Circular Economy (Circular Partners), which is organized by the Japanese Ministry of Economy, Trade and Industry. Sharp's aim is to deepen collaboration between industry, government, and academia that will lead to the realization of a circular economy.

Related information: > Circular Partners

TNFD (Taskforce on Nature-related Financial Disclosures) Forum

In August 2024, Sharp joined the TNFD Forum in support of the TNFD's mission and actions. Sharp will use the knowledge it gains through participation in this forum to prepare for the disclosure of nature-related information.

Related information: > TNFD Forum

30by30 Alliance for Biodiversity

In June 2024, Sharp joined the 30by30 Alliance for Biodiversity organized by the Japanese Ministry of the Environment. The aim is to help achieve the 30by30 goals by expanding the company's efforts to conserve biodiversity and realize a sustainable society through its business activities and environmental and community service activities.

Related information: > 30by30 Alliance for Biodiversity

Management: Material Issues

Identifying and Monitoring Material Issues

A succession of international long-term goals that seek solutions for social issues at the global level, such as the SDGs and the Paris Agreement*, have been announced, and there is a growing interest in human rights issues such as forced labor in global supply chains. As such, expectations continue to grow for companies to put forth an effort to address these goals and issues.
Against this backdrop, Sharp is identifying material issues for the sake of sustainable management with a view to solving global-level social issues and achieving medium-to long-term growth for the Sharp Group.
In identifying material issues, we took into account our business philosophy, business creed, and medium-term management policy. We also considered international guidelines and principles such as the UN Global Compact, the SDGs, and the RBA vision and mission, as well as international non-financial disclosure standards such as the GRI (Global Reporting Initiative), SASB (Sustainability Accounting Standards Board), ISSB (International Sustainability Standards Board), and ESRS (European Sustainability Reporting Standards). We also considered the opinions and expectations of various stakeholders and the results of assessments by ESG research and rating institutions.

The material issues uncovered were used to identify priority topics to be addressed company-wide from the two standpoints of "magnitude of impact on the environment and society" and "magnitude of impact on corporate finances."
For the priority topics identified, measure-specific targets, goals, KPIs, and action plans are established. The implementation and results of these are reviewed at the twice-a-year meetings of the Sustainability Committee and the sustainability subcommittees, as well as at other meetings company-wide.

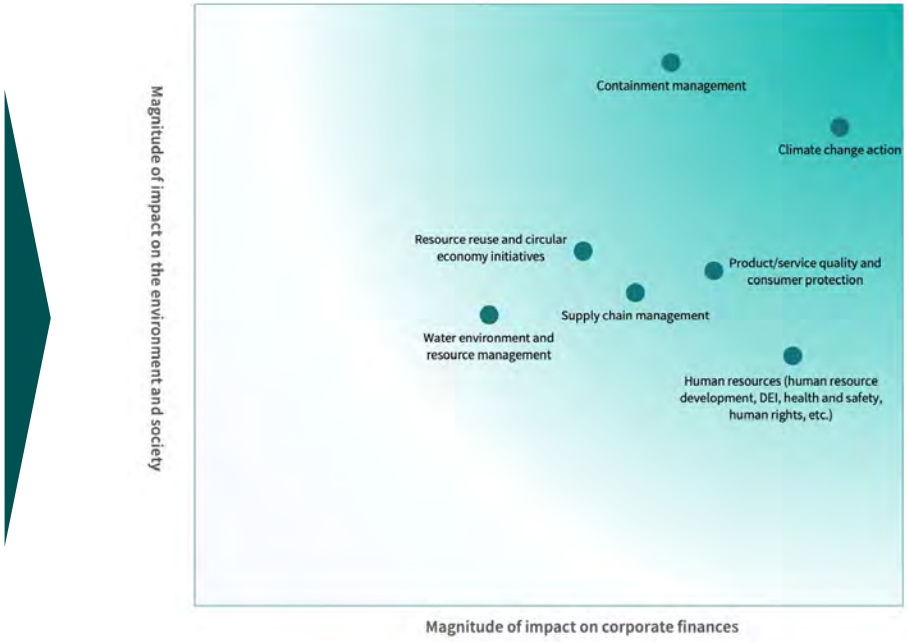
* An international framework for the prevention of global warming agreed on at the 21st yearly session of the Conference of the Parties to the 1992 United Nations Framework Convention on Climate Change (COP21), held in Paris in 2015. The agreement was to hold the increase in the global average temperature to well below 2°C above pre-industrial levels.

■ **Process for Identifying Material Issues**

Management policy, business strategy
• Business philosophy • Business creed • Medium-term management policy, others

International guidelines and standards
• UN Global Compact's 10 principles • SDGs • ISO 26000
• Disclosure standards like the ISSB and ESRS • Disclosure guidelines like the GRI and SASB • Universal Declaration of Human Rights • UN Guiding Principles on Business and Human Rights • RBA Vision and Mission • Other industry codes of conduct, others

Stakeholder opinions and expectations
• Stakeholder opinions gathered through dialogue
• Assessments by ESG rating institutions, others



Management: Material Issues

Identifying and Monitoring Material Issues

Material issue (priority topic)	Priority initiative	Fiscal 2024 KPI	See page
Climate change action	Reduce greenhouse gas emissions associated with business activities	• Achieve net zero CO_2 emissions from Sharp business activities by 2030 • Reduce greenhouse gas emissions by 33.3% (baseline year: fiscal 2021)	P. 030
	Make products carbon neutral (energy-saving and carbon footprint)		P. 037
Resource reuse and circular economy initiatives	• Pursue a circular economy for products (reduce use of virgin plastics) • Improve the quality of recycled plastics; reduce the proportion of mixed plastics • Consider ways to add value to polystyrene (PS) • Expand use of recycled plastics in products		P. 043
Containment management	Reduce waste associated with business activities	Final landfill disposal rate of less than 0.5%	P. 043
	Reduce VOC (volatile organic compound) emissions	VOC emissions into the atmosphere: 204 tons or less (fiscal 2010 levels)	P. 059
Water environment and resource management	Improve water intensity	Improvement rate of water intensity: 10% (baseline year: fiscal 2021)	P. 050
Human resources (human resource development, DEI, health and safety, human rights, etc.)	• Expand education and training system aimed at developing the next generation of human resources • Encourage an employee mindset to come up with new business ideas		P. 076
	• Promote action plan in line with the Act on the Promotion of Women's Active Engagement in Professional Life • Maintain employment rate for people with disabilities	• Have at least 15% of new graduates hired for engineering jobs and 50% of new graduates hired for non-engineering jobs be women • Have at least 5% of managers be women • Have at least 95% of female employees having returned to work after taking childcare leave stay at Sharp beyond 12 months after their reinstatement • Maintain 2.5% employment rate for people with disabilities	P. 081
	• Eliminate severe accidents, reduce workplace accidents • Implement company-wide Healthy Sharp initiative • Prevent health problems caused by overwork		P. 088
	Human rights due diligence through ESG self-assessment and auditing at Sharp factories		P. 015
Product/service quality and consumer protection	Ensure reliability and strengthen efforts to raise product/brand value to achieve quality that customers around the world will acknowledge		P. 108
	Improve customer satisfaction with service	Customer satisfaction rate 90.0% or higher	P. 118
Supply chain management	• Continue CSR/green procurement survey • Promote responsible mineral sourcing		P. 101

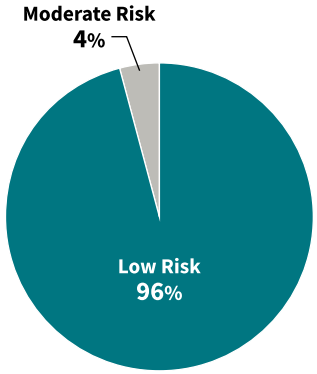
Management: Material Issues

ESG Risk Evaluation in Line with International Standards

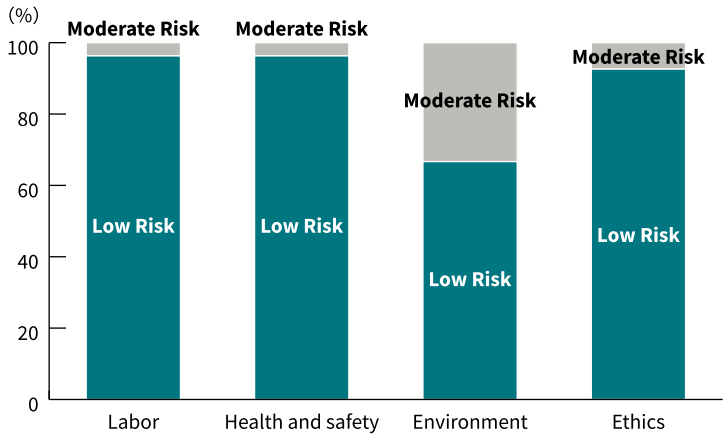
Sharp believes that to ensure global business expansion is accompanied by the creation of a sustainable society, it is extremely important to conform to international standards.
Since fiscal 2015, the Sharp Group has been using the Sharp Supply-Chain CSR Deployment Guidebook, which was created in line with the RBA Code of Conduct (an international standard), as the guideline for its activities. It has been carrying out ongoing self-assessment surveys of Sharp production sites in Japan and overseas.
These surveys are carried out based on the RBA's Self-Assessment Questionnaire and serve as a review and assessment of the status of activities at Sharp's production sites. Sharp uses the survey as a means of facilitating better understanding of international standards among local managers.
In fiscal 2023, the survey was carried out at 27 plants in Japan and overseas. Following the survey, each plant was given feedback in the form of an overall and area-specific evaluation in three levels—low risk, moderate risk, and high risk—based on RBA criteria.
Survey responses from the bases are reviewed by the head office functional divisions. If it is determined that a base's efforts are inadequate or latent risks exist, the base in question is interviewed and provided with guidance for undertaking necessary improvement activities.
As a result, the average score for all factories in fiscal 2023 was 91.7 (up from 91.2 the previous year), showing continued generally favorable assessments. Sites that got a "low risk" overall evaluation score comprised 96% of the total. No problems have been identified that pose an immediate, large risk for the Sharp Group as a whole.
In addition, to improve the effectiveness of risk assessment and ensure objectivity and transparency, major production sites in Japan and overseas undergo VAP* audits by the RBA. In fiscal 2023, four plants in Japan, China, and Thailand underwent VAP audits. As a result of implementing corrective measures for the issues discovered during the audits, all plants achieved a silver rating.
In addition to continuing to conduct surveys and audits, Sharp will use the RBA's risk assessment mechanism and tools to keep improving activities.

*. Validated Assessment Program. A VAP audit is a local audit performed by a third-party auditing service certified by the RBA.

■ Overall Assessment Ranking Ratio



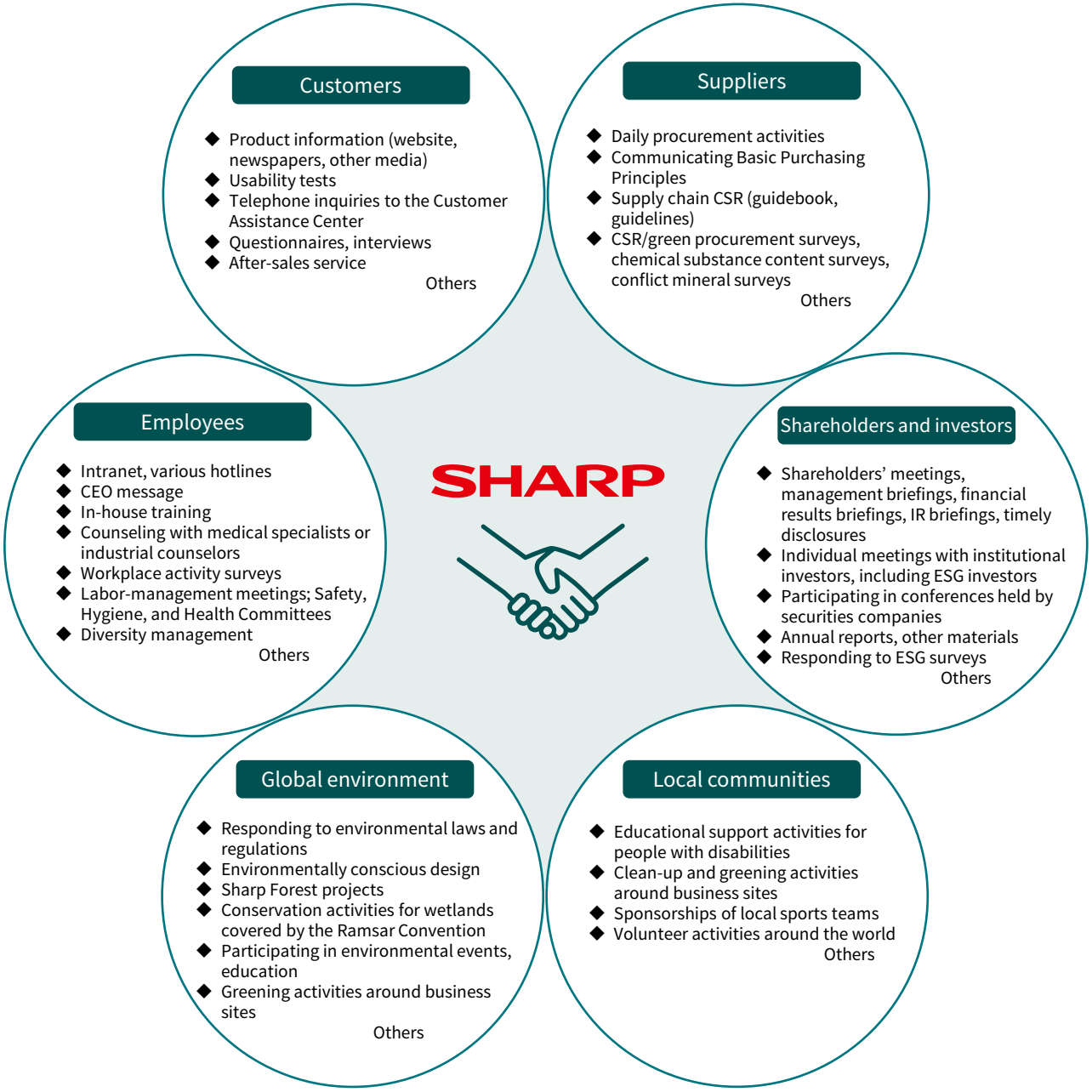
■ Area-Specific Assessment Ranking Distribution



Management: Stakeholder Engagement

Stakeholder Engagement

In order to ensure that, "Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders," as stated in the company's Business Philosophy, Sharp suitably discloses information to the diversity of stakeholders that it serves, including customers, suppliers, and local communities. Also, amidst the increasing focus on ESG-related investment, we strive to improve our ESG level by creating a range of opportunities for dialogue with shareholders and investors. We will continue to reflect stakeholder opinions in our corporate activities with the goals of helping society solve problems and achieving sustainable growth for Sharp.



Management: Third-Party Evaluations

Third-Party Evaluations

Thanks to continuously stepping up sustainability management initiatives, as of August 2024 Sharp has been included in the following ESG indexes and rating systems.

FTSE4 Good Index Series

An index designed to measure the performance of corporate social responsibility initiatives from an ESG perspective. It is operated by FTSE Russell, part of the London Stock Exchange Group. Sharp has been included in this index for 15 consecutive years.

FTSE Blossom Japan Index

An index reflecting the performance of Japanese companies that demonstrate strong ESG practices, operated by FTSE Russell. The Government Pension Investment Fund (GPIF) of Japan uses this as a stock index for ESG investments. Sharp has been included in this index for eight consecutive years.

FTSE Blossom Japan Sector Relative Index

An index based on FTSE Russell's ESG assessment of a company's approach to risks and opportunities related to climate change. Companies in this index are considered to be highly carbon intensive (in terms of their greenhouse gas emissions per unit of sales). The GPIF of Japan uses this as a stock index for ESG investments.

S&P/JPX Carbon Efficient Index

An environmental stock index adopted by the GPIF of Japan. Because of the level of environmental reporting and carbon intensity maintained by Sharp, the company has been selected as a constituent of this index since 2018.

MSCI ESG Ratings

Since 2022, Sharp has received an AA rating in the ESG ratings by MSCI Inc., a financial services company based in New York, U.S.

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MSCI Japan Equity ESG Select Leaders Index

An ESG index operated by MSCI. It is composed of companies that have the highest ESG rated performance in each sector.

2024 CONSTITUENT MSCI日本株ESGセレクト・リーダーズ指数

MSCI Japan ESG Select Leaders Index

An ESG index for Japanese companies created by MSCI. The GPIF uses this as a stock index for ESG investments.

2024 CONSTITUENT MSCIジャパンESGセレクト・リーダーズ指数

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Morningstar Japan ex-REIT Gender Diversity Tilt Index

This index is compiled by Morningstar, a U.S. company, using data and evaluation methods from Equileap, a Dutch company, to select companies that have gender diversity policies ingrained in their culture and that promise equal opportunities to employees regardless of gender.

EcoVadis Sustainability Rating

Sharp has passed a rating evaluation by EcoVadis, a company that evaluates the sustainability performance of supplier companies. Its aim is to improve those companies' environmental and social practices by taking into account the impact that global supply chains have on the environment and society.

Sharp and the SDGs

Business Philosophy and the SDGs …… 016

Contributing to the SDGs through Business …… 017

Sharp and the SDGs: Business Philosophy and the SDGs

In 1973, Sharp put into writing its business philosophy, which says the company will "contribute to the culture, benefits and welfare of people throughout the world" and that "our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders." These and other vows of the business philosophy share the aims of the Sustainable Development Goals (SDGs), which the UN enacted in 2015.
Under its business philosophy, Sharp carries out ESG management with a two-pronged approach: creating solutions to social problems through business and technological innovation, and reducing social and environmental impact through sustainable business activities. This approach will help achieve the SDGs and thereby contribute to a sustainable and better world where no one on Earth is left behind.

Business Philosophy

We do not seek merely to expand our business volume. Rather, we are dedicated to the use of our unique, benefits and welfare of people throughout the world.

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.

Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders …indeed, the entire Sharp family.

Smart Appliances & Solutions BU

Offering support through AIoT*1 for a safe, healthy, and comfortable lifestyle. Yielding a humanity-empowering smart life through people- and society-oriented AIoT.

*1 AIoT is a word coined by Sharp, combining the words AI (artificial intelligence) and IoT (Internet of things). Sharp is pursuing a more people-oriented world through AIoT-driven devices and services.

Business Overview

In its aim to help improve people's quality of life and create a sustainable society, the Smart Appliances & Solutions BU supplies end consumers and B2B customers globally with a variety of appliances, such as air conditioners, refrigerators, washing machines, microwave ovens, and air purifiers.

Major SDG Contribution Examples

- The Smart Appliances & Solutions BU continues to develop energy-saving technologies for individual white goods, such as air conditioners, refrigerators, washing machines and other energy-demanding appliances, and to develop resource-saving designs, such as for water-saving No-Holes Tub washing machines, while also expanding the incorporation of recycled plastics through the use of closed-loop material recycling technology*2. In addition, the Smart Appliances & Solutions BU is continually working on the development of AIoT-compatible devices that automatically save energy while being adapted to each user's lifestyle.
  In fiscal 2023, it developed 104 AIoT-compatible models for the Japanese market. Overseas, it updated and expanded the range of services it offers that are tailored to the needs of foreign markets, including ASEAN, Taiwan and North America.
- The Smart Appliances & Solutions BU works in collaboration with other businesses to address social issues. It has begun offering air conditioners and refrigerators that are compatible with the Life Eee Connect (solar home appliance connection) service*3, which is the first in the industry*4 to connect solar power generation with home appliances to reduce home appliance-related electricity bills. In addition, the BU has begun offering local governments an IoT elderly care monitoring system service, which utilizes IoT home appliances from multiple companies to help address the risks of isolation for elderly people and those in need of care.

*2 Jointly developed with Kansai Recycling Systems Co., Ltd., a consumer electronics recycling company established in Japan with joint investment from Sharp and five other companies. See page 047.
*3 See page 021 (Sharp Energy Solutions Corporation).
*4 For home appliance management HEMS services. As of February 20, 2024; based on Sharp findings.

Sharp's Plasmacluster air conditioner is the industry's only air conditioner with CO_2 sensor and cloud connection. It saves energy while creating a comfortable environment

This large-capacity refrigerator combines a slim, beautiful kitchen design with enhanced AIoT-driven energy saving performance

Awards and Honors

- ES-X11B enhanced hybrid drying front-loading washer/dryer wins METI Minister's Award, and the Connected Lighting Control Solution, which addresses logistics challenges of 2024, wins ECCJ Chairman's Award at the Energy Conservation Grand Prize 2023
- AIoT home appliances equipped with speech functionality*5 wins Audience Award at PHASE FREE AWARD 2023 (3rd)

*5 This award is given to products and services that are useful in both normal usage situations as well as during disasters. The award was jointly received with the National Research Institute for Earth Science and Disaster Resilience.

Left: ES-X11B Plasmacluster front-loading washer/dryer
Right: Connected Lighting Control Solution system diagram

Business Outlook and Growth Story

In order to help create a sustainable society, the Smart Appliances & Solutions BU provides products and services that address pressing social issues, such as climate change and the circular economy, through more energy-efficient white goods, which includes the use of AIoT, through a responsiveness to the growing awareness of the need to conserve electricity and water, and through a concerted effort to reduce the use of virgin plastics.
In addition, by leveraging the strength of its AIoT as an open platform, which can be integrated with other companies' devices, the BU will increase comfort and convenience, as well as create new value through utilization in disaster prevention and other contexts to thereby contribute to a safer and more secure society.

Sharp Energy Solutions Corporation (SESJ)

Providing eco-friendly, energy-producing solar power systems to countries around the world to help realize carbon neutrality. Making life easier with energy solutions (systems and services) that make smarter use of electricity.

Business Overview

SESJ carries on the philosophy of founder Tokuji Hayakawa as it operates energy solutions businesses in Japan and overseas. As countries and companies accelerate their efforts to achieve carbon neutrality, SESJ is actively contributing to the drive to realize a decarbonized society by providing appropriate solutions.

Major SDG Contribution Examples

- Expansion of Life Eee Connect service

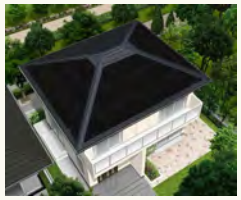
In November 2023, the COCORO ENERGY cloud-based HEMS*1 service launched Life Eee Connect (solar home appliance connection), the industry's first*2 such service. It uses proprietary AI to effectively utilize electricity from solar power systems to operate home appliances and residential equipment. Compatible devices have been expanded to include air conditioners, water heaters, and refrigerators. SESJ will continue to pursue device operation optimization as it aims to realize zero energy homes that make astute use of generated electricity.

*1 HEMS: Home energy management system. A system for managing and controlling the energy used in a home.
*2 For home appliance management HEMS services. As of February 20, 2024; based on Sharp findings.

Samegawa Aono Solar Power Plant

- Construction of numerous solar power plants both domestically and overseas

SESJ applies its extensive know-how and proven technology to solar power plants in everything from design to construction and maintenance.


Installation image (hipped roof)

- Release of residential solar modules

SESJ is undertaking the appropriately timed release of its BLACKSOLAR ZERO (e.g., NQ-230BP), which has a high load capacity and a design that blends beautifully with rooftops, and a high-output model (e.g., NU-435PP), which is suitable for gable roofs with large installation areas. By offering these on the market, SESJ is contributing to more widespread adoption of solar power and the creation of clean energy.

Installation image (gabled roof)

Awards and Honors

- Installation on SLIM lunar exploration spacecraft

SLIM*3, JAXA's*4 spacecraft equipped with thin-film compound solar cells developed and manufactured by Sharp, successfully made a pinpoint landing on the Moon's surface on January 20, 2024. It has been confirmed that the solar cells continued to operate normally following the landing. SESJ will pursue broad application of technologies that enable stable operation in harsh environments, such as outer space, and will utilize them to improve the reliability of a diverse range of products.

SLIM (artist rendering; ©JAXA)

*3 SLIM (Smart Lander for Investigating Moon) is a small-scale lunar exploration spacecraft developed by JAXA.
*4 JAXA: Japan Aerospace Exploration Agency

Business Outlook and Growth Story

SESJ launched the JH-WE2301, the industry's smallest and lightest*5 electric vehicle (EV) converter capable of charging and discharging EVs, and built a V2H system for connecting EVs to homes. In order to make effective use of solar power, SESJ began offering the Eee Connect system. As part of the Life Eee Connect service described above, it not only connects with storage batteries and home appliances but also connects with EVs. Moving forward, SESJ plans to expand applications to include EVs and more, as well as to expand the scope of connections (from homes to cities) that are centered on AI control, to contribute to people's lives by making them cleaner and more enriching.

EV converter installation image

*5 As of February 15, 2024; based on Sharp findings.

Eee Connect system

Smart Business Solutions BU

By strengthening B2B solution proposals built on the customer's perspective, the Smart Business Solutions BU is contributing to the resolution of business and social issues in ways that will help foster a sustainable society by providing safe, secure environments that let people concentrate on their jobs no matter when or where they are.

Business Overview

The Smart Business Solutions BU operates globally across three sectors: Smart Offices (centered on digital MFPs), Smart Public (public sector), and Smart Factories. Social changes are prompting reforms in the workplace, including new ways of working and greater adoption of digital technologies. In response, the Smart Business Solutions BU meets customer needs by offering them new added value and services.

Major SDG Contribution Examples

- Energy-efficient A4 color MFPs

The BP-C533WD/WR A4 color MFPs for the Japanese market released in February 2024 are the first A4 models to feature the toner fusing system used in Sharp's latest A3 MFPs*1. By improving the efficiency of the unit that fuses toner to paper, a quick warm-up time*2 is achieved. Both models are among the top in the industry with a TEC value*3 of 0.33 kWh/week.

*1 BP-70C/60C/50C/40C/70M series
*2 Warm-up time is the time required before you can start printing after turning on the power.
*3 TEC: Typical electricity consumption. TEC values are derived using measurement methods defined by the international ENERGY STAR program version 3.0 requirements.

- Reducing plastic packaging

From March 2024, the Smart Business Solutions BU has reduced the weight of plastic packaging by 60% for Sharp's flagship A3 color and B/W MFPs*4 for the Japanese market by switching from conventional plastic foam to corrugated cardboard for the cushioning material.

*4 Before and after the change in packaging material for the BP-70M/70C/60C/50C/40C series.

Awards and Honors

- ePaper color electronic paper display wins 2024 iF Design Award

The EP-C251/C131, released in October 2023, is environmentally friendly color electronic paper that does not require power (0 W) to maintain the displayed image*5, uses 30% recycled material for the plastic of the main cabinet, and uses recycled materials for the packaging and cushioning.

*5 Power is consumed when the display is updated.

EP-C251/C131 ePaper

Corporate Social Responsibility

- Main production sites receive silver certification from RBA VAP audit

In September 2023, the Smart Business Solutions BU's main production sites, SOCC*6 in China and SMTL*7 in Thailand, received silver certification following a VAP*8 audit conducted by the Responsible Business Alliance (RBA) to assess their compliance with the RBA code of conduct in areas such as labor, ethics, the environment, and health and safety. For each production site, the VAP audit was an opportunity to strengthen management systems for corporate social responsibility, which they will continue to maintain and improve in the future in order to help Sharp be a company trusted by society.

*6 SOCC: Sharp Office Equipments (Changshu) Co., Ltd. (China)
*7 SMTL: Sharp Manufacturing (Thailand) Co., Ltd.
*8 VAP: Validated assessment program. An audit program related to corporate social responsibility.

Business Outlook and Growth Story

Amidst a drastically changing social landscape, the Smart Business Solutions BU supports DX-driven business/work style reform in order to continue to contribute to the resolution of social issues via unique, environmentally friendly products, services, and solutions that are grounded in Sharp's business creed of "Sincerity and Creativity."

Target Social Issues

- Development of environmentally friendly products
- Reduction of greenhouse gas emissions
- Aging of the population and labor shortages
- Compliance with legal requirements
- Rapidly rising distribution volume
- Reduction of environmental impacts
- Changing workstyles
- Prevention of resource scarcity
- Environmental and community service activities
- Prevention of environmental pollution

Dynabook Inc.

Dynabook is making people's lives and society better by "changing the world through computing and services," developing "true computing that reflects real needs and that supports communities," and offering "new added value and services developed from the user's standpoint."

Business Overview

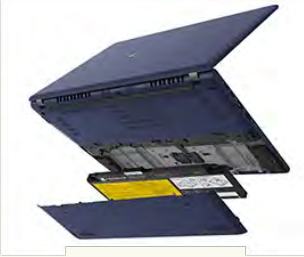
Dynabook plans, develops, manufactures, sells, supports, and services personal computers and system solutions. We are pursuing the fusion of hardware ("dynabook as a Computing") and services ("dynabook as a Service") and strengthening the technology that supports this endeavor.

Major SDG Contribution Examples

- PC with self-replaceable battery contributes to reduced business downtime

Dynabook released a PC that features a self-replaceable battery mechanism, which allows customers to safely and easily replace a degraded or expired battery with a new one themselves*1.
Unlike conventional built-in batteries, this eliminates the time and effort required to send a PC in for repairs, thus reducing the amount of time that the PC is unusable, i.e., business downtime.

*1 Requires the separately sold self-replaceable battery (L) option.



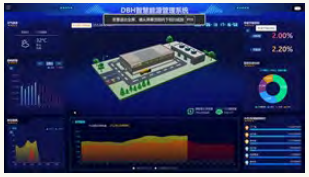
The dynabook X83 (CHANGER) is a high-end notebook PC that features a self-replaceable battery

- Solar power system reduces CO_2 emissions and supplies green electricity

Dynabook installed a solar power system (polycrystalline silicon solar panels, string inverters, etc.) on approximately 10,000 m² of the roof and parking lot at the Dynabook Technology (Hangzhou) Inc. factory in China. The total installed capacity is approximately 1,600 kW, with the electricity being used to power the factory and any surplus being supplied to external parties.

Solar power system

Additionally, by developing its own smart energy management system, Dynabook is able to visualize and perform real-time monitoring of energy consumption.



Smart energy management system

Business Outlook and Growth Story

- Expanding the functionality of the PC asset monitoring service to enable security measures and AI-driven analysis

Dynabook's original asset management ledger system makes it possible to manage PC users, location information, and status. The monitoring service facilitates more efficient PC operation through failure detection, which lets users check the status of their PCs via a portal so that they can ascertain in advance the number of spare machines required and to speed up the timing of PC procurement.
Moving forward, Dynabook will continue to strengthen functionality, including security functions and AI-driven analytical functions.

PC asset monitoring service

TV Systems BU

Promoting innovation, better health, and environmental protection with ideas that make life more convenient and comfortable.

Business Overview

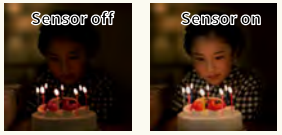
The TV Systems BU develops and sells products, such as TVs and wearable neck speakers, with unique features that put them ahead of what other companies are offering. We continue to work to expand the possibilities of AV equipment. In addition to developing basic functionality, i.e., picture and sound quality, we pursue ESG and SDGs-related manufacturing and solutions to deliver ideas that will make life more convenient and comfortable.

Major SDG Contribution Examples

- **Auto picture quality adjustment (environmental sensing)**

Models released in 2024 have a new feature that enables the brightness and color temperature sensor to detect the brightness of the room in which the TV is being watched and automatically adjust not only the brightness and gradation levels but also the color temperature of the picture according to changes in the color of the external light and lighting. This makes the picture easier on the eyes as well as reduces unnecessary power consumption.

Automatically adjusts picture quality to suit the brightness and color temperature of external light and lighting



Naturally restores shadows affected by external light

- **TV packaging carton downsizing**

The trend of increasing TV screen sizes means larger packaging cartons and more cushioning material. For 2024 models, the TV Systems BU has reduced the amount of plastic cushioning material used and downsized the packaging carton (as much as 17% smaller than previous models) while ensuring shock absorption and durability during transportation. In addition to helping protect the environment by reducing plastic waste and curbing greenhouse gas emissions during transportation by improving loading efficiency, this will also help in addressing the logistics problem facing Japan in 2024*.

Depth 23.3 cm Depth 19.3 cm
65-inch 4K TV packaging carton

* There are concerns that the tightening of regulations limiting truck drivers' working hours will lead to disruptions in the logistics industry.

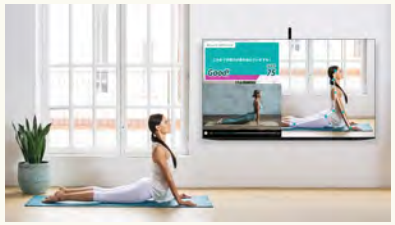
Business Outlook and Growth Story

At Sharp Tech-Day held in November 2023, the TV Systems BU exhibited new TV features and devices, focusing on AI and the SDGs. The response was very good and included requests for early commercialization.

Main Exhibits

- **TV AI healthcare trainer**

The TV Systems BU has developed a platform to be used with a large-screen TVs that can be easily adapted for a variety of applications, such as yoga, fitness, and frailty prevention exercises. Using generative AI to analyze posture in real-time based on images captured by a camera attached to the TV, an AI healthcare trainer provides advice to users.



Posture analysis and advice from an AI healthcare trainer

- TV remote control with built-in solar panel

The TV Systems BU has developed a TV remote control with a built-in solar panel that efficiently generates electricity using indoor light. Because it can be charged simply by setting it down, the device has no need for dry cells.

TV remote control with built-in solar panel

Mobile Communication BU

Using communication technology to build a society where everyone has an equal opportunity to find decent quality of life and work.

Business Overview

The Mobile Communication BU aspires to be a business unit that leverages communication technology to keep on producing new value. By developing diverse networked devices like smartphones routers and creating solutions and services, we provide products and services that inspire people to live more joyful lives.

Major SDG Contribution Examples

- AQUOS wish4 smartphone

Like the previous model, the AQUOS wish3, the casing uses recycled plastic, and this environmental-mindedness extends to the slim packaging that cuts down on paper usage. In addition, the percentage of recycled plastic used in the casing has increased, making this a more environmentally friendly model than the previous one.

AQUOS wish4 smartphone

- AQUOS R9 smartphone

Recycled metal materials are used for the exterior metal parts, including the casing, and biomass materials are used for the internal parts. Compared to the previous model, the number of parts made from recycled materials has increased, and the hardness of those parts has also improved. The aim was to improve both performance and environmental friendliness.

AQUOS R9 smartphone

Other Examples

- Inforia for Hotel

This in-room information service facilitates non-contact/non-face-to-face customer reception and better operational efficiency.

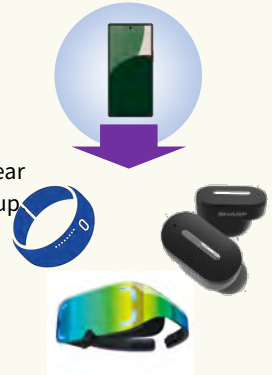
- **“home 5G” router for NTT Docomo**

With simple installation that requires only a power outlet to plug it into, this router turns users’ homes into an ultra-high-speed Wi-Fi environment convenient for telework and online learning.

Upper left: Inforia for Hotel
Lower right: home 5G

Business Outlook and Growth Story

The Mobile Communication BU will continue to provide products and solutions that help in addressing social and environmental issues, while also aiming to provide new value.
In addition to the already released Medical Listening Plug in-the-ear hearing aid, the BU will keep expanding its wearable devices lineup, including XR devices currently under development and, by broadening its business domain beyond smartphones, it will continue creating products and services that further enrich people’s lifestyles and work styles.



Business domain expansion (image)

Corporate Research & Development Group

By using society-changing, proprietary, world-first, and world's-best technology to build entirely new ecosystems and create and expand new businesses, we are contributing to a sustainable society.

Business Overview

The Corporate Research & Development Group is working to create innovative technologies that will serve as the fundamental engine for innovation company-wide, as well as to build platforms centered on Sharp's unique technologies. Our aim is to help make society both people and environmentally friendly by tackling the challenge of new business creation and accelerating the pace of innovation achievement through the rapid deployment in society of the fruits of development.

Major SDG Contribution Examples

- **Spreading the use of renewable energy and achieving carbon neutrality**

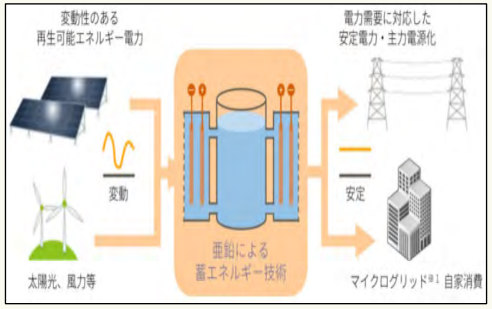
Sharp has begun developing energy storage technology that utilizes a flow-type zinc-air battery well-suited to large-scale power storage. (Aiming to realize and rapidly commercialize innovative power storage technology)

- **Demonstration of local 5G-driven support for local government operations**

Sharp has tested local 5G + 8K video transmission in dam inspection and maintenance and in on-site support during disasters.

- **Functional expansion and performance enhancement of 5G**

Sharp is contributing to the creation of international standard specifications for the 5G-Advanced next-generation mobile communications system. (Aiming to expand scope of use through the evolution of communications)



Energy storage technology utilizing zinc (image)

Local 5G validation testing for dam inspection and maintenance

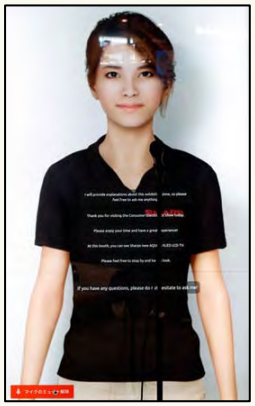
Awards and Honors

- 2024 Telecommunication Technology Committee (TTC) Merit Award goes to three Sharp employees
  This award was presented in recognition of Sharp's active promotion of 4G/5G system standardization in 3GPP*1 and its contribution to the formulation of specifications.

*1 3GPP (Third Generation Partnership Project) studies and formulates specifications for mobile communication systems that handle 4G and 5G technologies. The specifications formulated by 3GPP are widely adopted in mobile communication systems in Japan.

Business Outlook and Growth Story

To put into practice ESG-focused management, the Corporate Research & Development Group is using "One Sharp" partnership and collaboration to step up its contributions to carbon neutrality, carry out digital transformation in infrastructure and other areas, and accelerate new business development in growth fields that will help create a more comfortable living environment. Particularly with regard to the advancing innovation in AI technology, the Corporate Research & Development Group will work to create people- and earth-friendly innovations through the application of its proprietary edge AI technology CE-LLM*2 to improve the performance of AIoT home appliances.
Amidst an increasingly diverse and complex array of issues facing society, the Group will contribute to Sharp's continued growth through technological development aimed at creating innovative services and solutions that capitalize on change and put into practice a sustainable society and management.



AI Avatar was on display at Sharp Tech-Day and CES 2024

*2 CE-LLM (Communication Edge-LLM) is a registered trademark of Sharp Corporation.

Environmental Initiatives

Environmental Vision 028

Climate Change 030

Resource Recycling 043

Safety and Security 053

Environmental Management 061

Biodiversity Protection 066

Overview of Environmental Impact 071

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

0.46%

Final landfill disposal rate

13 CLIMATE ACTION

13.9% reduction

Greenhouse gas emissions (baseline year: fiscal 2021)

15 LIFE ON LAND

12,172 people

Total number of participants in environmental conservation activities in fiscal 2023

Environmental Initiatives: Environmental Vision

SHARP Eco Vision 2050 Long-Term Environmental Vision

The international community has recognized the urgent need to address increasingly serious environmental problems, such as climate change, resource depletion, and ocean plastic pollution. This awareness is accelerating global action to solve these social problems, including efforts associated with the achievement of the Sustainable Development Goals (SDGs) and carbon neutrality[*1], and the creation of a circular economy[*2].
In 2019 Sharp formulated SHARP Eco Vision 2050, a long-term environmental vision based on its Basic Environmental Policy of "Creating an Environmentally Conscious Company with Sincerity and Creativity," which was established in 1992. Sharp is working toward realizing a sustainable global environment by pursuing long-term goals set in three fields of action with 2050 as the target year: climate change, resource recycling, and safety and security.

In the field of climate change, while keeping in mind the 1.5°C target[*3] stipulated in the Paris Agreement, Sharp aims to become carbon neutral in its business activities. It also seeks to broaden and disseminate clean energy-related products and services and to reduce greenhouse gas emissions from its products and services.
In the resource recycling field, Sharp pursues a circular economy by endeavoring to use recycled materials in all product parts and to achieve zero final landfill disposal from its business activities.
In the safety and security field, Sharp strictly manages chemical substances that may affect people's health, the natural environment, and ecosystems and restricts their use to eliminate the risk of negative effects.

To realize our long-term environmental vision, Sharp is formulating medium-term environmental goals that define specific activities and quantitative targets in each field. To address the pressing issue of climate change, Sharp is accelerating efforts to achieve net zero CO_2 emissions from its business activities by 2030.
Sharp is aiming to solve social problems and continuously boost corporate value by deepening ties with stakeholders through business activities and environmental conservation efforts.

*1 Subtracting the amount of absorption from the amount of greenhouse gas emissions, so that the total is effectively zero.
*2 An economic system aimed at eliminating wastes and circulating resources. Waste products and raw materials are considered new resources and are thus recycled.
*3 The Paris Agreement sets forth the long-term targets of keeping the rise in global average temperature well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C.

Environmental Initiatives: Environmental Vision

Long-Term Environmental Goals

To bring about SHARP Eco Vision 2050, we have stipulated long-term goals in three fields of action. In pursuing these goals, we will strive to create more clean energy than the total amount of energy consumed in Sharp's entire supply chain, while minimizing the environmental impact of our business activities.

Climate Change

Sharp has up to now striven to use less energy in its business activities and to make products that are increasingly more energy efficient so as to reduce the amount of energy consumed by households and society as a whole.
We began developing solar cells after founder Tokuji Hayakawa said, "All the products we make use electricity. As our company grows, we will need more electricity, so why don't we make electricity ourselves?" Since then, we have spent more than half a century working to spread solar power generation.

It is precisely because Sharp makes products that use electricity that we have a responsibility to reduce the environmental impacts resulting from this electricity use.

By promoting the world goal of carbon neutrality, Sharp is taking on the challenge of achieving the following two goals by 2050 and thus becoming carbon-free throughout its supply chain, including its own business activities.

Goal

- **Achieve net zero CO_2 emissions in Sharp business activities.**
- **Create more clean energy than the total amount of energy consumed in Sharp's entire supply chain.**

Resource Recycling

Sharp has up to now provided the world with all kinds of value through the creation of new products. At the same time, we have used many resources to do so.

Sharp should continue to provide its stakeholders with all kinds of value by making the most efficient use of finite resources around the globe.

By making more efficient use of resources and continuing to offer maximum value with minimal resources, Sharp is taking on the challenge of achieving the following two goals by 2050 and thus building a circular economy and realizing a recycling-oriented society.

Goal

- **Use no newly extracted resources* for making products.**
- **Achieve zero final disposal to landfill of waste generated in Sharp business activities.**

* Excludes those not suitable for recycling from an environmental standpoint.

Safety and Security

Sharp uses various chemicals in production processes in its factories, and the products themselves contain various chemicals. Such chemicals must be strictly managed because some of them can have negative effects on people's health, the natural environment, or ecosystems.

Sharp's business activities must not have a negative effect on people's health, the natural environment, or ecosystems.

As well as complying with current international standards, Sharp has established its own even stricter in-house standards. Under these far-sighted standards, we thoroughly manage relevant chemicals with the goal of eliminating any negative effects that chemicals may have on people's health, the natural environment, or ecosystems.

Goal

- **Properly manage chemicals in order to protect people's health, the natural environment, and ecosystems.**

Environmental Initiatives: Climate Change

Sharp's Stance on Climate Change

Climate Change Initiatives Based on the Medium-Term Management Direction

In May 2024, Sharp announced its medium-term management direction aimed at accelerating its future growth. For its existing brand business, Sharp will pursue business transformation, including utilizing new technologies and launching new businesses in growth areas. Additionally, in pursuit of the next innovation, Sharp aims to capture new business opportunities by improving added value through stronger technological capabilities and expanded business domains.

In response to climate change, Sharp will work to transform its existing brand business through the creation of new customer experiences that are driven by the combination of home appliances with AI, and through the development of new products that capture the growing demand for carbon neutrality. Meanwhile, in pursuit of the next innovation, Sharp will, in addition to the traditional home and workplace, treat "mobility" as a living space, which it will work to create new value for, such as by building an EV ecosystem.

Sharp will further strengthen ties with its business partners and accelerate each of its initiatives to achieve dramatic growth while simultaneously addressing climate change.

Participation in Climate Crisis Initiatives and Other Efforts

Sharp participates in the Science Based Targets initiative (SBTi)*1, which is focused on pursuing action that will achieve real and reliable results in the fight against climate change. Sharp had previously received SBT WB2°C*2 (well-below 2°C) certification and, in March 2024, obtained SBT 1.5°C *3 certification. Moving forward, Sharp will further accelerate its carbon neutrality efforts and pursue collaboration with suppliers to reduce greenhouse gas emissions across the entire supply chain, aiming to obtain SBT Net Zero*4 certification. Sharp also aims to use 100% renewable energy in business activities, with the aim of taking part in the RE100*5 global initiative.

In Japan, Sharp will continue to participate in the Liaison Group of Japanese Electrical and Electronics Industries for Global Warming Prevention*6 and the GX League*7 to promote initiatives by the electrical and electronics industry, along with collaborative efforts across industry, government, and academia and contribute to efforts aimed at achieving carbon neutrality for society as a whole.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

GX League

*1 This climate change-related initiative is a collaborative effort of the United Nations Global Compact (UNGC), the CDP, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). The SBTi promotes the establishment of science-based GHG emissions reduction targets in conformance with the Paris Agreement.

*2 A target of keeping the increase in global average temperatures to well below 2°C above pre-industrial levels.

*3 A target of limiting the increase in global average temperatures to 1.5°C above pre-industrial levels.

*4 Calls for setting reduction targets at the 1.5°C level and balancing remaining emissions with carbon removal.

*5 A global initiative that aims for companies to cover 100% of the electricity used in their operations with renewable energy.

*6 This group comprises companies from electrical and electronics industry associations in Japan, such as the Japan Electrical Manufacturers' Association (JEMA) and the Japan Electronics and Information Technology Industries Association (JEITA). The Liaison Group undertakes industry-wide efforts aimed at preventing global warming—for example, proposing action plans to achieve carbon neutrality.

*7 GX stands for 'green transformation'—an initiative to transform society into being carbon neutral by 2050. The GX League is a forum where companies pursuing sustainable growth collaborate with other companies, government, and academic organizations that share the same GX goals.

Environmental Initiatives: Climate Change

Sharp's Stance on Climate Change

Reducing Greenhouse Gas Emissions across the Value Chain

For greenhouse gas emissions across the entire Sharp value chain, emissions from its own activities (Scopes 1 and 2) account for 5%, and indirect emissions outside the scope of its activities, such as emissions associated with material procurement, transportation, and the use of sold products (Scope 3), account for 95%. Because of this, Sharp recognizes the importance of reducing greenhouse gas emissions across its entire value chain, not only through its own efforts to reduce the environmental impact of its activities, like product manufacturing, but, also, through efforts to reduce the environmental impact of material procurement and product use by customers (improving product energy efficiency).

As part of its efforts to reduce greenhouse gas emissions from its own activities, Sharp is conserving energy at its production sites (such as by switching to LED lighting in offices and improving the efficiency of outdoor air-processing units and air-conditioning systems). Sharp is also systematically installing solar power systems at its business locations, and, with the full-scale operation of the solar power systems installed at its factories in Thailand and China in fiscal 2023, solar power systems will be in operation at 17 locations in Japan and overseas (see page 037). Furthermore, Sharp is also working to transition its company cars to electric EVs. For example, production and sales bases in Europe, including the UK and Sweden, are replacing existing cars with EVs and installing charging points.

In materials procurement, Sharp will further strengthen cooperation with its business partners to reduce greenhouse gas emissions. In the field of transportation, Sharp continues to pursue a modal shift (a switch from truck-based transportation to environmentally friendly methods like ships and railroads) while also working to optimize landing points and review its parts procurement sources.

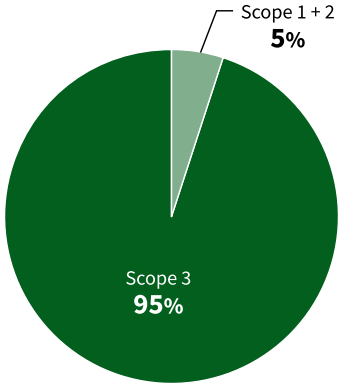
Sharp is actively working to create environmentally friendly products and devices whose use will result in reduced greenhouse gas emissions, as these emissions account for the largest portion across the company's entire value chain. Sharp designates its environmentally friendly products and devices as "Green Products" and "Green Devices." It has formulated and implemented guidelines that summarize the development and design rules of these products and devices in order to ensure it is continually working to improve their environmental friendliness (see page 063).

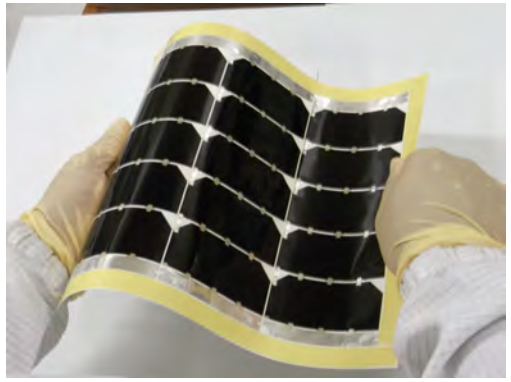
Contributing to Society through the Widespread Adoption of Renewable Energy

"As a manufacturer of products that consume electricity, we have a responsibility to become a manufacturer of electricity itself." This has been the motivating resolve behind Sharp's work on solar power generation begun in 1959. Sharp's efforts over the last half century have expanded into a wide range of fields, from residential use to power generation under harsh conditions in lighthouses and satellites, to mega solar power plants around the world. In January 2024, SLIM, the Japan Aerospace Exploration Agency (JAXA)'s spacecraft equipped with Sharp's thin-film compound solar cells, successfully made a pinpoint landing on the surface of the moon. It was confirmed that the solar cells operated normally after landing (see page 039).

Sharp will continue to work to further promote the use of renewable energy in all sectors of society and to contribute to the realization of a decarbonized society.

Breakdown for Sharp Greenhouse Gas Emissions (Fiscal 2023)





Thin-film compound solar cells installed on board SLIM

Environmental Initiatives: Climate Change

TCFD-Based Information Disclosure

Action on the TCFD Recommendations

The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB), an organization promoting international financial stability. In 2017 the TCFD released recommendations for companies to disclose information on the risks and opportunities of climate change. Sharp has declared support for the TCFD recommendations and is expanding disclosure of climate-related information in accordance with the framework set by the TCFD.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

1. Governance

Climate-related issues are monitored and countermeasures supervised by the President & CEO, who chairs the Sustainability Committee*1. The committee includes senior executives and members from head office departments, business units, and subsidiaries. The committee works to thoroughly implement policies and visions related to aspects of ESG such as climate change; it deliberates on and promotes active measures; and it shares the latest trends on societal issues.
Through monitoring and review by management at committee meetings, Sharp continuously strengthens climate change action to play a part in making society sustainable.

2. Strategy

Sharp sees climate change as both a risk and an opportunity in the medium to long term. We are studying strategies and learning about organizational resilience in the context of climate change-related risks and opportunities. To understand long-term impacts up to 2050, we analyzed climate change scenarios outlined by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) (1.5°C scenario*2 and 4°C scenario*3). The following page provides detailed information about those risks and opportunities, along with a summary of associated measures.

3. Risk Management

Sharp identifies and assesses climate-related risks in accordance with the Rules of Business Risk Management*4, in which the basic approach to risk management has been established. Specifically, Sharp identifies climate-related risks that are highly likely to occur based on its analysis of climate scenarios forecast for the future. Sharp reports its findings as necessary to senior executives and the Internal Control Planning Division, which serves as the risk management secretariat. It also facilitates necessary improvement measures in partnership with involved departments.

4. Metrics and Targets

In 2019 Sharp formulated SHARP Eco Vision 2050, a long-term environmental vision based on its basic environmental policy of "Creating an environmentally conscious company with sincerity and creativity," which was established in 1992. Sharp is working toward realizing a sustainable global environment by pursuing long-term goals set in three fields of action with 2050 as the target year: climate change, resource recycling, and safety and security. With regard to the pressing global issue of climate change, Sharp is accelerating its efforts aimed at achieving net zero CO_2 emissions from the company's activities by 2030.

Progress towards Reducing GHG Emissions (Fiscal 2023 Results)

Base Year (fiscal 2021 results)	Fiscal 2023 Results	Base Year Comparison
1,365 thousand tons CO_2	1,175 thousand tons CO_2	13.9% reduction

*1 See page 010.
*2 IEA Net Zero Emissions by 2050 Scenario; SSP1-1.9 scenario from the IPCC 6th Assessment Report (AR6).
*3 RCP 8.5 scenario from the IPCC 5th Assessment Report (AR5).
*4 See page 133.

Environmental Initiatives: Climate Change

TCFD-Based Information Disclosure

Business Risks and Opportunities; Sharp's Response

Scenario	Factors	Changes	Impacts on Sharp	Risk or Opportunity	Degree of Impact	Time Until Impact Becomes Apparent*	Sharp's Response
1.5℃	Introduction of carbon pricing	Increased raw material procurement costs	Costs passed on to purchase prices due to carbon tax levied on Sharp-purchased products	Risk	Large	Short term	● Seek to use raw materials with low GHG emissions ● Find suppliers that strive to reduce environmental impact ● Optimize purchase volume (thorough inventory control)
		Increased direct operational costs	Increased payment costs due to carbon tax levied in line with Sharp's Scope 1 and 2 emissions	Risk	Large	Short term	● Reduce GHG emissions through further energy savings ● Further investment into low-carbon facilities and equipment by introducing internal carbon pricing
	Pressure to decarbonize and pursue environmental friendliness in the supply chain	Decline in competitiveness due to failure to meet user needs for environmental friendliness	Decrease in sales due to failure to meet user expectations for environmental friendliness	Risk	Medium	Short term	● Understand market needs through ongoing communication with users ● Ongoing R&D in energy savings
		Increased costs associated with switching to environmentally friendly materials	Increased costs associated with switching to electric furnace materials, recycled plastic, and bio-plastic, which emit less CO_2	Risk	Medium	Medium term	● Find suppliers that provide low-cost environmentally friendly materials ● Maintain consumer price elasticity through disclosure of the use of environmentally friendly materials
		Increased energy procurement costs due to switching to renewable energy	Increased costs associated with in-house power generation, power purchase agreements (PPA), switching to renewable energy, and purchase of environmental value certificates	Risk	Small	Medium term	● Reduce GHG emissions through further energy savings ● Seek partners in low-cost PPA and renewable energy projects
	Expansion of the renewable energy market	Increased demand for solar power-related products and systems from producers and users of renewable energy	Increased possibility for revenue growth by expanding product and system offerings	Opportunity	Medium	Short term	● Ongoing development of solar power-related products and systems in response to market demand
		Increased demand for zero energy houses (ZEH)	Increased possibility for revenue growth by strengthening offerings of flat-rate solar power services for homes and home energy management systems (HEMS)	Opportunity	Medium	Short term	● Provide energy solutions (systems, services) that meet market demand
	Expansion of environmental protection businesses	Expansion of circular economy business models	Increased support from customers by establishing a waste-free circular economy business model, amid growing efforts for decarbonization in society	Opportunity	Small	Medium term	● Further pursue the recycling of waste plastic by leveraging closed-loop material recycling and other technologies ● Aggressively create new business opportunities through ongoing information gathering on solar cell recycling
4℃	Intensifying weather-driven disasters	Disruptions in the supply chain	Intensifying weather-driven disasters affect Sharp suppliers and bases and the supply chain, leading to a loss in sales opportunities for Sharp	Risk	Medium	Long term	● Purchase from multiple sources and regions ● Survey the status of our main suppliers' business continuity plans (BCP) and reinforce measures ● Further upgrade BCPs at Sharp bases

* Short term: three years or less; medium term: by around 2030; long term: by around 2050.

Environmental Initiatives: Climate Change

Greenhouse Gas Emissions Based on the GHG Protocol Initiative

Sharp calculates greenhouse gas emissions based on the GHG Protocol*1 and then works to limit those emissions across the entire supply chain.

*1 The GHG Protocol is an international standard for calculating greenhouse gas (GHG) emissions. It was jointly established by the World Business Council for Sustainable Development (WBCSD), a coalition of the world's leading companies, and the World Resources Institute (WRI), a United States-based think tank.
*2 Flat-panel TVs, air conditioners, refrigerators/freezers, washing machines/dryers, air purifiers, Plasmacluster Ion generators, microwave ovens, copiers/MFPs, solar cells.
*3 Annual power consumption of each product × number of units sold × product life × CO_2 emission coefficient. The calculation method was revised for fiscal 2023.
*4 TVs (CRT TVs, flat-panel TVs), air conditioners, refrigerators/freezers, washing machines/dryers.

Greenhouse Gas Emissions by Scope 1/2/3 Categories Based on the GHG Protocol Initiative (Fiscal 2023)

Category		Emissions (Thousand Tons CO_2)	Notes
Scope 1 (direct GHG emissions from business activities)		290	Emissions from combustion of fuel, etc.
Scope 2 (indirect GHG emissions from energy usage in business activities)		885	Emissions from the use of electricity. Location-based emissions (calculated using the average emission intensity of each region) were 1,005 thousand tons CO_2.
Total of Scope 1 and Scope 2		1,175	
Scope 3 (indirect GHG emissions from outside the scope of business activities)	1. Purchased goods and services	2,480	Emissions from the manufacture of materials procured for the main products*2 sold in the reporting year
	2. Capital goods	130	Emissions from the construction, manufacture, and transportation of capital goods (such as equipment, machinery, buildings, facilities, and vehicles)
	3. Fuel- and energy-related activities (not included in Scope 1 or 2)	219	Emissions from the procurement of fuels (natural resource extraction, manufacture, and transportation) consumed in the generation of electricity and heat procured from other companies
	4. Upstream transportation and distribution	164	Emissions from the transportation of parts and materials and products manufactured
	5. Waste generated in operations	2	Emissions from waste disposal and treatment
	6. Business travel	19	Emissions from business travel by all employees
	7. Employee commuting	17	Emissions from commuting by all employees
	8. Upstream leased assets	—	Included in Scope 1 and 2 emissions
	9. Downstream transportation and distribution	63	Emissions from the transportation (from retailers to end consumers) of the main products*2 sold in the reporting year
	10. Processing of sold products	201	Emissions from processing at destination of products
	11. Use of sold products	19,110	Emissions*3 from the use of the main products*2 sold in the reporting year
	12. End-of-life treatment of sold products	763	Emissions from recycling 4 types of appliances*4, copiers/MFPs, and PCs, and emissions of refrigerants when disposing of air conditioners
	13. Downstream leased assets	—	Not applicable
	14. Franchises	—	Not applicable
	15. Investments	—	Not applicable
Scope 3 total		23,168	
Scope 1 + 2 +3 total		24,343	

Environmental Initiatives: Climate Change

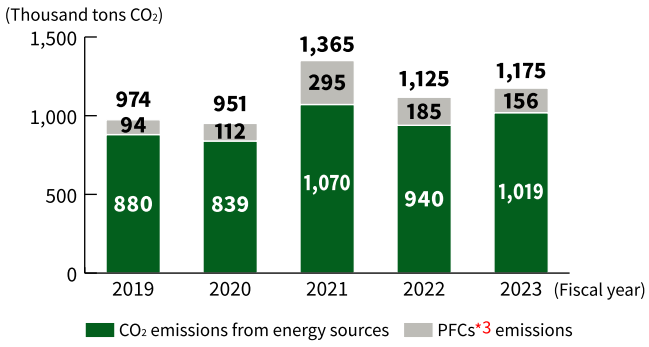
Reducing Business Activity-Linked Greenhouse Gas Emissions

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Reduce greenhouse gas emissions by 8.4% (baseline year: fiscal 2021)	■ Reduced greenhouse gas emissions by 13.9% (baseline year: fiscal 2021)	★★	■ Reduce greenhouse gas emissions by 33.3% (baseline year: fiscal 2021)

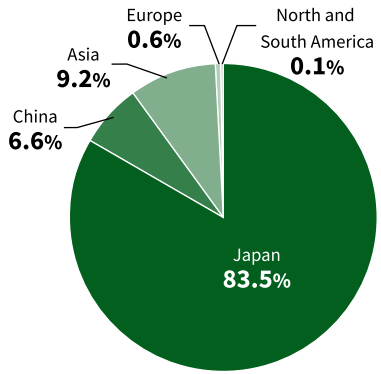
Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

To address the global problem of climate change, Sharp is working to reduce GHG emissions from its business activities. We aim to achieve net zero CO_2 emissions from business activities by 2030. The Sharp Group's GHG emissions from business activities in fiscal 2023 was down 13.9% to 1,175,000 tons CO_2 compared to the previous fiscal year.
Each Sharp production base is strengthening efforts involving all equipment and systems—ranging from production lines to utility systems for supplying electricity, gas, and water—to boost energy efficiency and reduce GHG emissions. In particular, the LCD and electronic component plants consume large amounts of energy. The plants' production, engineering, and environmental departments work together to reduce consumption of base-load energy. Efforts include installing inverters*1 and optimizing the air conditioning in clean rooms*2. To achieve its environmental goals, Sharp will continue to install solar power systems in its plants and other sites, introduce factory energy management systems, streamline production lines, and install energy-saving equipment in utility systems.

■ Sharp Group's GHG Emissions from Business Activities



■ GHG Emissions by Region (Fiscal 2023)



*1 A device to control the number of motor rotations.
*2 A room where the temperature, humidity, and cleanliness are kept at controlled levels.
*3 HFCs, PFCs, sulfur hexafluoride (SF_6), nitrogen trifluoride (NF_3).

Environmental Initiatives: Climate Change

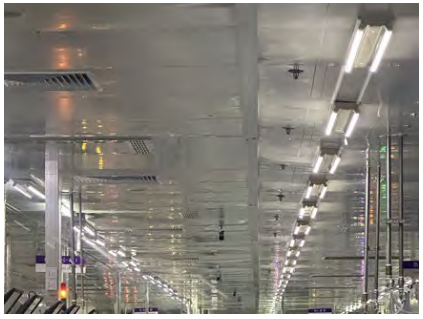
Reducing Business Activity-Linked Greenhouse Gas Emissions

Example

Reducing Greenhouse Gas Emissions at Production Sites

WSEC, Sharp's production base in China, has upgraded the electronic control system for the factory's air conditioning equipment and implemented total optimization control, as well as replaced all fluorescent lights with LED lamps. In addition, for the air compressors, thermal energy recovery is being used to help save energy while some of the equipment has been updated to more efficient models. Furthermore, a solar power system with an output of 2 MW-dc and annual power generation of 2,363 MWh was installed on the factory roof. As a result of these efforts, greenhouse gas emissions were reduced by approximately 4,000 t-CO_2 in fiscal 2023.

Sharp is actively pursuing energy-saving initiatives and the introduction of solar power systems at its domestic and overseas bases as it works to reduce greenhouse gas emissions globally.



Switching to LED lighting in the factory

Solar power system installed on the factory roof

Environmental Initiatives: Climate Change

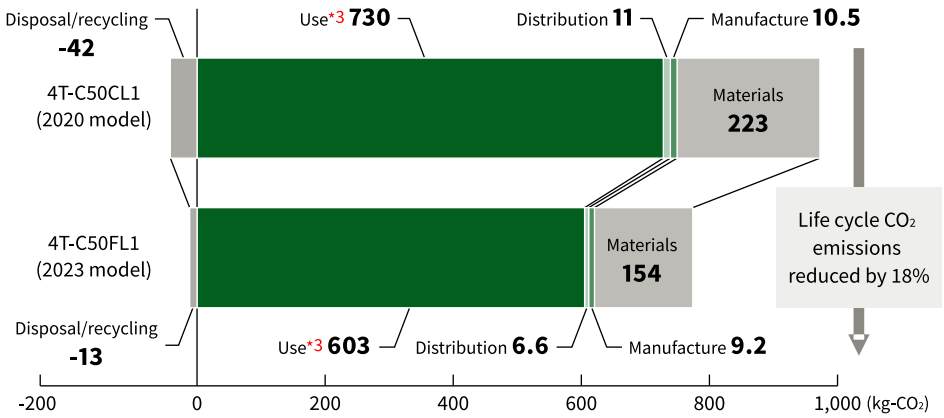
Product Life Cycle Assessment

Identifying and Reducing Environmental Impacts throughout the Life of Products

Sharp performs a life cycle*1 assessment (LCA) on its products to identify their impact on the environment throughout their service life and uses the results in product planning and development.

Consumer electronics generally have a large impact on the environment during use. Thus, by focusing on improving their energy savings, overall environmental impact can be effectively reduced. A decrease in the environmental impact of 4K*2 LCD TVs was achieved by improving energy efficiency and reducing the products' weight.

■ LCA Data for 4K LCD TVs

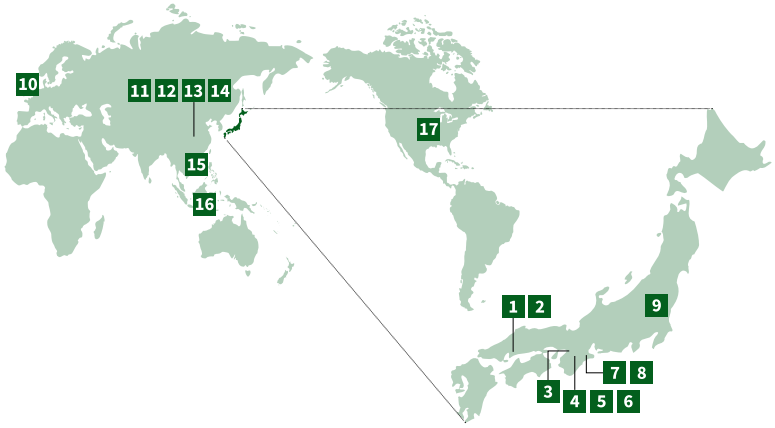


*1 The life of a product from materials and parts procurement to manufacture, distribution, use, disposal, and recycling.
*2 Ultra-high-definition video standard with a resolution of 3,840 × 2,160 pixels (8.29 million pixels). This is four times the resolution of current 2K full high-definition broadcasts (1,920 × 1,080 pixels; 2.07 million pixels).
*3 CO_2 emissions during use are calculated using a CO_2 emission coefficient (adjusted) announced by Japan's Electric Power Council for a Low Carbon Society (ELCS).
*4 An agreement whereby a company or other entity purchases electricity, derived from natural energy sources, from a power producer or supplier on a long-term basis.

Utilizing Renewable Energy

Sharp has introduced the use of PV systems, green power, and other power sources to its domestic and overseas production bases and is advancing the use of renewables to do its part to create a decarbonized society. In fiscal 2023, the amount of green electricity purchased increased significantly to 14.58 million kWh, as a result of the full-scale implementation of PPAs (power purchase agreements)*4 at Sharp factories in Thailand and China. In-house solar power generation was 4.49 million kWh. Also, in fiscal 2023, Sharp began purchasing non-fossil fuel certificates for its Kameyama Plant and factory in Vietnam. As a result, the proportion of renewable energy in electricity consumption has increased to 6%.

■ Solar Power Systems at Sharp Bases Worldwide



Domestic bases	
No.	Name
1	Hiroshima
2	Fukuyama
3	Yao
4	Katsuragi
5	Nara
6	Tenri
7	Kameyama
8	Mie
9	Tochigi
Overseas bases	
No.	Name
10	SUKM (UK)
11	Pinghu (China)
12	NSEC (China)
13	SOCC (China)
14	WSEC (China)
15	SATL (Thailand)
16	SEID (Indonesia)
17	SMCA (US)

Solar power systems installed on the roofs of Sharp production bases (left: Kameyama in Japan; right: NSEC in China)

Environmental Initiatives: Climate Change

Utilizing Renewable Energy

Example

"Eee Connect" System Connects Solar Power Systems, Storage Battery Systems, Home Appliances, and EVs

Sharp released the JH-WE2301 EV converter, which can charge and discharge EVs, and has built a V2H (vehicle-to-home) system that connects EVs to homes. In order to make effective use of electricity generated from sunlight, in addition to enabling connection to storage batteries and, from November 2023, connection to home appliances, in March 2024 Sharp began offering the Eee Connect system to enable connection to EVs as well.
This system coordinates the three elements of solar power generation, storage batteries, and EVs to allow for centralized control of EV charging and discharging in addition to conventional solar power generation and storage battery use. Clean electricity generated from sunlight is used to charge the EV as direct current (DC), thus enabling the generated electricity to be consumed efficiently within the home as well as making maximum use of solar power for driving the EV.
This EV converter is the smallest and lightest in the industry*1 and can be installed on the wall of a home, making it possible to install it even in parking lots, where space is limited.
COCORO Energy, Sharp's cloud-based HEMS*2 service, which smartly and automatically controls energy equipment, will also feature a new EV connection function. When a weather warning is issued due to a typhoon or other weather event, the system will respond to the warning to allow users to prepare for power outages by charging not only the storage battery but also the EV.
In addition to an equipment warranty, the EV converter comes with a range of paid services, including 24/7 call center support and compensation for natural disasters and for damages due to accidents*3. Users can contact Sharp in the unlikely event that a problem occurs at night. The product is covered for damage caused by natural disasters, such as lightning strikes or typhoons, and for damage caused by accidents, like the charging/discharging connector*4 falling. This means users can use the EV converter with peace of mind after purchase.
Sharp will continue to contribute to the widespread adoption of renewable energy by offering total solutions, including the Eee Connect system, which connects a solar power system, a storage battery system, home appliances, and EVs, as well as offering after-sales services.

*1 For a V2H system that can connect a solar power system, a storage battery system, and DC. As of February 15, 2024; based on Sharp findings.
*2 HEMS: Home energy management system. A system for managing and controlling the energy used in a home.
*3 Paid services provided jointly by Sharp Energy Solutions Corporation, Sompo Japan Insurance Inc., and Sompo Warranty Inc. To receive this service, users must have comprehensive movables insurance (paid) provided by Sompo Japan Insurance.
*4 Refers to the part of the EV converter that connects with the EV.

About Eee Connect

The three E's in Eee Connect stand for energy, environment, and economy. By connecting devices and services in a "good" way (in Japanese, the word for "good" is pronounced like the letter E), clean energy generated by sunlight can be used economically and with consideration for the environment.
Eee Connect is Sharp's own residential energy solution that connects a solar power system, cloud storage battery system, V2H system, cloud HEMS service, home appliances, and residential equipment to make effective use of electricity generated by sunlight.
It is a total solution that only Sharp, a company that began developing solar cells in 1959 and has been involved in the energy business for over 60 years while also developing cutting-edge AI technologies, can provide.

Environmental Initiatives: Climate Change

Utilizing Renewable Energy

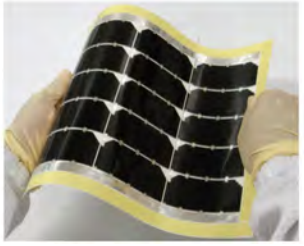
Example

SLIM*1, JAXA's Spacecraft Equipped with Sharp's Thin-Film Compound Solar Cells, Makes Successful Pinpoint Landing on the Moon

SLIM, the Japan Aerospace Exploration Agency (JAXA)'s spacecraft equipped with thin-film compound solar cells developed and manufactured by Sharp, successfully made a pinpoint landing (within 100 meters of target) on the Moon's surface early on January 20, 2024. It has been confirmed that the solar cells continued to operate normally following the landing.
Sharp began developing solar cells for outer space applications in 1967, and the first solar cells were installed on the Ume satellite in 1976. Since then, we have been developing and manufacturing outer space solar cells for nearly half a century as Japan's sole solar cell manufacturer certified by JAXA, and our solar cells have been installed on about 190 satellites*2 to date.
The thin-film compound solar cells installed on SLIM were developed using the same technology as the triple-junction compound solar module*3 that achieved the world's highest*4 conversion efficiency of 32.65%*5 in 2022 with the support of NEDO*6. The structure encapsulates the solar cell within a thin film, making it lightweight and flexible enough to be mounted on curved surfaces, thus achieving specifications suitable for applications in outer space that require high efficiency and light weight.
Sharp will continue to pursue research and development of solar cells for aerospace applications and contribute to satellite and space exploration projects, including those of JAXA.

■ Overview of Thin-Film Compound Solar Cells on Board SLIM

Structure	Sheet output	Sheet size	Number of sheets
• Compound triple-junction type • Film encapsulation	20.9 W	297 x 271 x 0.25 mm (H x W x D) Weight approx. 41 g*7	26 sheets (total power output: approx. 540 W)



Left: SLIM (artist rendering; ©JAXA)
Right: Thin-film compound solar cells installed on board SLIM

*1 SLIM (Smart Lander for Investigating Moon) is a small-scale lunar exploration spacecraft developed by JAXA, which plans to demonstrate technologies enabling high-accuracy landings required for future lunar and planetary exploration utilizing small spacecraft.
*2 As of November 30, 2023.
*3 A type of solar cell that achieves high conversion efficiency by incorporating three photo-absorption layers made of compounds consisting of two or more elements, for example indium, gallium, and arsenic, such that each layer absorbs light of a different wavelength.
*4 As of June 6, 2022, for solar modules at the research level (based on Sharp findings).
*5 Conversion efficiency confirmed by the National Institute of Advanced Industrial Science and Technology (AIST; one of several organizations around the world that officially certifies energy conversion efficiency measurements in solar cells) in February 2022. (Module surface approx. 965 square centimeters; maximum output 31.51 W)
*6 NEDO: New Energy and Industrial Technology Development Organization
*7 Total weight of installed sheets is approximately 1.07 kg.

Environmental Initiatives: Climate Change

Utilizing Renewable Energy

Example

Tandem/Silicon Stacked Solar Cell Module Achieves the World's Highest*1 Conversion Efficiency of 33.66%*2

Sharp, working under the Research and Development Project for Mobile Solar Cells*3 sponsored by NEDO*4, has achieved the world's highest conversion efficiency of 33.66% in a stacked solar cell module that combines a tandem double-junction solar cell module*5 and a silicon solar cell module.

The conversion efficiency of this module breaks the world record of 32.65%, which our company achieved under a NEDO project in 2022. The prototype solar cell module has achieved high efficiency by efficiently converting light of various wavelengths into energy by a new structure, which has compound two-junction solar cells on the top layer and silicon solar cells on the bottom layer. Additionally, the thickness of the tandem double-junction solar cells can be reduced to less than one-third that of conventional triple-junction solar cells, reducing material costs.

Going forward, Sharp will continue to conduct research and development to improve the efficiency and reduce the cost of solar photovoltaic modules, with a view to installing them in electric vehicles and mobile equipment as well as in the aerospace and aviation fields.

Tandem/silicon stacked solar cell module achieved a conversion efficiency of 33.66%

*1 As of October 27, 2023, for solar cell modules at the research level (based on Sharp findings).
*2 Figures confirmed in February 2023 by AIST (National Institute of Advanced Industrial Science and Technology) in Japan, one of the world's official measurement agencies for solar cells [module area: 775 cm^2, maximum output: 26.1 W].
*3 Project objectives include: Development of technology to promote solar power generation as a primary power source; development of technology for creating new markets for photovoltaic power generation; and research and development of solar cells for mobile vehicles and equipment (development of ultra-high-efficiency module technology). Involved in joint research themes with the University of Tokyo and Toyota Institute of Technology. Project period: FY2020 to 2024.
*4 NEDO: New Energy and Industrial Technology Development Organization
*5 Double-junction structure with indium/gallium/phosphide as the top layer and gallium arsenide as the bottom layer.

Environmental Initiatives: Climate Change

Utilizing Renewable Energy

Example

Sharp Installs Self-Consumption Solar Power System at MinebeaMitsumi*1 Plant in the Philippines

Sharp has installed a solar power system at the Cebu Mitsumi Plant run by MinebeaMitsumi Inc. in the city of Danao, Cebu Island, the Philippines. Operation began on October 19, 2023, after a ceremony was held at the plant to mark the completion of the installation.

The system has an output of around 7.9 MW dc, giving it one of the largest capacities*2 among self-consumption solar power systems installed on Japanese-affiliated factories in the Philippines. The system will generate an estimated 12,806 MWh annually. This equates to an annual reduction in greenhouse gas emissions of roughly 6,833 t-CO_2. The generated electricity will be used within the plant, allowing it to reduce the amount of electricity it purchases from the grid.

MinebeaMitsumi is installing solar power systems at its bases around the world as part of an environmental policy of further reducing greenhouse gas emissions from its operations. After Thailand, the Philippines is the second country where Sharp has installed a solar power system on a MinebeaMitsumi plant.

Sharp remains committed to spreading the use of renewable energy around the world.

■ Overview of the Self-Consumption Solar Power System

Location	Output (module capacity)	Annual power generation capacity (estimate)	Avoided greenhouse gas emissions (estimate)	Start of operation
Cebu Mitsumi Plant (Cebu, the Philippines)	Approx. 7.9 MW-dc	Approx. 12,806 MWh/year (initial year)	Approx. 6,833 t-CO_2/year (equivalent)	October 19, 2023

MinebeaMitsumi's Cebu Mitsumi Plant

*1 MinebeaMitsumi Inc. develops and manufactures machined components such as bearings, along with motor components, analog semiconductors, measuring devices, and other machinery and electronic components. Headquarters: Kitasaku-gun, Nagano Prefecture, Japan; Representative: Yoshihisa Kainuma, Representative Director, Chairman, and CEO

*2 As of October 19, 2023; based on Sharp findings.

Environmental Initiatives: Climate Change

Reducing Logistics-Related Environmental Impact

Reducing the Environmental Impact of Logistics in Japan

Sharp observes a rule set forth in the Japanese Act on the Rational Use of Energy (Energy Conservation Act) that requires specified shippers to reduce energy intensity by 1% or greater per year. All Sharp Group companies in Japan are working to reduce the environmental impact and costs associated with logistics.

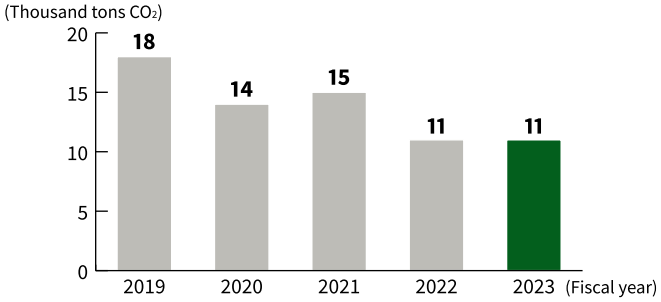
In fiscal 2023, Sharp Group greenhouse gas (GHG) emissions from shipping activities in Japan were 11,000 tons CO_2. For Sharp Corporation, energy intensity was improved by an average of 3.1% for the most recent five years (fiscal 2019 to 2023). Sharp is steadily implementing a modal shift [*1], a change from conventional trucking to more environmentally friendly modes of transport, such as shipping (non-international coastal trading vessels) and rail (Japan Railways containers). And, by unloading imported goods at harbors chosen for their proximity to their main sales locations, Sharp is reducing re-transport between distribution centers. These efforts enable Sharp to reduce the environmental impact of its distribution activities.

For shipments, Sharp has been certified with an Eco Rail Mark [*2] by the Ministry of Land, Infrastructure, Transport, and Tourism and the Railway Freight Association.

*1 To shift freight transport from conventional trucking to more environmentally friendly modes of transport, such as rail and shipping.

*2 Products or companies that use a certain amount of rail transport for freight are given Eco Rail Mark certification. The mark is used on items such as product packaging and brochures to inform the public that a company uses environmentally friendly modes of transport.

■ GHG Emissions from Freight Shipments (Japan)



Eco Rail Mark certification

Reducing the Environmental Impact of International Logistics

Sharp has a wide range of initiatives to reduce the amount of GHGs that are emitted as a result of international shipping. The company is reducing airfreight volume as it switches to environmentally friendly modes of transport, and it is also improving load efficiency. Further, it is reviewing shipping routes and switching to harbors that are closer to the final destinations for products. Sharp is also switching to suppliers located closer to its factories.

In fiscal 2023, Sharp's GHG emissions from international transport were 112 thousand tons CO_2.

Environmental Initiatives: Resource Recycling

Minimizing and Recycling Business Activity-Linked Waste

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Final landfill disposal rate of less than 0.5%	■ Final landfill disposal rate 0.46%	★★	■ Final landfill disposal rate of less than 0.5%

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Curbing the Amount of Waste, etc. Generated

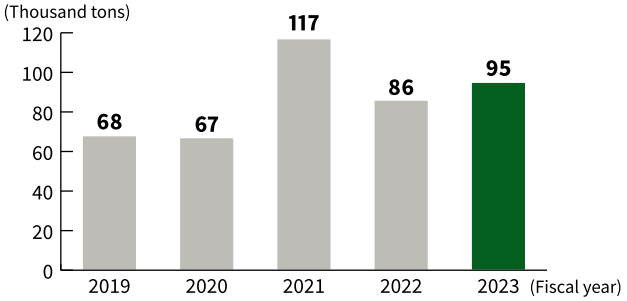
Sharp has been working to reduce waste and to recycle as much of it as possible in an effort to contribute to building a circular economy.
In fiscal 2023, the amount of waste, etc. generated by Sharp increased by 11% compared to the previous fiscal year to 95,000 tons, due to disposal of old equipment and expansion of production. The amount of recycling was 61,000 tons. Meanwhile, the final landfill disposal rate was 0.46%—low enough to achieve our second year in a row of zero discharge to landfill* on a global scale.
Sharp will continue to strengthen waste-reduction efforts at overseas bases while maintaining global zero discharge to landfill.

Appropriate Storage and Management of PCB Wastes

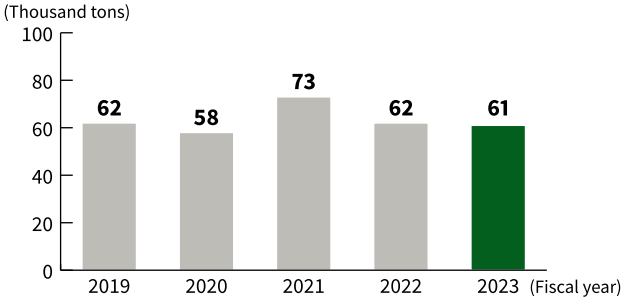
In Japan, Sharp properly stores and manages waste PCB (polychlorinated biphenyls) in accordance with the Act on Special Measures Concerning Promotion of Proper Treatment of PCB Wastes. Sharp has completed processing of all high-concentration waste PCB in fiscal 2022. As for the remaining low-concentration waste PCB, Sharp is on track to finish processing them at the earliest date possible.

* Sharp defines "zero discharge to landfill" as a final landfill disposal rate of less than 0.5%. Final landfill disposal rate (%) = Amount of landfill disposal ÷ amount of waste, etc. generated × 100.

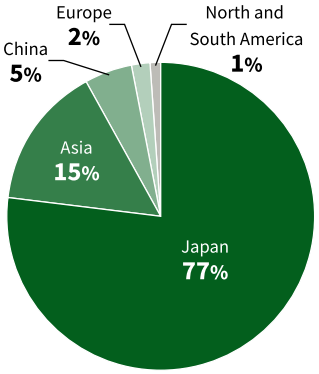
■ Amount of Waste, etc.



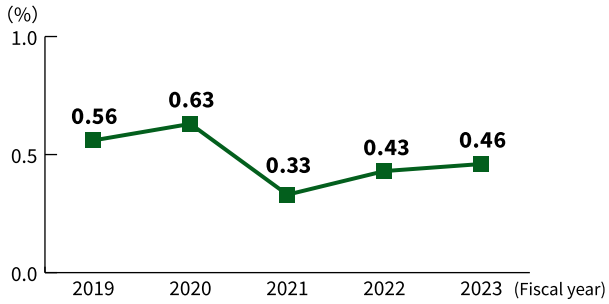
■ Amount of Recycling



■ Waste, etc. by Region (Fiscal 2023)



■ Final Landfill Disposal Rate



Environmental Initiatives: Resource Recycling

Expanding the Recycling of Used Products

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Improve the processing efficiency of air conditioner indoor units equipped with automatic filter cleaning	■ Processing efficiency improved by approx. 30%	★★	■ Improve the quality of recycled plastics; reduce the proportion of mixed plastics

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Sharp's Stance on Recycling Used Products

Sharp collects and recycles used products in compliance with the recycling laws and regulations of the respective country or region. Through the effective use of limited resources, Sharp is contributing to the realization of a sustainable society.

Japan

Recycling 4 Kinds of Home Appliances (Air Conditioners, TVs, Refrigerators, and Washing Machines)

As a member of the B Group*1 for home appliance recycling, Sharp has constructed—and is operating—a highly efficient recycling system consisting of 18 recycling plants in Japan. In fiscal 2023, Sharp collected 2.26 million units (down 1% over the previous fiscal year) of the four types of appliances covered by the Home Appliance Recycling Act. The processed and recycled weight amounted to approximately 65,000 tons (down 5% over the previous fiscal year). For all four appliance types, Sharp's rate of recycling exceeded the legally stipulated levels.

*1 The B Group consists of Sharp Corporation, Sony Corporation, Hitachi Global Life Solutions, Inc., Fujitsu General Ltd., Mitsubishi Electric Corporation, and other companies.

■ Sharp Corporation's Recycling Results for 4 Home Appliance Types (Fiscal 2023)

Note: All figures are rounded down to the nearest whole number.

	Unit	Air Conditioners	CRT TVs	Flat-Panel TVs	Refrigerators/ Freezers	Washing Machines/ Dryers	Total
Units collected from designated collection sites	Thousand units	328	74	956	452	448	2,260
Processed and recycled units	Thousand units	330	73	947	457	446	2,255
Processed and recycled weight	Tons	13,435	1,573	14,613	26,848	17,995	74,467
Recycled weight	Tons	12,773	1,174	12,671	21,669	16,939	65,228
Recycling rate	%	95	74	86	80	94	—
Legally required recycling rate	%	80	55	74	70	82	—

Toward Making Better Use of Resources

Sharp and Kansai Recycling Systems Co., Ltd.*2 have joined forces to make effective use of resources and to improve recycling efficiency.

Air conditioner indoor units with automatic filter cleaning have a more complex internal structure than models without this function and require experienced workers to dismantle them manually using the cell method*3. To deal with a shortage of these skilled workers, in fiscal 2023, Kansai Recycling Systems introduced a cutting device specifically for air conditioner indoor units. Cutting the indoor unit before dismantling makes it easier to remove the internal parts, allowing even unskilled workers to dismantle it efficiently and reducing the average dismantling time by around 30% per unit.

*2 A consumer electronics recycling company established in Japan with joint investment from Sharp, Mitsubishi Materials Corporation, and four other companies.
*3 A method in which one worker performs a series of tasks rather than dividing up the work.

Air conditioner indoor unit cutting device

Indoor unit after cutting

Environmental Initiatives: Resource Recycling

Expanding the Recycling of Used Products

Recycling Used Products and Communicating with Local Communities

In accordance with the Home Appliance Recycling Act, Kansai Recycling Systems Co., Ltd. recycles four types of used home appliances (air conditioners, TVs, refrigerators, washing machines) in Hirakata, Osaka Prefecture and Iga, Mie Prefecture. In September 2023, the cumulative total of appliances recycled since the start of operations in April 2001 was 20 million units*1. As a way of giving back to the community that has supported the company, and in the hope that the recycling of four familiar home appliances will encourage people to think more about the global environment, their own future, and the SDGs, Kansai Recycling Systems donated two picture books, Up Close! Factory Tour: TVs and Up Close! Factory Tour: Washing Machines (Plastic)*2 to local elementary schools. In addition, restrictions imposed by the pandemic have been lifted for factory tours, and in fiscal 2023 the company welcomed a total of 1,242 visitors from Japan and overseas, bringing the cumulative visitor total to more than 30,000 people. Kansai Recycling Systems also participated in off-site lectures and local events*3, including a washing machine dismantling show.

A show at a local event

*1 Number of home appliance recycling B Group manufacturer units
*2 Introduces recycling at Kansai Recycling Systems (published by Iwasaki Publishing Co., Ltd.)
*3 A washing machine dismantling show was held at the Mottainai Bazaar (Suita City, November 19, 2023) and Hirakata Eco Forum 2024 (February 10, 2024).

Design-for-Recycling Training

Sharp is committed to considering the whole life cycle of products it manufactures. Together with Kansai Recycling Systems—where four kinds of Sharp products are recycled—Sharp has been holding design-for-recycling training for product planners and designers. In April 2024, 13 people, including those in charge of white goods, took part in the training.

The training emphasized the importance of designing products with an eye to their eventual recycling, with a focus on plastic material recycling. It also included a tour of the recycling plant. Participants practiced dismantling a fully automatic washing machine that had been used for over a decade. They saw how the ease of dismantling depends on the fastening method used—for example, whether the product is held together with screws. They also learned the importance of separating components into discrete material types.

Participants gained a better understanding of the recycling process, and expressed a desire to focus on achieving both quality and recyclability in their future designs. We will continue to foster awareness within the company so that we can pursue manufacturing that considers everything from material selection to end-of-life recycling.

Dismantling a washing machine

Reusing and Recycling Copiers and MFPs in Japan

Sharp is reusing and recycling copiers and MFPs collected both through Sharp distribution channels and through common industry channels. The company is also collecting used toner cartridges and remanufacturing them to the same quality standard of new products, thus assuring that customers will always get the same high quality. Sharp designs its toner cartridges for easy reuse and recycling. This ensures durability and reduces the amount of time needed to reprocess used cartridges.

Environmental Initiatives: Resource Recycling

Expanding the Recycling of Used Products

North America

In 2007, Sharp's American manufacturing and sales base SEC established MRM (Electronic Manufacturers Recycling Management Company, LLC)*1 to manage recycling of AV products. Growing nationwide efforts have seen a total of 2,400 collection points established for used products. MRM operates in accordance with the laws and regulations of each state and recycled a total of 53,000 tons of used products in fiscal 2023.
In addition, since 2008, as part of its efforts to protect the environment and reduce landfill waste, SEC has been working with recycling companies to recycle all Sharp consumables, including toner cartridges, bottles, toner collection containers, and drum units. SEC encourages recycling by covering the materials and costs required to return used products.

*1 MRM is a joint venture with Panasonic Corporation of North America and Toshiba America Consumer Electronics, LLC.

Consumables shipping box

Europe

The EU WEEE Directive*2 (2012/19/EU) stipulates that the manufacturer is responsible for collecting and recycling products shipped within the EU. Each Sharp European sales base (Germany, France, Finland, Denmark, Poland, Hungary, Austria) collaborates with reputable recycling entities in the EU sales region to meet this requirement. Efforts are also made to reduce the volume of landfill waste by taking into account regulations governing packaging materials and batteries.

*2 Waste Electrical and Electronic Equipment Directive.

India

In India, the E-Waste (Management) Rules—which came into effect in 2016 and were amended in 2022—require manufacturers and others to properly dispose of used electronic/electrical equipment. SBI, Sharp's Indian sales base, has partnered with a local recycler, 3R Recycler, to carry out the recycling of used products.
The Plastic Waste Management Rules, which also came into effect in 2016, require manufacturers, importers, sellers, and regional governments to properly process plastic waste. SBI works with a local NGO, the Indian Pollution Control Association, to collect and recycle plastic waste.

Environmental Initiatives: Resource Recycling

Environmental Technologies That Contribute to a Sustainable, Recycling-Based Society

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Develop flame retardancy formulation for environmentally friendly, halogen-free recycled polystyrene (PS)	■ Completed screening and basic evaluation of flame retardants for flame retardancy formulation development	★	■ Consider ways to add value to polystyrene (PS) ■ Expand use of recycled plastics in products

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Expanding the Use of Recycled Plastics

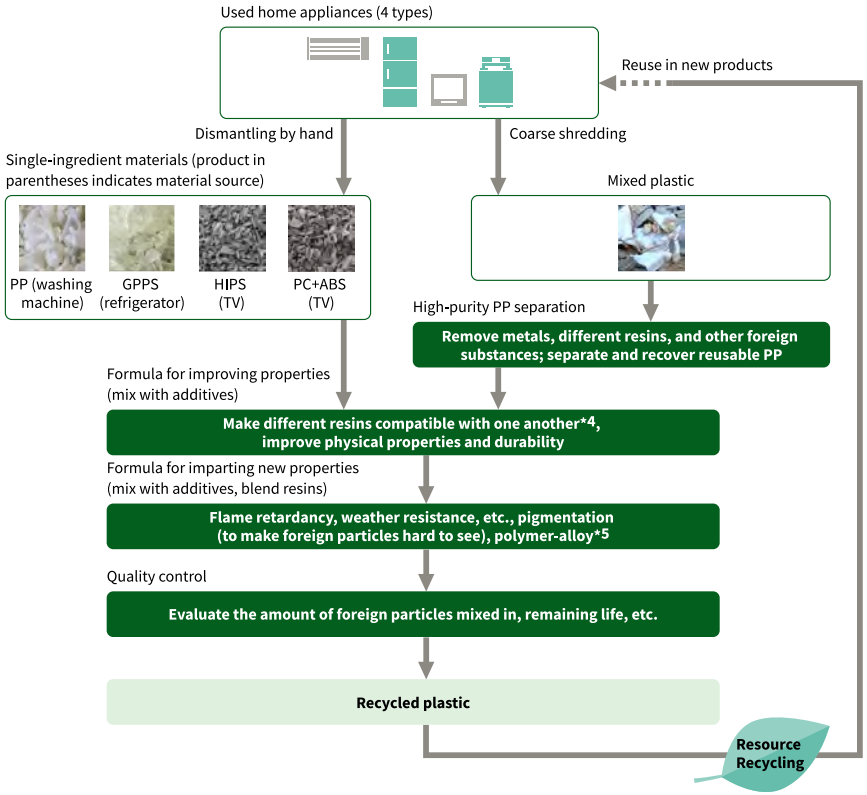
In recycling materials, such as when end-of-life plastic is reused to make new products, the open-loop material recycling scheme is commonly adopted. It involves reusing recycled materials to make things like daily necessities and sundries. The majority of these are used only once and disposed of as municipal waste.

As opposed to this type of recycling, Sharp and Kansai Recycling Systems Co., Ltd.*1 jointly developed closed-loop plastic material recycling technology with a view to making better use of finite resources and reducing waste. This technology enables the repeated recovery of plastic from used consumer electronics products as well as the reuse of that plastic in parts of new consumer electronics products. The technology has been in practical use since fiscal 2001, when the Act on Recycling of Specified Kinds of Home Appliances (Home Appliance Recycling Act) was enacted in Japan.

Sharp has been striving to make more plastic recyclable through the development of new technologies. These include a technology for recovering high-purity polypropylene (PP) from mixed plastic parts and parts that contain metal; a technology for improving the properties of recovered PP, HIPS*2, and PC+ABS*3 materials so that their quality is on a par with that of virgin materials; a technology that gives materials added value by imparting properties such as flame retardancy, weather resistance, and an antibacterial property, with the aim of expanding applications for recycled plastic; and a quality-control technology for ensuring optimal quality. Thanks to the development and introduction of these technologies that integrate everything from recovery to quality control, Sharp has been able to establish closed-loop material recycling to produce high-grade recycled plastic.

*1 A consumer electronics recycling company established in Japan with joint investment from Sharp, Mitsubishi Materials Corporation, and four other companies.
*2 High-impact polystyrene (general-purpose polystyrene [GPPS] given impact resistance by adding rubber).
*3 A polymer alloy of polycarbonate and acrylonitrile, butadiene, and styrene (a resin given new properties as a result of mixing in several types of polymers).

■ Recycling Plastic Recovered from the 4 Types of Home Appliances



*4 Blending multiple types of resins uniformly and finely dispersed into one another at the molecular level.
*5 A resin given new properties as a result of mixing in several types of resins.

Environmental Initiatives: Resource Recycling

Environmental Technologies That Contribute to a Sustainable, Recycling-Based Society

Expanding the Use of Recycled Plastics

In response to the increasing seriousness of environmental pollution from used plastic, countries are enacting and enhancing various laws and regulations related to plastic recycling. There is a push to move away from the traditional linear economy, characterized by mass production, mass consumption, and mass disposal, and towards a circular economy, characterized by limited input and consumption of new resources and minimal waste production. In Japan, as well, society's attitude towards plastic usage has changed significantly, as evidenced by the enforcement of the Plastic Resource Circulation Act*. The Act focuses on resource recycling across the entire life cycle of plastic products, making it increasingly important that plastic materials are properly disposed of and recycled.

Against this background, Sharp is pursuing greater recycling of used plastics, not only through horizontal recycling, in which used plastics are made as good as new material and incorporated into the same parts as they were originally used, but also through upgrade recycling, in which the recycled plastic is given added value with flame retardancy, weather resistance, or high stiffness.

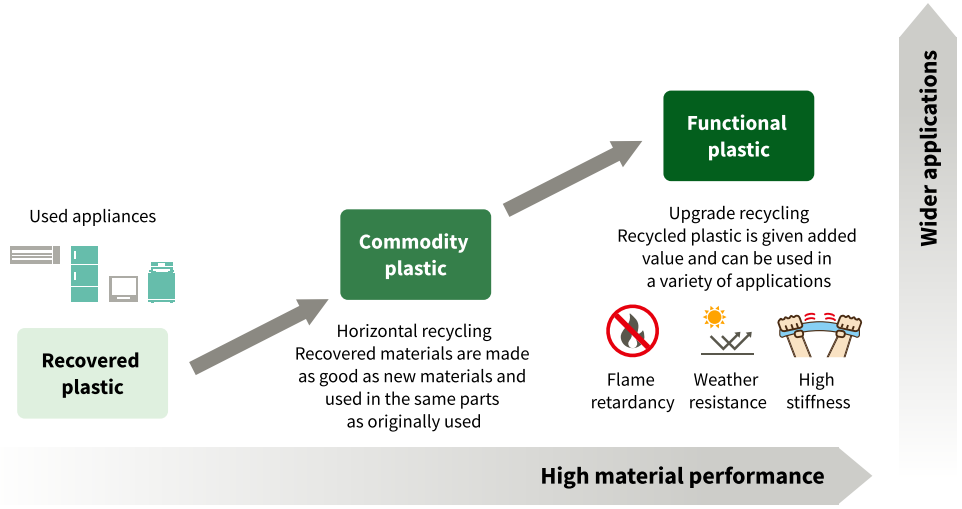
In fiscal 2023, Sharp developed colored recycled polypropylene and used the material in the external parts of stick vacuum cleaners. Polypropylene recovered from used home appliances is given the physical properties and long-term durability demanded in home appliances using Sharp's own formulation technology.

One of the challenges in using recycled plastics is color variation. The used plastics that become raw materials contain a mix of different colors; thus, if recycled as-is, they would turn gray and their uses would be limited. As a countermeasure, coloring the material with a darker color would reduce color variation, but there is a trade-off in that adding pigments would reduce physical properties and durability. By optimizing the formulation it has developed, Sharp has made it possible to mass produce recycled plastics that maintain their physical properties and durability while also ensuring aesthetic qualities. And by using recycled plastics for exterior parts, we can expect further reductions in plastic waste.

As a further initiative for the future, Sharp will advance the development of recycled plastics, such as PS and ABS, which can also be used for exterior parts, and will accelerate their use into products.

* This law is focused on comprehensive plastic recycling across the entire life cycle of plastic-containing products, encompassing everything from manufacturer product design and production to waste disposal (effective as of April 1, 2022).

■ Used Plastic Recycling Method



■ Examples of Colored Recycled Polypropylene Use

Colored recycled polypropylene pellets

Stick vacuum cleaner

Cleaning cover + dust partition

Gap nozzle

Stand

Environmental Initiatives: Resource Recycling

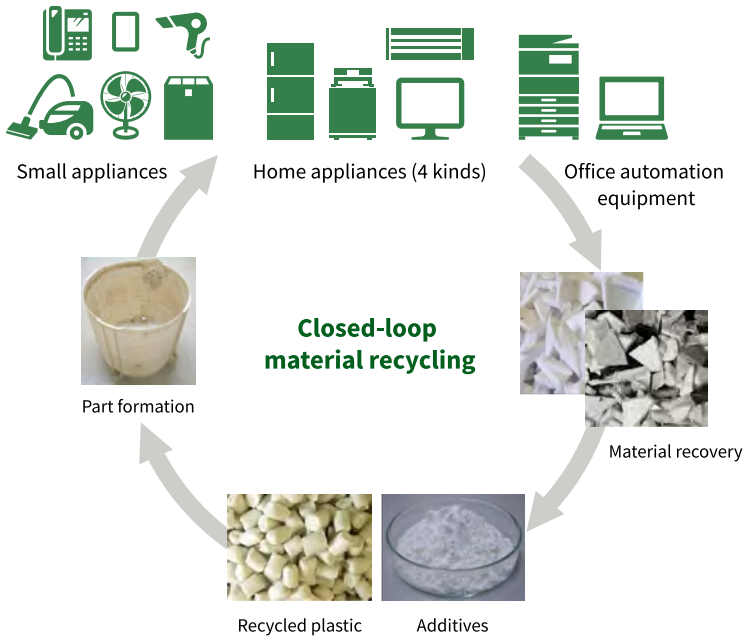
Environmental Technologies That Contribute to a Sustainable, Recycling-Based Society

Establishing a Circular Economy

The use of recycled plastic developed through Sharp's own closed-loop material recycling technology was extended to refrigerators, air conditioners, washing machines, and small appliances released in fiscal 2023. In fiscal 2023, the cumulative total amount used since 2001 reached 21,000 tons.

Moving forward, Sharp aims to expand closed-loop material recycling to all of its products, not just these four home appliances, to contribute to the realization of a circular economy.

■ **Establishing a Circular Economy**



Related information: >
[Closed-Loop Plastic Material Recycling Technology]

■ **Used Plastic Recycling Method**

Refrigerator

Washing machine

Air conditioner

Stick vacuum cleaner

Ceramic fan heater

Car Plasmacluster Ion generator

Handheld device (Handy Terminal) charger

Product	Recycled Plastic	Part	Source
Refrigerator	PP	Duct cover	Refrigerator vegetable case
		Pump cover	Refrigerator vegetable case
		Evaporator cover	Washing machine spin tub, balancer, other
Washing machine	PP	Washing tub	Washing machine tub
Air conditioner	PP	Condensation cover, motor holder	Washing machine spin tub, balancer, other
		Vertical louver, interlocking plate	Refrigerator vegetable case
Stick vacuum cleaner	PP	Stand, nozzle, other	Air conditioner, refrigerator, and washing machine parts
Ceramic fan heater	Flame-retardant PP	Casing	Air conditioner, refrigerator, and washing machine parts
Car Plasmacluster Ion generator	Flame-retardant PC + ABS	Internal parts	Flat-panel TV back cabinet
Handheld device (Handy Terminal) charger	Flame-retardant PC + ABS	Charger	Flat-panel TV back cabinet

Environmental Initiatives: Resource Recycling

Effectively Using Water Resources

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Improvement rate of water intensity: 10% (baseline year: fiscal 2021)	■ Improvement rate of water intensity: 6% (baseline year: fiscal 2021)	★	■ Improvement rate of water intensity: 10% (baseline year: fiscal 2021)

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Sharp's Stance on Water Resources

Water resource problems are arising on a worldwide scale with the increase in the world's population, the economic growth of developing countries, climate change, and other factors. Sharp is striving to make effective use of water resources in line with the environmental conservation guidelines stipulated in Sharp's Basic Environmental Philosophy, the Sharp Group Charter of Corporate Behavior, and the Sharp Code of Conduct. In particular, Sharp recognizes that securing the water resources necessary for the production of LCDs and other electronic devices is a serious issue that could affect business continuity. That is why Sharp is pursuing the reduced use of new water and an increased use of recycled water.

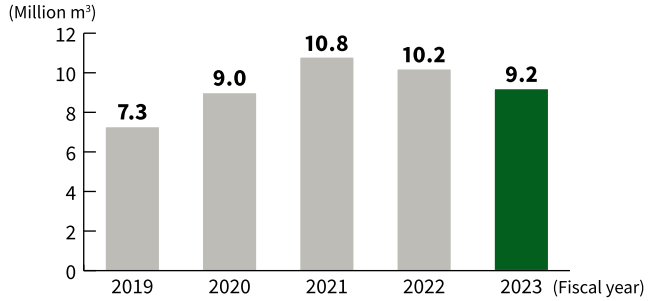
Reducing the Amount of New Water Used and Using More Recycled Water

The volume of new water used by Sharp in fiscal 2023 decreased by 9% compared to the previous fiscal year to 9.2 million m³. The improvement rate of water intensity was 6%. To minimize the effects on business continuity of the risk of water shortages, Sharp assesses water risk at its plants using the Aqueduct assessment tool developed by the World Resources Institute (WRI). SATL, Sharp's production base in Thailand, is located in an area of highest risk. It is therefore reducing its use of new water by recycling water discharged from the production process and other sources.

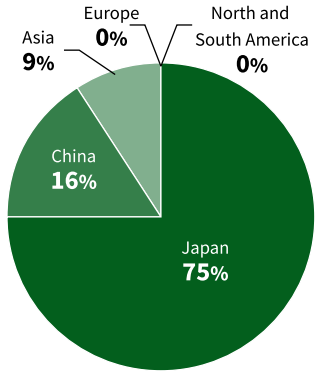
The Kameyama Plant (Kameyama, Mie Prefecture, Japan) and the Mie Plant (Taki District, Mie Prefecture, Japan) require a large amount of water in the production process for LCDs and other products. All of the water discharged from the production process is collected and reused via a closed-loop recycling system adopted at both plants. Through measures such as this, Sharp is maintaining a recycling rate* of at least 60%. Looking ahead, Sharp will pursue further water-use efficiency worldwide and boost production efficiency in accordance with business expansion.
In fiscal 2023, there were no litigation issues, fines, or penalties due to violations of water-related laws and regulations. There were also no serious water-related accidents.

* Recycling rate = Amount recycled ÷ (amount of new water + amount recycled).

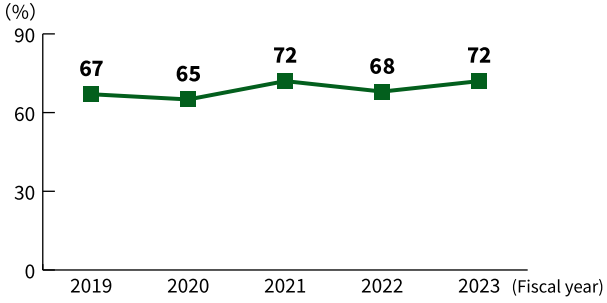
■ Volume of New Water Used



■ New Water Used by Region (Fiscal 2023)



■ Water Recycling Rate



Environmental Initiatives: Resource Recycling

Effectively Using Water Resources

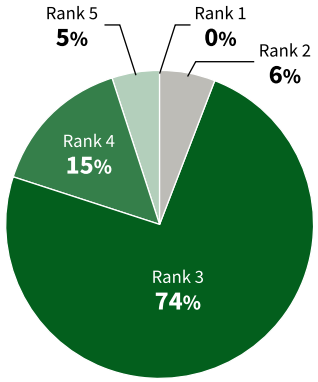
■ Water Used and Drainage by Region (Fiscal 2023)

(m³)

Region	Water withdrawal*1			Effluent					Amount consumed*3	Amount recycled
	Third-party water*2	Groundwater	Total	Surface water	Sewerage	Seawater	Groundwater	Total		
Japan	6,418,515	471,264	6,889,779	3,282,356	319,924	1,640,054	0	5,242,334	1,647,445	23,864,080
Asia	789,451	10,026	799,477	26,322	443,932	0	0	470,254	329,223	211,328
China	1,498,850	29,883	1,528,733	0	1,138,475	0	0	1,138,475	390,258	213,450
North and South America	16,229	0	16,229	0	16,229	0	0	16,229	0	0
Europe	7,459	0	7,459	0	6,891	0	0	6,891	568	0
Total	8,730,504	511,173	9,241,677	3,308,678	1,925,451	1,640,054	0	6,874,183	2,367,494	24,288,858

*1 Surface water, seawater, and produced water was 0.
*2 Industrial-use water and tap water.
*3 Water consumption = Water withdrawal – Effluent.
*4 Under Aqueduct, each region is assigned a water stress score. There are five levels, from rank 1 (low risk) to rank 5 (high risk).
*5 Areas with an Aqueduct water stress score of rank 4 or higher.

■ Volume of New Water Used by Water Stress Rank*4 (Fiscal 2023)



■ Volume of New Water Used in Water Stressed Regions*5 (Fiscal 2023)

(m³)

Region	Third-party water	Ground-water	Surface water	Seawater	Produced water	Total
Japan	35,516	0	0	0	0	35,516
Asia	734,590	0	0	0	0	734,590
China	1,032,868	0	0	0	0	1,032,868
North and South America	0	0	0	0	0	0
Europe	0	0	0	0	0	0
Total	1,802,974	0	0	0	0	1,802,974

Environmental Initiatives: Resource Recycling

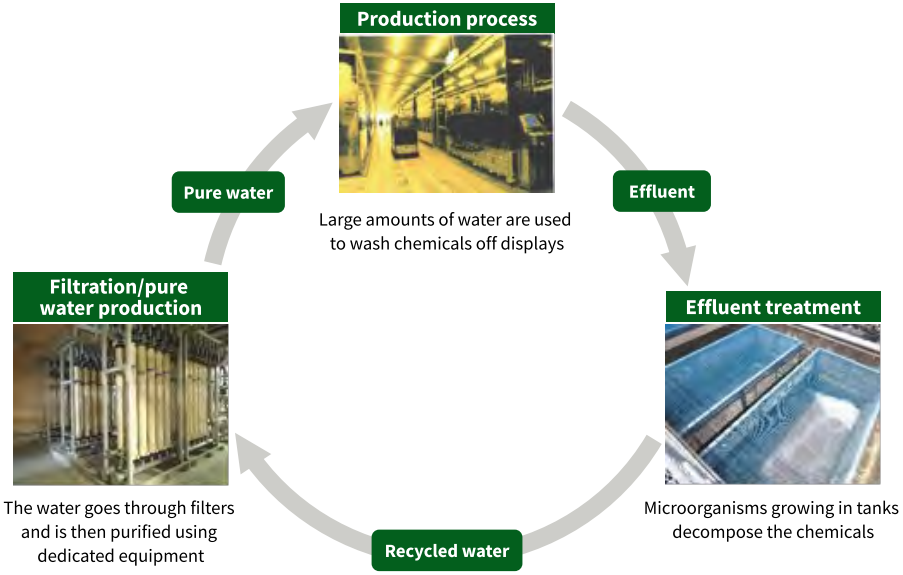
Effectively Using Water Resources

Example

Closed-Loop Water Recycling System

The Mie Plant (Taki District, Mie Prefecture) has adopted a closed-loop water recycling system to repeatedly recycle the large amount of water used for the production of displays. The water discharged from the production process contains chemicals that must not be released from the plant untreated. All of this water is collected and goes through steps such as passing through filters and biofiltration (the natural decomposition of chemicals using microorganisms), before being purified with dedicated equipment. The resulting water is used repeatedly in production.

■ **Closed-Loop Water Recycling Flow**



Example

Reducing Water Usage at Overseas Bases

At SATL, a production base in Thailand, large volumes of water are discharged from the production process and restrooms. This water was previously released into a nearby river after being properly treated. But now SATL is using newly installed water recycling equipment to purify that water and use it in the production process. The greywater* generated by this recycling process is kept in storage tanks and used for restrooms and for watering the factory's green areas. SMM, Sharp's production base in Malaysia, is using rainwater tanks to reduce the amount of water it requires. Large tanks installed in the plant collect rainwater that is used in, for example, air conditioner cooling equipment and restrooms. Thanks to these efforts, SATL and SMM have been able to reduce the consumption of clean water by about 89,000 m^3 per year.

* Water that is unfit for drinking but is not harmful to the human body or the environment.

SATL's water recycling equipment

SMM's rainwater tanks

Environmental Initiatives: Safety and Security

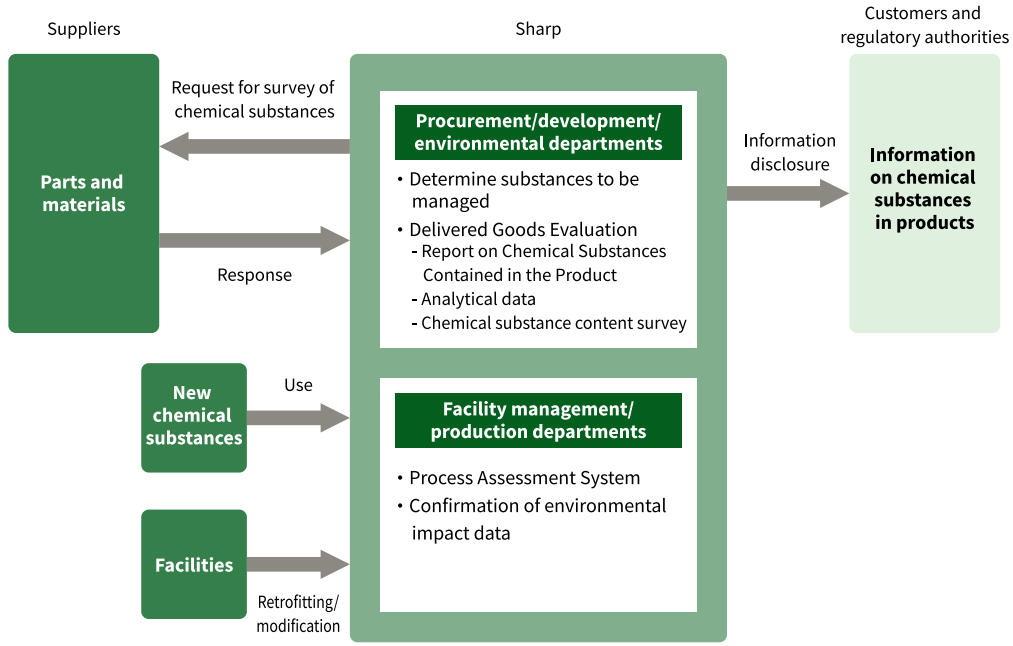
Sharp's Policy on Management of Chemical Substances

Sharp's products are built from a plurality of parts and materials and contain wide-ranging chemical substances. Our production processes at factories also use chemical substances.
Chemical substances are useful for enhancing the performance and quality of products, whereas some of them may have negative effects on the natural environment and human health. Today, regulations to manage chemical substances are implemented in many countries. Some include prohibited or restricted use of specified chemical substances and labeling requirements, and others require the management of information on product content data, reporting of the amounts discharged into the atmosphere and water areas, management of the working environment, and occupational health management.
In accordance with our Basic Environmental Policy of "Creating an Environmentally Conscious Company with Sincerity and Creativity," the Sharp Code of Conduct stipulates the management of chemical substances as follows, on the precondition of compliance with applicable environmental laws, regulations, and regional agreements.

- We will work to compile information related to hazardous substances that might damage the environment or human health, and will not, as a matter of principle, make use of these hazardous substances in our products and services.
- We will ensure proper use and control, and also reduce our consumption of chemical substances in our business activities, including research, development, and manufacturing, at levels meeting or exceeding those stipulated by laws and regulations.

To "properly manage chemicals in order to protect people's health, the natural environment, and ecosystems" is another goal of Sharp. It is a long-term objective set in the SHARP Eco Vision 2050 long-term environmental vision in the safety and security field of action.
An example of our specific efforts to manage chemical substances in products is Delivered Goods Evaluation, in which we check chemical substances contained in components and materials delivered for our production in cooperation with our suppliers. It allows us to monitor and manage information on chemical substances contained in our products. At the factory-level, the process assessment system is in place. It is a preliminary assessment of new chemical substances to be used or equipment retrofitted or modified for handling chemical substances and is performed to check their safety and environmental impact.

■ **Chemical Substance Management System**



Environmental Initiatives: Safety and Security

Managing Chemical Substances Contained in Products

In order to reduce environmental impacts of its products and to comply with chemical substance regulations in relevant countries, Sharp manages chemical substances contained in its products in accordance with its own management categories that take into account applicable laws and regulations in relevant countries, voluntary standards set by industry groups, and even potential future regulations. We determine chemical substances that we should manage according to these categories, notify suppliers, and conduct a survey of chemical substances contained in products to obtain chemical substance content data.

Determining Declarable Substances

Sharp's Standard Manual for Management of Chemical Substances Contained in Parts and Materials is made available to the public to clarify the chemical substances it manages according to its own management categories.
This manual divides the target chemical substances into four categories: banned substances, substances banned depending on the application, candidate substances to be banned, and managed substances. For each category, applications, criteria values, and the date of total abolition are defined. These, as well as our in-house standards, are reviewed annually in anticipation of future legal and regulatory trends.

Related information: >
Standard Manual for Management of Chemical Substances Contained in Parts and Materials

Chemical Substance Management Categories

Category	Description	Remarks
Banned substances	Substances that cannot be used for any purpose	● Substances whose inclusion in products is currently regulated or is expected to be regulated in the future under laws and regulations and on environmental labels in Japan or overseas ● Substances that Sharp regulates on its own initiative in advance of global trends because it is widely known that their environmental impact is high and alternative substances exist
Substances banned depending on the application	Substances regarded as banned by Sharp depending on the application (excluded applications)	
Candidate substances to be banned	Substances that are candidates for being banned; substances to be substituted if contained in products	● Substances expected to be banned in the near future under laws and regulations in Japan or overseas ● Substances that Sharp may ban in the future, depending on trends in laws and regulations, but that cannot be categorized as a Sharp banned substance at present because safety thresholds, ban dates, regulated applications (excluded applications), etc. have not been determined under laws and regulations
Managed substances	Substances for which it is necessary to ascertain whether the specified substance is present, the amount contained, and so on	● Substances for which disclosure of information on their usage status in products is required, or is expected to be required in the future, under laws and regulations and on environmental labels in Japan or overseas ● Substances for which customers have requested, or for which there is a possibility of being requested, that their usage status information in products be disclosed

Delivered Goods Evaluation

We conduct Delivered Goods Evaluation in cooperation with suppliers. Its purpose is to assess the chemical substances contained in parts and materials (materials, general components, finished and semi-finished products, indirect materials, others) sourced from suppliers according to the chemical substance management categories. Information obtained through the Delivered Goods Evaluation is used for understanding chemical substances contained in products and compiling information to be shared with our supply chain.

Report on Chemical Substances Contained in the Product and Analysis Data

Sharp's suppliers are required to submit a Report on Chemical Substances Contained in the Product before they deliver a new component or material for the first time. This is used to confirm their conformity with the regulations prohibiting the use of specific chemical substances in products in relevant countries. With this report, we check the presence of banned substances and decide whether to purchase the component or material.
Suppliers must also submit analysis data on the 10 substances regulated under the EU RoHS Directive* (lead, mercury, cadmium, hexavalent chromium, PBB, PBDE, DEHP, BBP, DBP, and DIBP) for confirmation of compliance with the regulatory requirements.

* An EU directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment.

Related information: > Report on Chemical Substances Contained in the Product, Analysis Data

Environmental Initiatives: Safety and Security

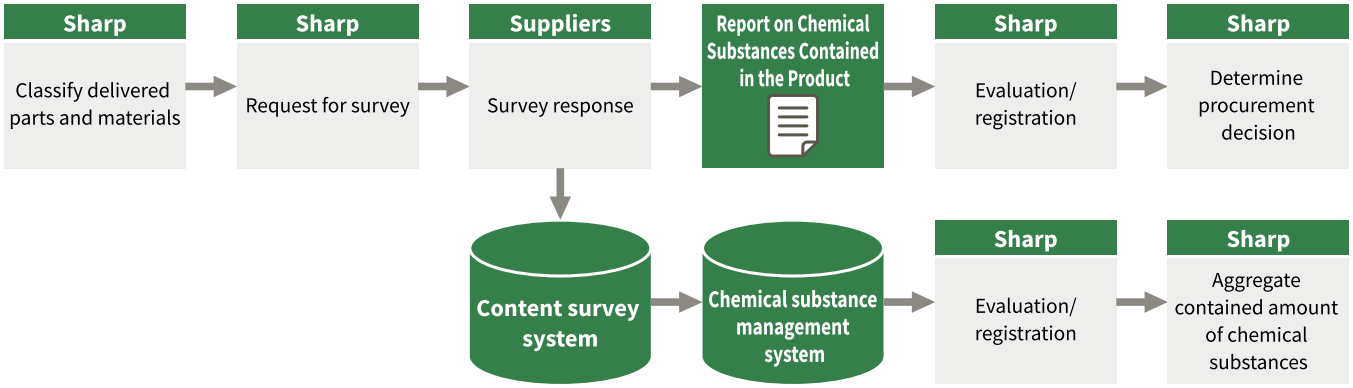
Managing Chemical Substances Contained in Products

Chemical Substance Content Survey

The EU REACH regulations*1 and other legal requirements in countries around the world oblige companies to communicate and disclose information on chemical substances contained in their products throughout their supply chain. To meet these requirements, it is necessary to have a system through which all supply chain partners—whether supplying raw materials, materials, parts, or finished products—cooperate to gather, aggregate, and share information on chemical substances. Sharp's suppliers are asked to enter information on how much chemical substances are contained in their parts and materials, and where, in the Chemical Substance Content Survey System. This helps us gather information on chemical substances contained in our products, which is then used to manage and aggregate data on our chemical substance management system. For information collection, Sharp also utilizes chemSHERPA*2, an information sharing scheme compliant with the IEC 62474*3 international standard.
Sharp has also been registered with the SCIP*4 database since January 2021. SCIP is one of the EU's measures aimed at building a circular economy.

*1 An EU regulation mandating the registration, evaluation, authorization, and restriction of chemical substances manufactured or imported into the EU.
*2 An information sharing scheme developed under the leadership of the Japanese Ministry of Economy, Trade and Industry for the purpose of efficiently communicating information on chemical substances in products over the entire supply chain.
*3 An international standard on the procedures and details of information sharing in the supply chain for products and components in the electrical and electronics industry containing chemical substances.
*4 SCIP: Substances of Concern in articles as such or in complex objects (Products). A database for information on substances of very high concern (SVHCs) managed by the European Chemicals Agency.

■ Delivered Goods Evaluation (Evaluative Process for Newly Delivered Parts and Materials)



Environmental Initiatives: Safety and Security

Effective Management of Chemical Substances Used at Factories and Their Risk Management

Sharp strives to minimize the risk of environmental pollution and accidents associated with chemical substances and to properly meet chemical substance regulations. To this end, Sharp controls chemical substances used at, and released from, its production bases by implementing the process assessment system and the monitoring and risk management of chemical substances. To minimize the environmental impact and ensure occupational safety, workers handling chemical substances go through regular education and training. They also receive regular health checks.

Process Assessment System

The process assessment system is Sharp's in-house system for preliminarily assessing the hazards, safety measures, and other factors of chemical substances. This assessment applies when a new chemical substance is to be introduced or when the procedure for handling chemical substances needs to be changed, for example. The system ensures that chemical substances are properly managed at all stages from procurement to disposal and that safety measures are implemented for the equipment handling them. It is designed to review the appropriate disposal of waste chemical substances, the proper treatment of exhaust gas and wastewater, and safety procedures for workers handling chemical substances, and to evaluate and determine the conditions for the safe use of chemical substances. Chemical substances are grouped into four categories according to their gravity of impact on safety/health, hazard/explosion, and environmental conservation: legally banned substances, sensitive substances, managed substances, and registered substances. An appropriate management level is assigned to each category.

Chemical Substance Management Categories under the Process Assessment System

Category	Description
Legally banned substances	Chemical substances that are banned for production, etc. under laws and regulations. Substitutes for them need to be searched for.
Sensitive substances	Chemical substances that are not legally banned but are banned by Sharp for use due to their high levels of toxicity (acute toxicity/carcinogenicity) or hazards (explosiveness/flammability). Substitutes for them need to be searched for.
Managed substances	Chemical substances that have toxicity (corrosiveness/irritancy), hazards (combustibility/spontaneous combustibility), or other concerns but may be used under adequate control.
Registered substances	Chemical substances that have limited toxicity or hazards and thus may be used under specified control.

Monitoring and Risk Management of Chemical Substances

Sharp has established voluntary standards that are stricter than either the regulatory requirements or the levels agreed upon with local communities for chemical substances used at its production bases. These standards ensure the comprehensive monitoring and management of the target chemical substances released and transferred, as well as the concentrations and emissions of air and water pollutants.

Environmental Initiatives: Safety and Security

Release and Transfer of PRTR-Listed Substances

Sharp monitors and reports the release and transfer of chemical substances covered by the Japanese PRTR*1 Act. In fiscal 2023, in response to a revision in the PRTR Act, Sharp reviewed the target substances. Twenty-three of the PRTR chemicals were handled in Japan and five overseas*2 in quantities of 500 kg or more by one or more plants during fiscal 2023.

*1 PRTR: Pollutant Release and Transfer Register. A system that mandates the collection and dissemination of information, such as the amount of harmful chemicals discharged and transferred.
*2 Sharp defines target substances based on laws in Japan.

PRTR Data for Japan (Fiscal 2023)

(kg)

PRTR No.	Chemical	Amount Handled	Amount Discharged		Amount Transferred		Amount Consumed		Amount Removed
			Into Atmosphere	Into Public Water Areas	Into Sewerage	Into Waste, etc.	Contained in Products	Recycled	
20	2-Aminoethanol	2,002,848	909	0	0	28,776	0	1,725,578	247,585
44	Indium and its compounds	37,912	0	0	0	4,922	5,264	27,726	0
80	Xylene	3,552	18	0	0	0	0	0	3,534
83	Cumene	537	0	0	0	0	0	510	27
135	2-methoxyethyl acetate	104,000	664	0	0	0	0	78,126	25,210
232	N, N-dimethylformamide	26,082	0	0	0	0	0	0	26,082
272	Copper salts (water-soluble, except complex salts)	81,796	0	0	0	71,028	8,815	1,160	793
343	Pyrocatechol (also called catechol)	1,793	0	0	0	1,793	0	0	0
374	Hydrogen fluoride and its water-soluble salts	806,820	7,182	0	1,075	383,863	0	35,311	379,389
401	1,2,4-benzenetricarboxylic 1,2-anhydride	773	0	0	0	62	711	0	0
405	Boron compounds	5,886	32	0	0	5,499	62	293	0
412	Manganese and its compounds	23,141	0	0	0	550	22,591	0	0
438	Methylnaphthalene	10,271	47	0	0	0	10,224	0	0
453	Molybdenum and its compounds	15,828	0	0	0	4,273	475	11,080	0
594	Ethylene glycol monobutyl ether	39,921	1,833	0	0	16,924	0	40	21,124
627	Diethylene glycol monobutyl ether	1,196,185	2,327	0	0	10,457	0	646,022	537,379
665	Cerium and its compounds	830	0	0	0	830	0	0	0
674	Tetrahydrofuran	5,561	700	0	0	1,470	0	0	3,391
677	Tetramethylammonium hydroxide	3,968,845	1,585	0	0	289,768	0	2,420,539	1,256,953
691	Trimethylbenzene	19,987	24	0	0	763	0	14,488	4,712
746	N-Methyl-2-pyrrolidone	142,988	3,668	0	0	27,868	0	73,789	37,663
751	2-(2-Methoxyethoxy)ethanol	5,347,707	1,596	0	0	25,826	0	2,819,825	2,500,460
752	1-Methoxy-2-(2-methoxyethoxy)ethane	10,175	0	0	0	814	9,361	0	0
Total		13,853,438	20,585	0	1,075	875,486	57,503	7,854,487	5,044,302

Environmental Initiatives: Safety and Security

Release and Transfer of PRTR-Listed Substances

Overseas PRTR Data (Fiscal 2023)

(kg)

PRTR No.	Chemical	Amount Handled	Amount Discharged		Amount Transferred		Amount Consumed		Amount Removed
			Into Atmosphere	Into Public Water Areas	Into Sewerage	Into Waste, etc.	Contained in Products	Recycled	
82	Silver and its water-soluble compounds	1,057	0	0	0	155	902	0	0
300	Toluene	3,467	3,467	0	0	0	0	0	0
591	Ethylcyclohexane	1,437	1,222	0	0	215	0	0	0
392	N-hexane	36,874	36,874	0	0	0	0	0	0
448	Methylenebis(4,1-phenylene) diisocyanate	1,628,870	0	0	0	37,990	1,590,880	0	0
Total		1,671,705	41,563	0	0	38,360	1,591,782	0	0

Environmental Initiatives: Safety and Security

Managing Environmental Load into Air and Water Areas

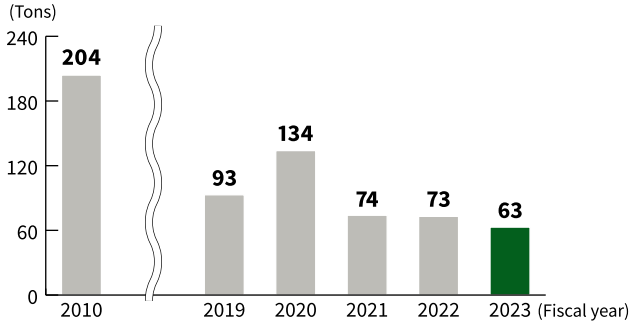
Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ VOC emissions into the atmosphere: 204 tons or less (fiscal 2010 levels)	■ VOC emissions into the atmosphere: 63 tons	★★	■ VOC emissions into the atmosphere: 204 tons or less (fiscal 2010 levels)

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Reducing VOCs

Sharp strives to reduce the volatile organic compounds (VOCs) it emits. It has set a target of keeping VOCs released into the atmosphere to no higher than fiscal 2010 levels (based on a voluntary action plan by the Japanese electrical and electronics industry). Fiscal 2023 VOC emissions were 63 tons, lower than the amount emitted in fiscal 2010 (204 tons), thus achieving the target.
Sharp is reducing VOCs with the installation of highly efficient abatement facilities in LCD production sites, a major source of VOC emissions.

■ VOC Emissions into the Atmosphere

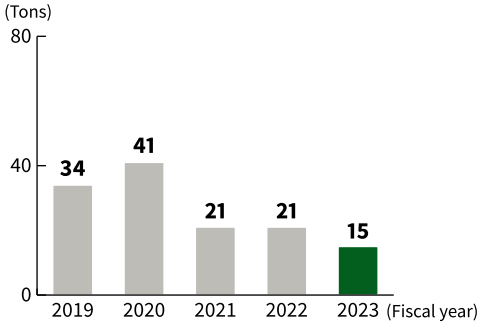


Managing Environmental Load into Air and Water Areas

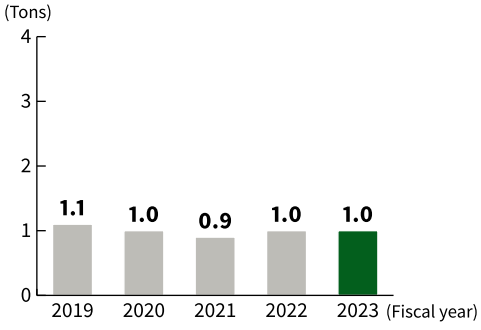
Sharp properly manages pollutants that affect air and water quality by establishing voluntary standards that are stricter than those set forth in laws and regulations and stricter than those agreed upon with local communities. It also actively conducts risk communication with local communities.

Atmospheric Emissions in Japan

■ NOx Emissions



■ SOx Emissions

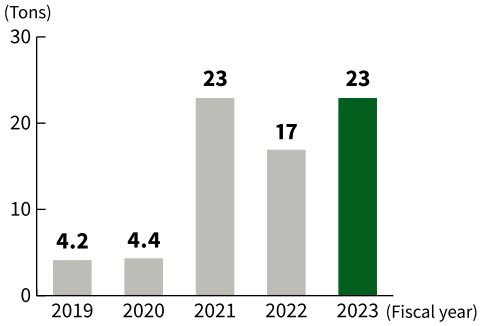


Environmental Initiatives: Safety and Security

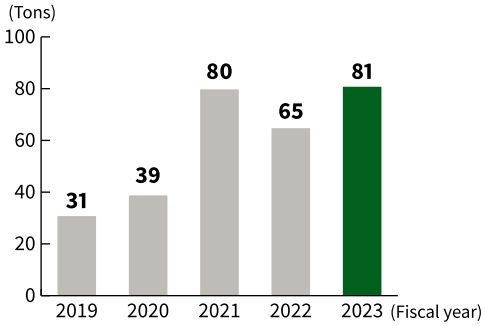
Managing Environmental Load into Air and Water Areas

Emissions into Water Areas in Japan

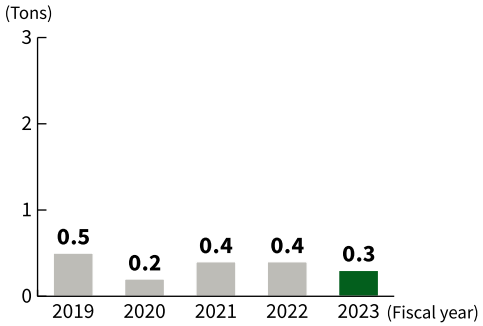
■ COD (Chemical Oxygen Demand)



■ Nitrogen Pollutant Load



■ Phosphorous Pollutant Load



Risk Management of Soil and Groundwater Pollution

Sharp has established and is appropriately applying in-house standards to minimize the risk of environmental pollution and accidents caused by chemical substances. It also strives to prevent such incidents from occurring by taking multi-layered leakage prevention measures at facilities that handle chemical substances. For plants where chlorine solvent contamination was found in the past, Sharp regularly notifies local government authorities and others of the cleanup progress.

Example

Analyzing Plant Wastewater Samples

Sharp's Fukuyama Plant (Fukuyama, Hiroshima Prefecture) collects and analyzes plant wastewater in collaboration with local residents and Fukuyama city officials as part of its risk communication activities. The collected wastewater undergoes individual analyses by the three parties, who share the results and exchange opinions on them. This also provides Sharp the opportunity to foster good relations with all relevant parties.

Wastewater sampling and analyses by three parties

Environmental Initiatives: Environmental Management

Putting Sustainable Management into Practice

In accordance with internal environmental conservation guidelines established in line with Sharp's Basic Environmental Philosophy, the Sharp Group Charter of Corporate Behavior, and the Sharp Code of Conduct, Sharp is pursuing environmental consciousness across all of its business activities. Toward realizing a sustainable global environment, Sharp has formulated SHARP Eco Vision 2050, a long-term environmental vision with 2050 as the target year. Under this vision, Sharp is striving to solve social problems and continuously raise corporate value through the development of technologies and the provision of products and services.

Promoting Sustainable Management

Sharp has set up the ESG Promotion Group to formulate and carry out the company's environmental vision, policies, and targets, and to strengthen environmental governance.
The ESG Promotion Group formulates important environmental policies, strategies, and measures at the corporate level regarding sustainable management based on Sharp's management policies and environmental vision. The Sustainability Committee* includes the president & CEO, senior executives, and the heads of Sharp business units and subsidiaries. Through this committee, the ESG Promotion Group confirms progress toward environmental goals and supports environmental activities.
In the area of product environmental laws and regulations and chemical substance controls, we periodically hold information exchange meetings to ensure compliance with applicable requirements. Working groups and subcommittees are also established as required to address environmental issues that call for cross-functional efforts.

* See page 010.

Basic Environmental Philosophy

Creating an Environmentally Conscious Company with Sincerity and Creativity

The Sharp Group Charter of Corporate Behavior (excerpt)

Contribution to Conservation of the Global Environment

The Sharp Group will make efforts to further contribute to global environmental conservation by strengthening our development of proprietary technologies for protecting the global environment and by carrying out business activities in an environmentally conscious manner.

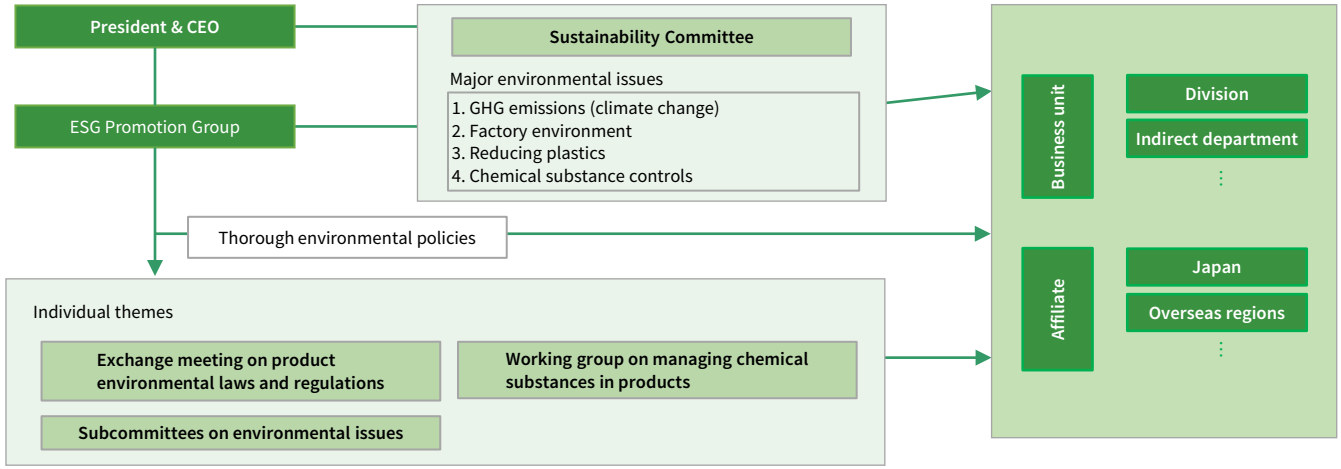
The Sharp Code of Conduct (excerpt)

Contribution to Conservation of the Global Environment

1. To Conserve the Environment
2. To Develop Environmentally Conscious Products and Services, and Conduct Our Business Operations in an Environmentally Conscious Manner

Related information: > Sharp Group Charter of Corporate Behavior (Contribution to Conservation of the Global Environment)
Sharp Code of Conduct (IV. Contribution to Conservation of the Global Environment)

■ **System for Promoting Sustainable Management in the Environmental Area**



Environmental Initiatives: Environmental Management

Putting Sustainable Management into Practice

Environmental Education

In accordance with the basic strategy of its management policy—foster and strengthen human resources—Sharp strives to step up the cultivation of human resources as the foundation of its sustainable management. To this end, the company has been providing training programs, including basic training open to all employees.
Since fiscal 2019, Sharp has held environmental awareness training to help all employees acquire a wide range of environmental knowledge, and an introductory training course on environmental laws and regulations, which is mandatory for third-year employees.
In fiscal 2023, Sharp held three types of training on sustainability: e-learning, video learning, and group training.
With the aim of fostering human resources who will contribute to the company in stepping up compliance and achieving its environmental vision, Sharp will continue to improve and expand its environmental education curricula by adjusting them to different duties and roles.

Environmental Performance Data Collection and Management

To support sustainable management, Sharp has introduced a cloud-based system for efficiently collecting and managing data on Sharp's environmental performance, including energy consumption, waste generation, water usage, and chemical substances handled in Sharp's business activities. This system is in operation at Sharp bases in Japan and overseas. Collecting and analyzing such data helps Sharp grasp the current state of its sustainable management, identify problems, and formulate measures. Sharp is also engaging with suppliers to gather primary data.

Promoting an Environmental Management System

Since 1995, Sharp has been operating an ISO 14001-based environmental management system and has acquired ISO 14001 certification for all worldwide production bases. The purpose of this system is to strengthen environmental sustainability management and improve the environmental awareness of employees.
ISO 14001 was revised in fiscal 2015. It now requires companies to further their efforts with a more strategic perspective—for example, by integrating their environmental activities with business activities. In response to the revision, Sharp is operating a more effective environmental management system that matches the particular needs of each base.

Related information: > ISO 14001-Certified Plants and Offices

Product and Plant Audits

Sharp regularly carries out a Green Product/Green Device Audit aimed mainly at ensuring compliance in product development. The company checks compliance with the environmental laws and regulations of each country and the reflection of environmentally friendly design in products, such as energy efficiency, resource savings, and recyclability.
Sharp also reviews and evaluates environmental activities at its production bases as part of the CSR self-assessment survey.*

* See page 015.

Legal Violations, Accidents

In fiscal 2023, Sharp was not subject to any lawsuits or fines related to environmentally related legal violations. There were also no major environmentally related accidents.

Environmental Initiatives: Environmental Management

Developing Environmentally Conscious Products and Devices

Developing Green Products and Devices

Sharp calls its environmentally conscious products "Green Products (GP)." The GP Guidelines, which define development and design criteria in line with seven concepts, have been in use at all product design departments since fiscal 1998. In developing products, Sharp sets specific objectives according to the GP Standard Sheet, which is formulated based on the GP Guidelines. In the trial manufacture and mass production stages, it determines how well the actual product has met these objectives. The content of the GP Standard Sheet—the benchmark for development objectives—is revised each year in order to constantly improve the environmental performance of Sharp products. Sharp sales and manufacturing bases in Europe, ASEAN countries, and the Middle East meet periodically to keep abreast of changing product environmental laws and regulations around the world. The information gathered at these meetings is shared with Sharp business units in Japan and the legal requirements relating to product design are reflected in the GP Guidelines.

Sharp calls its environmentally conscious devices "Green Devices (GD)." To define guidelines for development and design based on seven concepts, Sharp established the GD Guidelines, which it began applying at all device design departments in fiscal 2004. Sharp sets objectives according to the GD Standard Sheet and assesses how objectives have been met in a similar way to GP standards. In fiscal 2013, Sharp revamped the GD assessment system by adding new criteria concerning forward looking initiatives that take customer demands into consideration. The degree to which these criteria are satisfied is represented in points called GD Challenge Points. The assessment criteria are revised every year so that Sharp can continuously raise the environmental performance of its products such as LCD modules and sensors.

Green Product Concepts

Energy Saving / Energy Creating	**Products with superb energy-saving/energy-creating performance** Improve the energy efficiency and reduce the energy consumption of products; other measures
Resource Conservation	**Products designed to conserve resources** Reduce the amount of materials used; design products that conserve resources during use; extend the life span of products; other measures
Recyclability	**Products designed for recycling** Design products that are easy to disassemble; use easy-to-recycle materials; other measures
Safe Use and Disposal	**Products that can be used and disposed of safely** Do not use substances that negatively affect people's health or the environment; other measures
Use of Green Materials and Devices	**Products that use green materials and devices** Use recycled materials / plant-based plastics; other measures
Environmental Consciousness Pertaining to Batteries, etc.	**Products that use batteries, manuals, and packaging with enhanced environmental consciousness** Reduce product packaging; design products that allow easy removal of batteries; other measures
Showing Eco Information of Products	**Products that show their environmental performance and information** Acquire environmental labels (eco labels); implement LCA; other measures

Green Device Concepts

Energy Efficiency / Energy Creating	**Devices with superior energy efficiency and that consume less energy** Reduce power consumption during operation and in standby mode; other measures
Resource Conservation	**Devices designed to conserve resources** Reduce device weight or volume; other measures
Recyclability	**Devices designed for recycling** Use standard plastic; design devices that are easy to disassemble; other measures
Safe Use and Disposal	**Devices that can be used and disposed of safely** Manage usage of chemical substances contained in parts and materials; other measures
Long Life	**Devices that make products last longer** Extend the life of the product with exchangeable parts and consumables (target: LCD devices); other measures
Packaging	**Devices that use packaging with enhanced environmental consciousness** Reduce packaging; other measures
Information Disclosure	**Devices that give environmental information** Provide information on chemical substances in devices; other measures

Environmental Initiatives: Environmental Management

Developing Environmentally Conscious Products and Devices

Developing Super Green Products

Since fiscal 2004, Sharp has been certifying products that offer a particularly high level of environmental performance as “Super Green Products (SGP).” In fiscal 2023, sales of those products reached 109.5 billion yen, with SGP sales accounting for 25% of all GP sales in Japan.
In fiscal 2016, Sharp revised the criteria for this certification. Products are certified if (1) they offer class-leading energy-saving or energy-creating performance, or (2) they offer significantly high environmental performance through the use of unique Sharp technology. This way, Sharp is aggressively pursuing the development of products that consume as little power as possible or that use resources to the least possible extent, as well as developing high-efficiency solar cells.

■ **Examples of Super Green Products**

Front-loading Plasmacluster washing machine/dryer ES-X11B

Smartphone AQUOS sense8

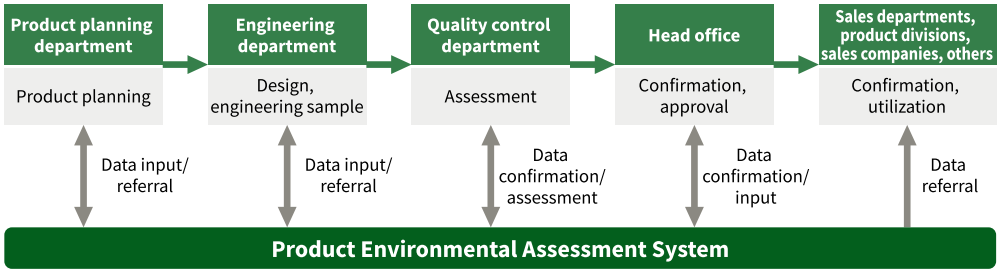
Digital full-color MFP BP-70C45

Solar module NQ-254BM

Product Environmental Assessment System

Sharp operates a product environmental assessment system to ensure compliance with environmental laws and regulations as well as to promote environmentally conscious product design. This system allows Sharp to keep a database of the development know-how and design data that all Sharp design and development bases possess on environmentally conscious products and devices. The database is used to raise design standards and to promote in-house standardization of life cycle assessments (LCA). This way, the system is contributing to the creation of environmentally conscious Sharp products and devices. Since fiscal 2016, Sharp has been strengthening the function for checking products’ compliance with environmental laws and regulations.

■ **System Flow**



Environmental Initiatives: Environmental Management

Environmentally Conscious Products

Example

Energy Conservation Grand Prize 2023: Sharp Wins Highest Award "Minister of Economy, Trade and Industry Award" with Plasmacluster Front Loading Washer & Dryer, and "ECCJ Chairman's Award" for "Tsunagaru (Connected) Lighting Control Solution"

In the Energy Conservation Grand Prize 2023 Product & Business Model Category, Sharp won Minister of Economy, Trade and Industry Award, the highest award, with its "Plasmacluster Front Loading Washer & Dryer ES-X11B," and ECCJ Chairman's Award for "Tsunagaru (Connected) Lighting Control Solution." Energy Conservation Grand Prize is sponsored by The Energy Conservation Center, Japan, and is one of the most prestigious awards in Japan. Energy Conservation Grand Prize is a program that recognizes outstanding energy conservation efforts and advanced, high-efficiency energy-saving products in the industrial, commercial, and transportation sectors in Japan.

Left: ES-X11B-S (crystal silver)/-T (rich brown) Plasmacluster front-loading washer/dryer
Right: "Tsunagaru (connected) lighting control solution" system diagram

Features of award-winning products and solutions and background of award

- ES-X11B Plasmacluster front-loading washer/dryer
  By adopting a unique Hybrid Drying Technology that combines a heat pump and a support heater, and a Non-Exhaust Drying Method that suppresses wasted thermal energy without emitting steam outside the machine, we have achieved the industry's highest level of energy savings[*1]. "Hybrid Drying NEXT", which achieved the highest drying power in Sharp history[*2], was highly praised and received this award.

- Tsunagaru (Connected) Lighting Control Solution
  In a logistics warehouse, by using network cameras to monitor the movements of forklifts and workers, and effectively controlling the brightness of LED lighting, an 89%[*3] reduction in power consumption was achieved compared to conventional methods in the case examined in the awards. Additionally, the remote monitoring of on-site footage was highly valued for its contribution to improving labor safety environments, leading to this award.

*1 In a washer & dryer with a drying capacity of 6kg. Washing to drying 6kg: Power consumption 600Wh. As of December 18, 2023, according to Sharp research. (Numbers are based on Japan Electrical Manufacturers Association voluntary standards)
*2 By realizing hybrid drying technology of a heat pump and support heater, and AI control of temperature/humidity sensors, heaters, and compressors, we aim to achieve energy-saving, speedy drying with a warm and comfortable finish. The drying power is the same as our ES-W114 (released in 2021).
*3 Estimated value by our company that takes into account dimming control (assuming that work is repeated in the network cameras detection area every 10 minutes, and the dimming lower limit is set to 12% and the worker leaves after 2 minutes each time). [Calculation conditions] Annual lighting hours: Calculated based on 10 hours of lighting per day and 3,000 hours of lighting per year (Japan Lighting Manufacturers Association Guide A139-2023).

Environmental Initiatives: Biodiversity Protection

Protecting Biodiversity

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Collaborate with local communities to solve social problems, with employees taking the lead role in conducting activities that benefit communities and, thereby, contribute to achieving the SDGs	■ Total number of participants in environmental conservation activities: 12,172 (including family members), total number of activities: 824 (in Japan)	★★	■ Have employees take the lead in carrying out environmental conservation activities together with the local community and, thereby, contribute to achieving 30by30*1

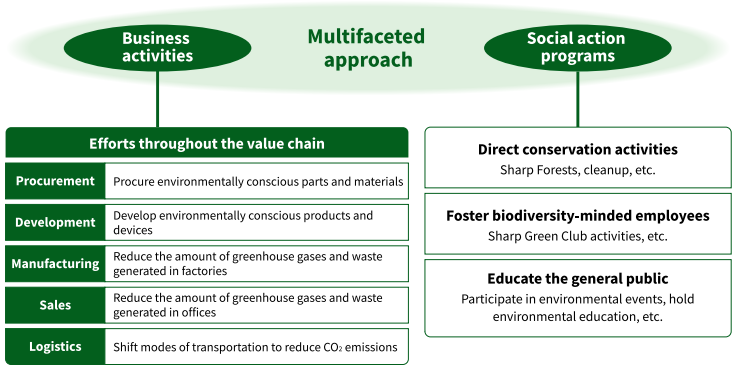
Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Biodiversity Protection through Business and Social Action Programs

While Sharp's business activities impact biodiversity, the company also benefits from the resources that biodiversity provides. That is why the Sharp Group is carrying out a multifaceted approach in which it protects biodiversity through business activities and social action programs at worldwide bases.

Based on the Sharp Group Policy on the Sustainable Support of Biodiversity, Sharp formulated the Sharp Biodiversity Initiative in fiscal 2009. The Initiative describes biodiversity in an easy-to-understand manner, and it outlines concrete measures for business activities and social action programs that take biodiversity into account.

■ **Sharp's Efforts for Protecting Biodiversity**



Environmental Community Service Activities to Contribute to Biodiversity Protection

In order to contribute to the preservation of ecosystems in which diverse flora and fauna coexist, Sharp carries out environmental conservation activities not only in Japan but also around the world. At major Sharp business locations in Japan, we have set up branches of the Sharp Green Club (SGC), a joint labor-management volunteer organization. SGC's activities emphasize communication with local residents and other stakeholders. For example, through the Sharp Forest project, SGC groups work to protect *satoyama* (areas between foothills and arable land). This involves afforestation efforts conducted by volunteers in five locations around Japan that seeks to use forest cultivation as a means of fostering an understanding of the relationship, as well as deepening the connection, between forests, wildlife, and humanity and to foster greater global environmental mindedness. SGC also works with the Ministry of the Environment, local governments, and other organizations in two locations in Japan to protect wetlands and waterfowl listed under the Ramsar Convention, such as by eliminating invasive species and conducting cleanup activities. In addition, employee volunteers take part in ongoing cleanup activities around the Sharp Group's various factories and business locations as well as participate in cleanup and greening initiatives organized by local governments and other organizations, all for the sake of facilitating environmental protection tied to, and carried out in conjunction with, local communities.

In fiscal 2023, 824 such activities took place. These involved 12,172 volunteers, including Sharp executives, employees, and their family members. Overseas, too, Sharp held tree-planting and other such activities as part of a corporate social responsibility (CSR) program. This way, the entire Sharp Group made efforts to preserve the world's ecosystems. Starting from fiscal 2024, Sharp is participating in the 30by30*1 Alliance for Biodiversity headed up by Japan's Ministry of the Environment. Through certification as a nationally certified sustainably managed natural site*2, it aims to be registered in the international database of OECM (Other Effective area-based Conservation Measures).

30by30 logo

*1 The goal, pledged at the 2021 G7 Summit, is to halt and reverse biodiversity loss ("nature positive") by 2030, aiming to effectively conserve more than 30% of the country's land and marine areas as healthy ecosystems.
*2 A location recognized by the Ministry of the Environment as contributing to the conservation of biodiversity.

Environmental Initiatives: Biodiversity Protection

Protecting Biodiversity

Example

Conserving Bamboo Lilies

The Tenri Plant (Tenri, Nara Prefecture) is committed to preserving biodiversity on ancient burial mounds located within its grounds. Bamboo lilies, a rare wild plant species, naturally grow on these mounds but have become scarce due to land development and overharvesting. To nurture and conserve these lilies, our employees maintained the area by weeding the grounds and cutting down withered bamboos in spring and autumn.

Weeding the grounds

Cutting down withered bamboos

Bamboo lilies, a rare wild plant native to the area

Bamboo lilies

Example

Conserving Freshwater Fish Species

The Kameyama Plant (Kameyama, Mie Prefecture) is working to propagate Tanakia lanceolata, a freshwater fish on Mie Prefecture's endangered species list. A large population of this fish used to inhabit rivers and streams in the municipality of Kameyama, but numbers have dropped drastically due to factors such as diversion of natural waterways, predation from invasive species, and a decrease in the bivalves that the fish depend on.
The biotope pond on the plant premises is suitable for conservation and propagation of the Tanakia lanceolata : there is little chance of invasive species entering, and its soil is sand, an ideal habitat for the bivalves crucial to the fish's survival.
Employees carry out periodical surveys of the fish population as part of ongoing conservation activities.

Surveying growth of the fish

Tanakia lanceolata (male)

Environmental Initiatives: Biodiversity Protection

Protecting Biodiversity

Example

Environmental Conservation Activities at the Ramsar Convention Wetland of Yatsu Higata

At the Makuhari Site (Chiba, Chiba Prefecture), SGC, a volunteer group made up of both labor and management, undertakes environmental conservation activities at the Yatsu Higata mudflats, a Ramsar Convention wetland in Narashino, Chiba Prefecture.
In November 2023, a total of 19 employees and their family members, with the cooperation of the Yatsu Higata Nature Observation Center, cut reeds in a freshwater pond to maintain bird habitats and prevent the pond from becoming land.

Cutting reeds

Wild birds at the Yatsu Higata mudflats

Example

Ongoing Greening Activities

Indonesian production and sales base SEID undertakes greening activities aimed at raising environmental awareness, reducing greenhouse gas emissions, and preserving forests.
In March 2024, to coincide with World Conservation Strategy Day, 27 SEID employees planted a total of 30 trees of six different species, including cocoa, fig, and rubber trees, in Karawang, West Java, as well as installed biopore infiltration holes* in 60 locations to increase the soil's water-retaining capacity. A total of 657 plants and trees have now been planted in Karawang since 2013.

* Cylindrical holes drilled vertically into the ground to prevent flooding.

Participants from the different departments in SEID

Planting rubber trees

Environmental Initiatives: Biodiversity Protection

Protecting Biodiversity

Example

Reforestation Activities

UK sales base SBSUK is committed to environmentally friendly printing as part of the Forest Positive initiative. This program effectively eliminates the environmental impact of deforestation by planting more trees than is accounted for by the amount of paper used for printing.

Through its partner, PaperCut, SBSUK has planted 3,341 trees thus far. In fiscal 2023, 200 trees in total were planted across all of Sharp's UK operations, which is equivalent to the use of 1.6 million sheets of paper. Moving forward, Sharp will continue to actively work to protect forests and contribute to reforestation projects around the world.

Example

Protecting Biodiversity on International Day for the Conservation of the Mangrove Ecosystem

It is estimated that 3,531 disasters occurred in Indonesia in 2022*1. Indonesia's tropical climate and volcanoes make it highly vulnerable to such disasters as earthquakes, floods, heavy rainfall, and prolonged droughts.

Indonesian production and sales base SEID worked with Yayasan Terumbu Karang, a non-profit organization focused on conserving coral reefs, and with the residents of Tunda Island to plant 3,300 mangrove seedlings as part of blue carbon*2 regeneration.

*1 Based on a survey by BNPB (Indonesian National Disaster Management Authority).
*2 Carbon and greenhouse gases absorbed and stored in coastal and marine ecosystems, such as mangrove forests, seagrass meadows, brackish waters, and coral reefs.

Planting trees

Environmental Initiatives: Biodiversity Protection

Protecting Biodiversity

Example

Cleanup Activities Coinciding with World Cleanup Day

Indonesian production and sales base SEID undertakes activities to raise awareness of the dangers of plastic waste, a global environmental issue, as well as to highlight the importance of recycling. In September 2023, to coincide with World Cleanup Day, SEID conducted cleanup activities together with an environmental conservation organization, aiming to raise environmental awareness among the residents and tourists of Harapan Island and to protect the island's beautiful natural environment.
Fifty students from Harapan Island also participated in the cleanup, and approximately 72 kg of waste was collected. The collected waste was separated, with some of it being taken to facilities called waste banks* before being recycled into products. In addition, SEID donated 111 mangrove seedlings.

* This system involves using a middleman to purchase the garbage, with the proceeds of the sale being transferred to the person who brought the garbage.

Calling on tourists to take their garbage with them

Donation of mangrove seedlings to the local community on Harapan Island

Environmental Initiatives: Overview of Environmental Impact

Material Balance

Sharp gathers data to gain an overview of the burden its business activities place on the environment. Measured items include the consumption of energy and materials in business activities, the emissions of greenhouse gases, and the generation of waste. Sharp then uses these values to reduce its environmental burden.
Coverage: Sharp Corporation production sites and production subsidiaries in Japan and overseas

Input

Item				Unit	Fiscal Year 2023
Procurement, R&D, product manufacture	Energy			TJ*1	19,751
		Electricity		Million kWh	1,876
		Renewable energy*2		Million kWh	19
		City gas		Million m³	56
		LPG, LNG		Tons	4,973
		Heavy oil, kerosene, gas oil, gasoline		Kl	1,630
		Hot water, cold water, steam		TJ	732
	PFCs purchased			Tons	1,629
	Water resources			Million m³	33.5
		Water withdrawal		Million m³	9.2
			Third-party water*3	Million m³	8.7
			Groundwater	Million m³	0.5
		Water reused		Million m³	24.3
	Chemical substances handled (PRTR-listed)			Tons	15,525
	Chemical substances handled (VOCs)			Tons	2,216
	Materials consumed*4			Thousand tons	575
Logistics	Energy consumed (vehicle fuel)*5			TJ	158
Product use	Energy consumed (electricity)*6			Million kWh	3,507

Greenhouse gases | Water | Chemicals | Resources

Output

Item				Unit	Fiscal Year 2023
Procurement, R&D, product manufacture	Greenhouse gases			Thousand tons CO_2	1,175
		CO_2		Thousand tons CO_2	1,019
		Gases other than CO_2 (converted into amounts of CO_2)		Thousand tons CO_2	156
			HFC	Thousand tons CO_2	3
			PFC	Thousand tons CO_2	88
			SF_6	Thousand tons CO_2	49
			NF_3	Thousand tons CO_2	16
	Effluent			Million m³	6.9
		Public water areas		Million m³	5.0
		Sewerage		Million m³	1.9
	Chemical substances released and handled (PRTR-listed)			t	1,015
	Chemical substances released and handled (VOCs)			t	63
	Atmosphere*5	NOx emissions		t	15
		SOx emissions		t	1
	Water areas*5	COD (chemical oxygen demand)		t	23
		Nitrogen pollutant load		t	81
		Phosphorous pollutant load		t	0.3
	Product shipments*7			Thousand tons	480
	Waste, etc.			Thousand tons	95
		Final landfill disposal		Thousand tons	0.4
Logistics	CO_2 emissions*5			Thousand tons CO_2	11
Product use	CO_2 emissions*6			Thousand tons CO_2	1,913

Recycle

Item		Unit	Fiscal Year 2023
Amount recycled*5	Home appliances (4 kinds)	Thousand tons	65
	Copiers/MFPs	Thousand tons	1.5
	PCs	Tons	5
Disposal after recycling*5		Thousand tons	9

*1 TJ (terajoule) = 10^{12}J.
*2 Amount of solar power generated; amount of green power certificates purchased.
*3 Industrial-use water and tap water.
*4 Total weight of product shipments and waste, etc. (estimate).
*5 In Japan.
*6 Annual energy used and amount of CO_2 emitted by major products sold in the reporting year (estimate).
*7 Total weight of major products sold in the reporting year and packaging materials used (estimate).

Environmental Initiatives: Overview of Environmental Impact

Calculation Standards for Environmental Performance Data

The environmental performance data are calculated based on the following calculation standards.

Input

Environmental Performance Indicators		Calculation Method
Procurement, R&D, product manufacture	Energy consumed	Calculated based on the Act on Rationalizing Energy Use and the Japanese Ministry of the Environment's Greenhouse Gas Emission Calculation and Reporting Manual
	PFCs purchased	HFCs, PFCs, sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3) purchased annually
	Water resources consumed	Consumption and recycled use of water purchased from third parties (industrial-use water, tap water) and groundwater
	Chemical substances handled (PRTR-listed)	Among the substances covered under the PRTR Law, the total amount of substances handled annually at each plant in quantities of 500 kg or more
	Chemical substances handled (VOCs)	Among the 20 types of volatile organic compounds (VOCs) specified by Japan's four major electrical and electronic industry associations, the total amount of substances handled annually at each plant in quantities of 1 metric ton or more
	Materials consumed	Total weight of major products* sold in the reporting year (estimate), plus waste, etc. generated
Logistics	Energy consumed	Revised ton-km method
Product use	Energy consumed	Estimate of annual energy used by major products* sold in the reporting year. Calculation based on each product's annual energy consumption rate (using a heat input per unit of 9.97 MJ/kWh).

* Flat-panel TVs, air conditioners, refrigerators/freezers, washing machines/dryers, air purifiers, Plasmacluster Ion generators, microwave ovens, copiers/MFPs, solar cells.

Output

Environmental Performance Indicators		Calculation Method
Procurement, R&D, product manufacture	Greenhouse gas emissions	● CO_2 emissions from purchased electricity Japan: Using CO_2 emission coefficient by electric power company (adjusted) published by Japan's Ministry of the Environment and the Ministry of Economy, Trade, and Industry Overseas: Using emission coefficients published in the environmental reports, etc. of electric power companies, or emission coefficients published in the IEA Emissions Factors ● CO_2 emissions from consumed fuel Using emission coefficient published in the Ministry of the Environment's Greenhouse Gas Emission Calculation and Reporting Manual ● Greenhouse gases other than CO_2 Using global warming potential published in the 5th Assessment Report by the Intergovernmental Panel on Climate Change (IPCC)
	Drainage	Annual drainage into public water areas and sewer system
	Chemical substances released and transferred (PRTR-listed)	Among the substances covered under the PRTR Law, the total amount of substances (handled annually at one or more plant in quantities of 500 kg or more) that were released and transferred
	Chemical substances released (VOCs)	Among the 20 types of volatile organic compounds (VOCs) specified by Japan's four major electrical and electronic industry associations, the total amount of substances (handled annually at each plant in quantities of 1 metric ton or more) that were released and transferred
	NOx emissions	Annual emissions
	SOx emissions	Annual emissions
	COD (chemical oxygen demand)	Drainage into public water areas
	Nitrogen pollutant load	Drainage into public water areas
	Phosphorous pollutant load	Drainage into public water areas
	Product shipments	Total weight of major products* sold in the reporting year, plus packaging material used (estimate)
	Waste, etc.	Industrial waste + general office waste + valuable resources recovered
	Final landfill disposal	Final landfill disposal of industrial waste + final landfill disposal of general office waste
Logistics	CO_2 emissions	Revised ton-km method
Product use	CO_2 emissions	Amount of CO_2 emitted by major products* sold in the reporting year, based on their energy consumption (estimate)

Environmental Initiatives: Overview of Environmental Impact

Calculation Standards for Environmental Performance Data

Recycle

Environmental Performance Indicators		Calculation Method
Disposal, recycling	Home appliances (4 kinds)*	Amount of used home appliances (4 kinds) recycled
	Copiers/MFPs	Amount of recycled copiers and MFPs
	PCs	Amount of recycled PCs
	Disposal after recycling	[Weight of 4 kinds of home appliances, PCs, and copiers/MFPs collected] – [Weight recycled into new products or materials, or reused]

* TVs (CRT TVs, flat-panel TVs), air conditioners, refrigerators/freezers, washing machines/dryers.

Social Initiatives

Human Resources 075

Efforts Related to Human Rights 094

Promoting Supply Chain CSR 099

Quality 108

Customer Satisfaction 116

Communication with Shareholders and Investors ... 121

For Local Communities 123

4 QUALITY EDUCATION

2,155 people

Total number of participants in career education for people with disabilities (fiscal 2023)

10 REDUCED INEQUALITIES

2.56%

Percentage of disabled employees in Japan (as of June 2023)

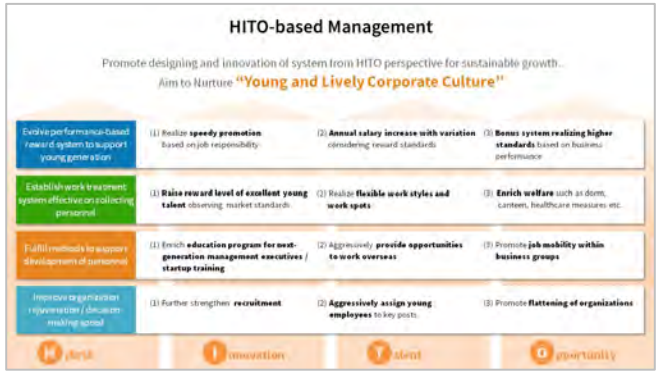
Social Initiatives: Human Resources

HR Strategy (HITO-Based Management)

Business Philosophy (excerpt)

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.
Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders…indeed, the entire Sharp family.

The Sharp Group business philosophy, created in 1973, describes our basic stance as one of pursuing contribution to society, corporate development, and employee growth and happiness. And it is based on this philosophy that we have consistently worked to support the growth of our human resources and to make the most of their potential.
By providing motivated employees with growth opportunities and by creating a work environment that allows for flexible work styles, we endeavor to create a rewarding workplace where each and every member of our diverse workforce can make full use of his or her abilities.



HITO-Based Management

The Sharp Group's medium-term management direction puts an emphasis on HR strategy (HITO-based management) and has made it a goal to expand investment in people and increase employee engagement. The Sharp Group believes that people ("hito" in Japanese) drive a company's sustainable growth. That is why we are further reforming our HR system to pursue management that gets the best of our people. This reform is based on the four perspectives of HITO: fostering Hybrid individuals with multiple specialties; creating an environment and corporate culture conducive to Innovation; placing the right people in the right jobs to make full use of employee Talent; and providing growth Opportunities for talented individuals. Specifically, we will improve the performance-based compensation system to encourage young employees and build a system of employee conditions and benefits that will be appealing to future personnel. We will also enhance the system for supporting employee growth, rejuvenate the organization, and speed up decision-making. The aim is to create a youthful and vibrant corporate culture—in other words, be a company where every employee is unafraid of failure and ready to take on bold challenges.

Expand investment in people	Outline	Related items, fiscal 2023 achievements
Evolve performance-based reward system to support young generation	Facilitate the selection and promotion of outstanding personnel through a personnel system that rewards achievement, irrespective of age, gender, or nationality.	• Personnel system conducive to talent development and motivation boosting
Establish work treatment system effective on collecting personnel	Endeavor to be a company that appeals to a diverse range of people by establishing a personnel system that ensures every person is able to make full use of his or her abilities.	• Developing diversity management Percentage of female managers: 5.0% Employment rate of people with disabilities: 2.56% • Activities to support work-life balance Male employees' childcare leave usage rate: 84%
Fulfill methods to support development of personnel	Utilize development programs aimed at improving the quality and scope of each employee's capabilities to cultivate young employees, the next generation of leaders, global human resources, individual skills, and more.	• Human resource development Self-development programs: Total 9,044 participants and 26,219 hours New business proposal meetings • Personnel system conducive to talent development and motivation boosting
Improve organization rejuvenation / decision-making speed	Pursue a balanced workforce through increased recruitment of people in their 20s and 30s and enhanced training for middle management, and also work to rejuvenate and revitalize the organization.	• Careers at Sharp • Personnel system conducive to talent development and motivation boosting • Human resource development
Increase employee engagement	With the aim of achieving our medium-term management direction, expand investment in people and increase employee engagement to create a work environment in which a diverse range of people feel included, motivated, and empowered.	• Employee engagement survey conducted in April and May 2024 targeting all employees of Sharp Corporation and its 22 domestic group companies (response rate: 95.6%)

Social Initiatives: Human Resources

Human Resource Development

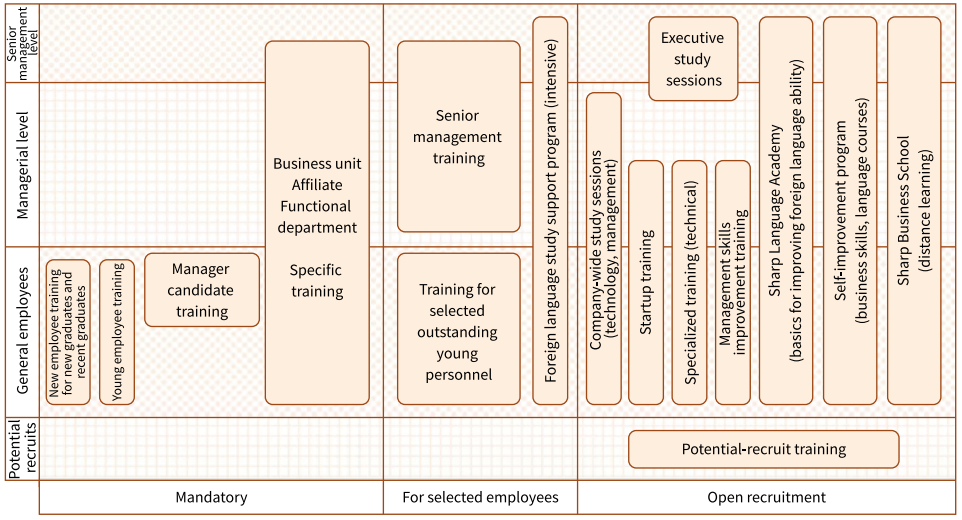
Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Expand education and training system aimed at developing the next generation of human resources ■ Encourage an employee mindset to come up with new business ideas	■ Expanded human resource development programs Held company-wide study sessions (technology, management) ■ Continued with new business proposal activities Held new business proposal meetings, opened startup training	★★ ★★	■ Expand education and training system aimed at developing the next generation of human resources ■ Encourage an employee mindset to come up with new business ideas

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Variety of Human Resource Development Programs

Sharp's range of development programs is one way the company is boosting its comprehensive strength.
We have many kinds of development programs aimed at improving the quality and scope of employees' capabilities. These train young employees, cultivate the next generation of leaders, and strengthen individual skills.

■ **Human Resource Development Programs**



Job-Level-Specific Human Resource Development

In job-level-specific training, special emphasis is placed on the development of young employees so that they can acquire the knowledge, skills, and mindset essential to each stage of their careers. Towards that end, young people receive training starting from when they are first selected to join Sharp, training upon joining the company, and training in their first few years at the company. Candidates for promotion take manager candidate training as part of Sharp's efforts to systematically strengthen its management capabilities.

Human Resource Development for Selected Employees

For Sharp to achieve sustainable growth, it must foster the next generation of leaders who will carry the company into the future. We therefore select outstanding employees who can build our future and improve the necessary skills of these management personnel.
In programs for senior management candidates for the near and foreseeable future, we have courses that promote their systematic growth. In addition to sharpening skills that participants need to take charge, there are courses that will give outstanding young managers what it takes to be senior managers, in areas such as leadership, ESG*, new business, and business administration.

* Environmental, social, governance.

Social Initiatives: Human Resources

Human Resource Development

Fostering Global Human Resources

To improve employees' foreign language abilities towards expanding Sharp's global business, we provide foreign language study of two types: the basics, open to all employees; and intensive, for selected employees. In the basics, we meet individuals' particular study needs with learning that can be done anytime and anywhere, in addition to counseling on language learning.
We also strive to foster globally minded individuals through things like overseas business trips and overseas job placement so that they can communicate and problem-solve with their worldwide counterparts.

Fostering a New-Business-Creation Mindset

As part of efforts to build a culture conducive to earnestly creating new business and innovating, we carry out new business proposal activities.
We have introduced training that fosters idea creation and make efforts to encourage proposals so that, at our new business proposal meetings, proposals are gathered from the all of Sharp and the best ones compete at a company-wide competition.
Teams that make it to the company-wide competition are given training in how to best present their proposals to the judges.

Company-Wide Study Sessions (Technology, Management)

We hold two varieties of study session with the aim of sharing knowledge across the company. Technology-related study sessions are aimed at executives and managers and are intended to share information on key technology areas, providing explanations of technological trends and company-wide initiatives. Management-related study sessions are aimed at general employees and managers and include explanations of business skills intended to impart a range of different managerial skills.

Personnel, Education, and Training System for Fostering Strong Individuals

Sharp works to cultivate an environment in which employees can pursue independent learning whenever and wherever they are, in order to build up the basic business knowledge and expertise that they need as professionals.

■ Creating a Learning-Friendly Environment

Specialized Technical Training and Management Skills Improvement Training

Through specialized technical training, Sharp pursues a variety of initiatives aimed at helping employees improve and deepen their expertise (technical competency).
The courses we offer are a basic skills-building seminar (e-learning) in which primarily younger engineers learn the basics of technology; a device seminar, which introduces employees in product development to Sharp's latest devices; and technical workshops, which incorporate a practical program that is directly linked to job skills in specific technical fields. There are also engineer exchange meetings. Sharp's education and training initiatives are aimed at strengthening technical expertise company-wide, going beyond the limited framework of specific business and products to share technical know-how across internal functions and to develop younger employees by passing existing skills and techniques on to them.
In management skills improvement training, there are self-study courses for all employees to learn and acquire the basic knowledge and skills of business.

Social Initiatives: Human Resources

Human Resource Development

Learning for Self-Development

Initiatives such as study sessions and management skills improvement training are in-house programs for employee self-development. Through these, Sharp actively supports employee growth by providing an e-learning environment, which complements the group training sessions, allowing employees to use their home computers and smartphones to easily pursue learning anywhere, anytime.

Learning for Self-Development Participation in Japan (Fiscal 2023)

No. of Participants (Total)	Total Learning Hours
9,044	26,219 hours

We also provide training programs outside the company for those who wish, including courses in business framework and other management skills, and foreign languages. It is all part of a training system that satisfies the numerous ways that employees desire to improve themselves.
Through the ongoing provision of these various education and training initiatives, we are fostering a corporate culture of employee-driven mutual learning and instruction in which we cultivate personnel capable of delivering the sorts of innovation that strengthen the company.

Example

Improving Conditions for Employees' Self-Development

SEC, Sharp's production and sales base in the U.S., offers a learning environment called "Sharp University" to encourage all employees to cultivate expertise and pursue ongoing learning and skills development. This system is operated by Skillsoft, a leader in the U.S. e-learning market, and it allows employees to access a variety of courses, including on-demand courses, live-streamed courses, and IT qualification preparation courses.
SEC also offers courses tailored to the knowledge levels and needs of participants so that they can, on their own schedule, acquire knowledge and improve upon personal skills needed to achieve their business goals.

Social Initiatives: Human Resources

Personnel System Conducive to Talent Development and Motivation Boosting

Grade System

We have introduced a grade system that determines position rank and compensation according to job content, role size, and level of responsibility. The system is designed to enable speedy promotion based on roles and performance, and it is used to select and promote outstanding human resources.

Employee Evaluations and Compensation

Because we believe employees' compensation should depend on their achievements, we use a bonus/pay raise system that is tied to company performance and employee evaluation in order to reward those employees who have produced good results.
To ensure fair evaluations, employees have an interview with their managers at the beginning, middle, and end of each evaluation term, at which time both sides confirm how well the employee is doing in terms of progress towards targets, contribution to the company, and job results. Evaluation results are given to employees every half year along with explanations of the evaluations with the aim of contributing to employees' growth.

In-House Recruitment System

Our in-house recruitment system allows current employees to apply for jobs such as the launch of a new business. Besides effectively leveraging existing human resources, the system also helps our employees advance their careers.

Personnel Declaration System

All employees submit a career development plan along with a self-assessment of their job aptitude. Sharp then stores this information—along with records of interviews with supervisors—in a personnel database. This provides an overview of how employees are progressing with respect to their career goals, and it allows Sharp to effectively develop human resources.

Step-Up Campaign (Qualification Acquisition Encouragement Plan)

To support employee self-development, Sharp offers monetary rewards to employees who have acquired qualifications, with the amount depending on the difficulty of acquiring the qualification. This plan covers about 200 qualifications, including some for field-specific techniques and skills, some directly related to daily duties, and some for language skills.

Welfare

Sharp Group companies in Japan have introduced a variety of employee benefits and welfare systems, which contribute to a stable and secure working environment for employees.

■ Sharp Group Employee Benefits (Japan)

Corporate pension system	In addition to the public pension system, Sharp has introduced its own corporate pension system (defined benefit corporate pension) to help support employees after their retirement.
Health insurance association	Sharp Health Insurance Association provides enrolled employees and their dependents with specific supplemental benefits above and beyond those mandated by law when sick or injured. A variety of health promotion services are also provided to those enrolled in the Health Insurance Association.
Other employee benefits and welfare systems	Property accumulation savings, employee stock ownership plan, Group health insurance plan, medical examination subsidy (e.g., for comprehensive medical screenings), special incentive leave (an extra five days of paid leave for every five years of continued employment).

Social Initiatives: Human Resources

Personnel System Conducive to Talent Development and Motivation Boosting

Example

In-House Breakfast Meetings

SCEP, Sharp's production base in Poland, holds an in-house breakfast meeting once a month. This initiative is not just about enjoying a meal together but also to promote intra-organizational communication. At these meetings, employees share important information, such as the company's KPIs, activities, and projects, thus helping ensure everyone is aware of work progress, goals, and future challenges.
Employees also enjoy using these meetings to share ideas and recognize one another's performance, thus helping improve workplace cohesion and employee motivation.

Breakfast provided to employees

Invitation to an in-house breakfast meeting

Social Initiatives: Human Resources

Developing Diversity Management

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Promote action plan in line with the Act on the Promotion of Women's Active Engagement in Professional Life ■ Maintain 2.4% employment rate for the disabled	■ Implemented action plan in line with the Act on the Promotion of Women's Active Engagement in Professional Life Percentage of female managers: 5.0% as of March 31, 2024 ■ Maintained employment rate for the disabled: 2.56% as of June 1, 2024	★★	■ Promote action plan in line with the Act on the Promotion of Women's Active Engagement in Professional Life ■ Maintain 2.5% employment rate for the disabled

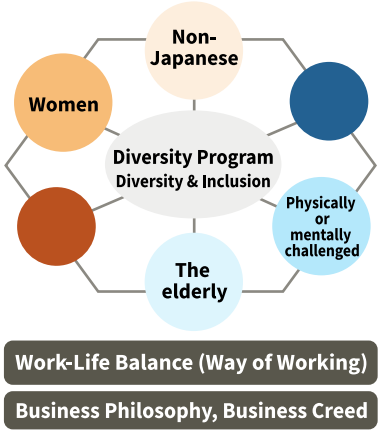
Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Basic Concept

Sharp's business philosophy, established in 1973, embraces the concept of diversity by stating that "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." It is through our employees, and the mutual respect they have for one another as individuals, that we strive for innovation in Sharp's technology and services so that we can offer new value to society. Diversity management is a human resource strategy for utilizing a diverse range of employees, but we regard it as a business strategy at the same time.

Also, the Sharp Code of Conduct states that, "In any corporate activities, including employment practices such as hiring, payment, promotion, opportunities for training and the like, we do not take any action that constitutes discrimination based on nationality, race, ethnic group, color, sex, physical health, pregnancy, sexual orientation, age, marital status, religion, creed, social status, birth, property, bodily feature, physical or mental disability, political opinion, and the like," and that, "We will actively take part in efforts to enhance the work environment where employees with diverse characteristics can fully demonstrate their abilities." This is what Sharp is actively working towards, giving individual consideration based on need.

■ Diversity Management



Promoting Activities of Female Employees

Sharp formulated an action plan based on Japan's Act on Promotion of Women's Participation and Advancement in the Workplace, which came into effect in April 2016. In line with this action plan, Sharp is working to raise the percentage of women in all job categories and increase the number of women in managerial positions. This will enable it to achieve further diversity in its workforce and contribute to society through better products and services. To this end, Sharp has set the following goals and is actively pursuing further engagement of its female employees.

■ Sharp Corporation's Action Plan Based on the Act on the Promotion of Women's Active Engagement in Professional Life

Goal	Deadline
• Have at least 15% of new graduates hired for engineering jobs and 50% of new graduates hired for non-engineering jobs be women • Have at least 5% of managers be women • Have at least 95% of female employees having returned to work after taking childcare leave stay at Sharp beyond 12 months after their reinstatement	By the end of fiscal 2024

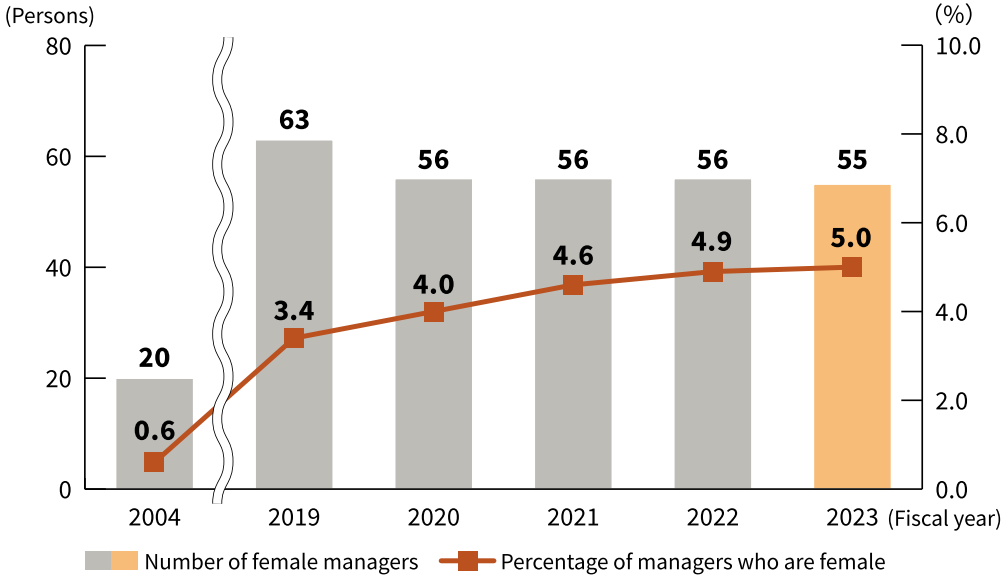
Social Initiatives: Human Resources

Developing Diversity Management

Promoting Female Employees to Managers

For years, Sharp has striven to expand the roles of women in the workplace and promote female employees to managers. As of the end of fiscal 2023, the percentage of managers who were female was 5.0%, compared to 0.6% in the year Sharp launched a program to promote more women to managerial positions.

■ Number of Female Managers at Sharp Corporation



Supporting Employees Returning from Maternity or Childcare Leave

Sharp has held reinstatement support seminars every year since fiscal 2014. These seminars involve an explanation of the company's current circumstances and the various support systems related to childbirth and nursing. As well, employees who have returned to work after taking childcare leave share their experiences and provide advice on how to balance work and child rearing. Attendees are also given the opportunity to build networks with other working mothers. These seminars help to resolve anxiety during time off from work and foster a positive mindset about returning to work. Starting in fiscal 2020, the classroom-style seminar was changed to an online seminar to make it easier for participants to join from home while looking after children. This change was the result of feedback expressed during reinstatement support-related interviews with employees. With more male employees helping raise children in recent years, the number of seminar participants has been growing. To build a stronger support system encompassing the returning employee's family and the workplace, the online seminars now have videos for returning employees, their spouses, and bosses, and messages of encouragement from colleagues. Sharp will continue to listen to employees and incorporate their feedback as it works to become an even better and more attractive place to work.

Sharp also has two systems in place to support employees who are eager to advance their careers after returning to work from childcare leave. One is for giving one-off payments to employees making an early return from childcare leave and the other is for subsidizing the fees for non-registered daycare facilities for employees with children at age two or younger, who fall outside the scope of the government program for free early childhood education and care.

Screen shots of the reinstatement support video

Social Initiatives: Human Resources

Developing Diversity Management

Expanding Opportunities for Non-Japanese Employees in Japan

With the globalization of business, Sharp is working globally to secure and systematically train human resources who can meet the needs of each workplace. In recent years, Sharp has promoted greater employment of international students and people of other nationalities residing in Japan. As of April 2024, we have approximately 140 non-Japanese employees from 13 countries working in various departments and job categories. To avoid illegally employing undocumented workers, Sharp checks the residence status of all foreign nationals before hiring them. This follows the advice of the Immigration Services Agency of Japan's Ministry of Justice. (Sharp uses an Agency website to validate residence card numbers.)

Reemployment of Retirees

In 2001, Sharp introduced a professional employee system that reemploys employees who have reached the mandatory retirement age of 60. This stems from the company's stance on promoting the utilization of senior employees who have a strong work ethic. It also takes into consideration employees who wish to give back and contribute to society through the skills and knowledge they have accumulated over many years.
At present, employees who have reached the mandatory retirement age of 60 (and who wish to continue working until the age of 65) are redeployed with the company. In response to the Act on Stabilization of Employment of Elderly Persons—which came into effect in April 2021—Sharp is considering offering guaranteed employment up to the age of 70.

Promoting Employment of the Disabled

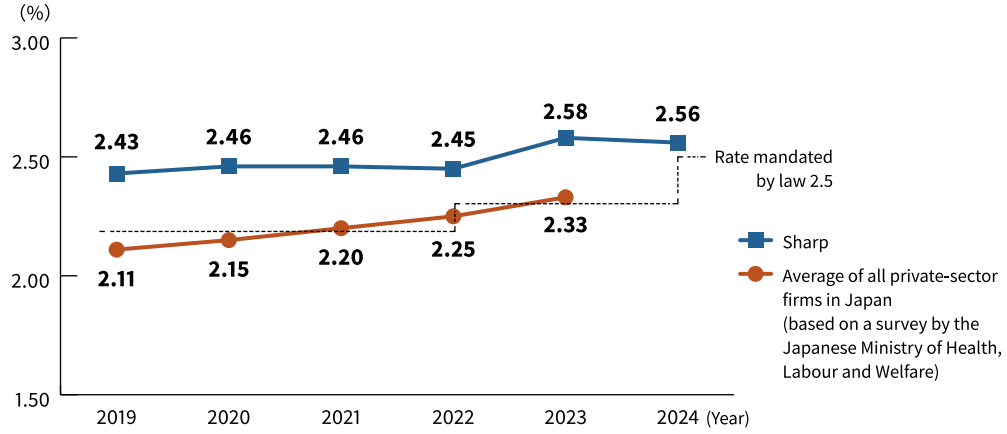
Ever since Sharp founder Tokuji Hayakawa established the "accumulation of community service" as one of the "Five Accumulations of Competency*1," Sharp has been actively involved in social service and welfare. The entire Sharp Group makes efforts to promote the employment of the disabled and to create a better work environment for these employees.
Specifically, Sharp launched a recruitment website addressing the employment of disabled people. This website contains information on initiatives to hire such individuals to work in the Sharp Group. Sharp is also striving to make the working environment more accessible for disabled employees. For example, during training sessions attended by hearing-impaired participants, there are support measures such as voice recognition software and PC note-taking (a method for conveying audio information by entering it into the keyboard of a PC) so that voice communication is converted into text for participants to read and understand.

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

Employment Rate of the Disabled in Japan

As of June 1, 2024, Sharp Corporation, a Sharp special subsidiary*2, and group companies*3 employed approximately 320 disabled persons. The percentage of disabled employees among all employees was 2.56%, above the 2.5% rate mandated by law (as stated in Japan's Act to Facilitate the Employment of Persons with Disabilities).

■ Employment Rate of the Disabled in Japan



*2 A subsidiary that a company establishes and that gives special consideration in employing the disabled, in order to provide them with more employment opportunities and greater job security.
*3 In calculating the employment rate of the disabled, these are Sharp Group subsidiaries, other than special subsidiaries, that are certified by the head of a public employment security office.

Increasing Mid-Career Hires

To acquire employees who can help expand new business and to foster a corporate culture that is youthful and highly motivated, we are strengthening our mid-career hiring. Ways we are doing this include directly approaching people we want to hire, and boosting Sharp's attractiveness as a place to work. Our target has been to have mid-career hires account for about 30% of new Sharp Group employees in Japan. Mid-career hires accounted for 29% in fiscal 2021, 29% in fiscal 2022, and 33% in fiscal 2023.

Social Initiatives: Human Resources

Developing Diversity Management

Example

Menstrual Pain Experience Session

Sharp pursues diversity management as a strategy for making the most of its diverse human resources. As part of this, and with the aim of fostering mutual respect and empathy among employees to create a better work environment, the Yao Plant (Yao, Osaka Prefecture) held a training session on menstrual pain on March 8, 2024 to coincide with International Women's Day*. The event gave employees the opportunity to experience something similar to the unique pain that women go through.

An outside instructor was invited to come and present the session, which was voluntarily attended by 47 employees (39 men and eight women). The instructor talked about the importance of promoting diversity and the nature of menstruation, as well as gave attendees the chance to undergo something similar to menstrual pain through the use of a VR device designed to simulate menstrual pain. Participants learned about the menstrual cycle, which occurs approximately once a month, as well as learned about the accompanying symptoms, including abdominal pain, nausea, and feeling unwell, that premenstrual syndrome can occur before menstruation, and that symptoms vary from person to person. In a survey of participants conducted afterwards, many commented that they had gained a better understanding of the discomfort of menstrual pain, which can be far more severe than one might imagine, and that this had increased awareness of, and empathy for, those who continue to work despite suffering.

This workshop proved to be a successful opportunity for fostering mutual respect and consideration among employees. Sharp will continue to carry out initiatives that create a better working environment and promote diversity management.

Using the VR device designed to simulate menstrual pain

* A day of international solidarity and unified action to improve the status of women and create a society without gender discrimination. It was adopted by the UN General Assembly in 1977.

Example

Capacity Development and Networking Events for Female Employees

In 2019, Sharp's U.S. production and sales base, SEC, launched WISE (Women Influencing Sharp's Evolution) as a human resource development initiative aimed at female employees and to empower them in building the future of SEC.

WISE supports female employees by providing them with professional development programs and networking opportunities. In contrast with those programs available to all employees, regardless of gender, which focus on professional expertise, WISE's programs focus on areas that women in general would benefit from, such as self-confidence and public speaking.

SEC also provides opportunities for female employees to engage in deeper communication with each other and with management, and, on International Women's Day in March 2024, breakfast meetings were held at almost all SEC locations. Breast cancer awareness events are also held in various locations every October. Additionally, WISE provided recommendations to leadership on how to support and develop a diverse workforce.

Breast cancer awareness event participants

Breakfast meeting

Social Initiatives: Human Resources

Activities to Support Work-Life Balance

Basic Concept

To foster a culture and environment that births innovation, Sharp endeavors to create a workplace where employees with diverse personalities, including those of different genders, generations, and values, feel motivated to perform their best. Sharp holds the position that, by giving employees more flexibility in deciding where and when they work, and by supporting them in developing proactive and well-balanced work styles suited to their individual job and stage in life, this will improve the quality of both their work and life.

Flexible Work Styles

With regard to the telework system that was introduced as an emergency response to prevent the spread of Covid-19, starting in 2023 after the disease's shift to Class 5 classification, the requirements for the reasons for application to work from home were abolished on the premise that productivity can be maintained and improved, the weekly limit on use was expanded, and the system was officially introduced as a standard system. Additionally, by expanding the range of flexible work hours under Sharp's flextime system, employees now have greater flexibility in choosing where and when they work.

Work Styles That Are Both Efficient and Satisfying

Sharp holds that, by working with focus and efficiency when it's time to work and resting when it's time to rest, both the work and personal lives of employees are enriched, and they can perform to the best of their ability. By implementing measures aimed at preventing long working hours and excessive periods of continuous work while also encouraging employees to take annual paid leave, Sharp is creating a workplace where employees are able to efficiently perform at a high level.

■ Main Initiatives Aimed at Establishing a Well-Balanced Work Style

Item	Description
Upper limits on overtime work	• For all employees, including managers and supervisors, work hour management standards are established that are stricter than those set by law
No-overtime days	• Two no-overtime days are set per week
Rules to secure rest time	• Seven consecutive workdays are prohibited • At least 10 hours of rest time should be secured between the end of one work period and the start of the next
Encouragement to take scheduled annual paid leave	• Employees are encouraged to schedule and take their annual paid leave • A joint labor-management campaign to promote taking annual paid leave

Social Initiatives: Human Resources

Activities to Support Work-Life Balance

Support for Balancing Work with Childcare, Nursing Care, and Medical Treatment

■ Pregnancy and Childcare

Sharp is working to establish a support system along with an environment that will help employees in balancing their work with their childcare responsibilities. Employees who have provided notification of their pregnancy or childbirth are given a guidebook along with information about the individual programs available in order to encourage them to take advantage of these programs. In particular, against a backdrop of declining birthrates, diversifying work styles and lifestyles, and an increase in dual-income households, Sharp has enhanced the programs for male employees to support them in raising children, and many male employees are now taking advantage of these programs, such as those for childcare leave.

Fiscal 2023 Usage Rate at Sharp Corporation	Men	Women	Total
Leave for purposes related to childcare*	84%	107%	88%

* The usage rate calculation includes parental leave and paternity leave, in accordance with the standards of the Act on Childcare Leave and Caregiver Leave.

Sharp Corporation has been recognized by the Minister of Health, Labour and Welfare as a company supportive of childrearing based on the Act on Advancement of Measures to Support Raising Next-Generation Children and has received the "Kurumin" mark of certification. Sharp will continue to support its employees' active participation in childcare and in family life with their children.

Main programs

- Staggered commuting hours during pregnancy
- Childcare leave (until the child turns two years old, for the period requested by the employee; can be divided up)
- Parental leave (for up to four weeks during the first eight weeks after the child is born; can be divided up)
- Paternity leave (for up to five days during the period one week before the due date and six weeks after the child is born)
- Daycare adaption leave (for up to one month until the child turns two years and a month old)
- Multipurpose leave (eight days a year; can be taken for childcare and nursing)
- Child nursing leave (five days a year)
- Reduced-hours employment during childbearing/childcare (an employee can reduce work time by up to three hours per day during pregnancy, or until March 31 after his/her child has reached the sixth year of elementary school)
- Childcare support work program (allows flexible work schedules [start and end times] until March 31 after the child has reached the sixth year of elementary school)
- One-off payments for employees making an early return from leave
- Home helper expense subsidies
- Subsidy for fees of non-registered daycare facilities
- Subsidy for fees for sick children daycare and extended daycare
- Guaranteed reemployment after childbearing/childcare

■ Nursing Care

As the population ages, Sharp has established a support system for employees who require greater flexibility in their working arrangements to accommodate their nursing care circumstances. It is promoting use of individual programs by providing information to employees in the form of a guidebook. Additionally, Sharp has set up nursing care consultation desks both inside and outside the company to provide more comprehensive nursing care information and has established a support system for employees who face nursing care challenges.

Main programs

- Nursing care leave (for a total of two years; can be divided up)
- Multipurpose leave (eight days a year; can be taken for nursing care)
- Nursing care leave (five days a year)
- Reduced-hours employment for nursing care (an employee can reduce work time by up to three hours per day until there is no longer the need for nursing care)
- Nursing care support work program (allows flexible work schedules [start and end times] during a six-month period)
- Reduced weekly working days for nursing care
- Home helper expense subsidies
- Support for unmarried employees with family nursing care obligations (commuting costs and other relevant expenses)
- Reemployment after nursing care

■ Medical Treatment

Sharp has established a support system for balancing work with medical treatment. Employees undergoing medical treatment are able to work comfortably without being pressed by time. An employee's health and capacity for work are the key considerations in determining their work schedule and obligations.

Main programs

- Multipurpose leave (eight days a year; can be taken for medical or fertility treatment)
- Sick/injury leave (can be taken for fertility treatment)
- Reduced-hours employment after returning from sick/injury leave
- Support work program after returning from sick/injury leave
- Reduced weekly working days for medical treatment

Social Initiatives: Human Resources

Promoting Occupational Safety and Health

Sharp Group Basic Policies on Safety and Health

Basic Philosophy

The Sharp Group regards protecting the safety, security, and health of employees all over the world as indispensable to its business activities, and is dedicating appropriate management resources in a spirit of Sincerity and Creativity, in order to achieve a safe and pleasant working environment.

Basic Policy

1. Legislative Compliance
   In addition to strict compliance with legislation related to safety and health in each country and region, all Group companies must comply with in-house standards established in line with the standard Group policy.
2. Establishment of Management Organization
   The Sharp Group has established a management organization to deal with safety and health, with clearly delineated roles, authority, and responsibilities, and is promoting activities at the structural level.
3. Establishment and Operation of Management System
   The Sharp Group has established an occupational safety and health management system, and is engaged in continuous evaluation and improvement of its activities, with a view to eliminating potential hazards and risks to safety and health in the workplace.
4. Implementation of Education and Training
   The Sharp Group is endeavoring to raise awareness of safety and health and to promote voluntary activities by implementing for all employees the education and training required to improve safety and health.
5. Setting Targets and Full Employee Participation in Practical Activities
   The Sharp Group sets targets for preventing accidents and improving employees' health, and is striving to meet these targets by means of practical activities in which all employees participate.

Organization Promoting Safety, Hygiene, and Health

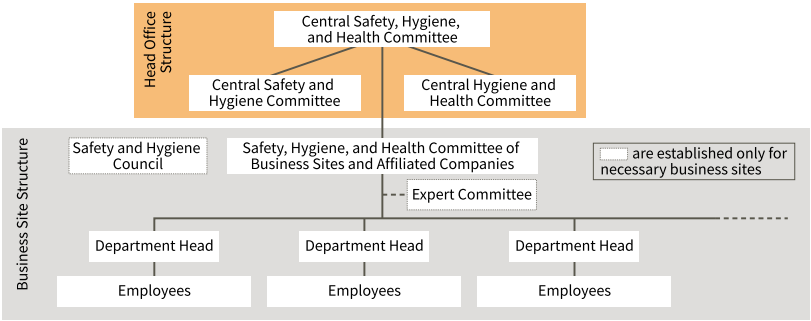
Sharp works to ensure the safety and to maintain and improve the health of all of its employees, as well as further the creation of a pleasant working environment. Towards that end, it has developed a clear administrative responsibility system for preventing industrial accidents and improving occupational safety and health levels. Also, in order to show Sharp's commitment to maintaining and improving health, it calls the names of its organizations and activities "safety, hygiene, and health" instead of "safety and health" and has established the following organizational system for promoting safety, hygiene, and health.

In order to ensure that activities for the maintenance and improvement of safety, hygiene, and health go smoothly, Sharp holds Central Safety, Hygiene, and Health Committee meetings that bring the management and the labor union together to discuss and decide basic policies for the entire company. The Committee establishes annual company-wide policies, objectives, and priority action items related to safety, hygiene, and health and rolls them out to business sites and affiliated companies.

At each business site or affiliated company, the Safety, Hygiene, and Health Committee consisting of labor and management representatives, as well as chemical, electrical, and gas subcommittees, meets every month to report, discuss, and review safety, hygiene, and health activities. The discussion and decision outcomes are communicated to all employees through the various departments.

In addition, in order to establish comprehensive safety, hygiene, and health management on company premises, every month at each business site a Safety and Hygiene Council meeting is convened, which includes subcontractors permanently stationed on-site. This committee discusses safety, hygiene, and health-related policy, targets, and planning, shares updates about safety, hygiene, and health initiatives, and works to prevent industrial accidents.

Organization Promoting Safety, Hygiene, and Health



Social Initiatives: Human Resources

Promoting Occupational Safety and Health

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Eliminate severe accidents, reduce industrial accidents ■ Implement company-wide Healthy Sharp initiative ■ Prevent health problems caused by overwork	■ Number of industrial accidents: ‣ Worked to eradicate unsafe practices and cultivate a culture of safety by following procedural rules, thus eliminating severe accidents and reducing industrial accidents by 4.8% year-on-year ‣ Implemented company-wide Healthy Sharp initiative ■ The percentage of people who cleared four of the five lifestyle-related indicators ((1) diet, (2) exercise, (3) sleep, (4) smoking, (5) drinking) was 44.3% (1.4 points higher than the target) ‣ Strengthened measures against long work hours for employees ‣ Average monthly overtime per person was 15.3 hours ‣ Had all employees working long hours interviewed and guided by a physician	★★	■ Eliminate severe accidents, reduce industrial accidents ■ Implement company-wide Healthy Sharp initiative ■ Prevent health problems caused by overwork

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Occupational Safety and Health Management System

Sharp has established an occupational safety and health management system and is promoting measures to ensure the further penetration and establishment of “proactive safety,” an initiative under which potential workplace accident risks are identified in advance through risk assessments and eliminated or reduced.

Four of Sharp’s major business sites in Japan have received certification for ISO 45001, an international standard for management systems of occupational safety and health. Sharp has also established and is promoting occupational safety and health management systems at other workplaces and affiliated companies to promote systematic, organized, and continuous safety and health management and raise the level thereof.

Initiatives to Reduce Industrial Accidents

The Sharp Group implements continuous safety management at its work sites in compliance with safety-related laws and company rules as well as provides ongoing safety education to employees. When industrial accidents do occur, Sharp analyzes their causes, implements effective countermeasures, and then rolls these out at each workplace to prevent reoccurrence. In addition, Sharp is making stronger efforts to foster a safety culture within the company by repeatedly stressing the importance of putting safety first, such as by providing easy intranet access to accident case studies, company policies, regulations and rules, and safety tools that summarize the actions that each employee should take to prevent unsafe behavior, which is the most common cause of industrial accidents.

As a result of these efforts, in the Sharp Group in Japan in fiscal 2023, there were no industrial accidents resulting in death (a record that has continued since fiscal 2013), and our industrial accident rate (frequency rate of lost-worktime industrial accidents*) was 0.36, which continued to be lower than the national average for all industries (2.14), the manufacturing industry (1.29), and the electrical machinery, equipment, and supplies manufacturing industry (0.54).

* Indicator that represents the incidence of industrial accidents per million work hours (one day or more of suspended operations).

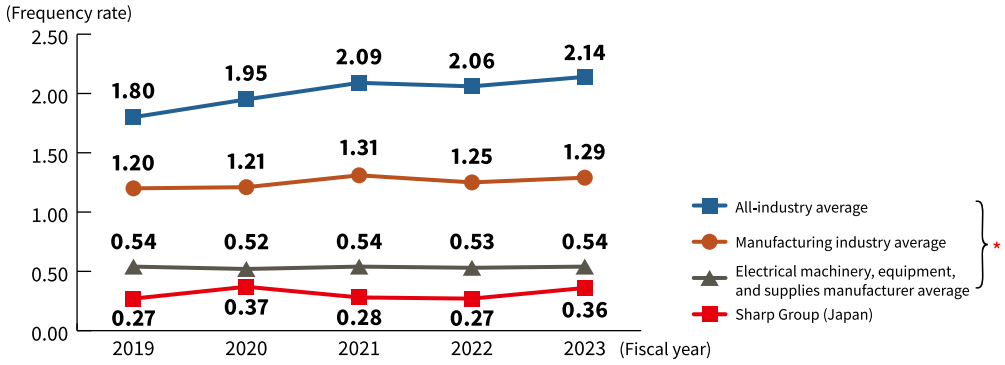
Social Initiatives: Human Resources

Promoting Occupational Safety and Health

Activities to Reduce Industrial Accidents

Item	Description
Safety compliance check	• Conducting once a year for all work sites company-wide and for affiliated companies • Confirming any legal changes and checking the response to said changes
Safety measures at production sites	• Compliance with work rules • Thorough inspection of equipment and facilities
Safety e-learning	• Reinforcing safety rule compliance and a safety-first mindset among all employees
Sharp Group workplace safety website	• Displaying a banner on the home page of the intranet • Providing safety tools that summarize actions employees should take in the workplace; examples of accidents in the company; company policies, regulations, rules, etc.
Displaying company-wide safety awareness posters	• Displaying notices at dangerous locations in the workplace
Raising awareness of dangers	• Making potential hazards more visible, conducting training in near-miss accidents and danger prediction

Annual Industrial Accident Rates (Frequency Rate of Lost-Worktime Industrial Accidents)



* National averages for all industries, the manufacturing industry, and manufacturers of electrical machinery, equipment, and supplies are based on a 2023 survey by the Japanese Ministry of Health, Labor, and Welfare.

Social Initiatives: Human Resources

Promoting Occupational Safety and Health

Company-Wide Health Initiatives

The Sharp Group's business philosophy states that "It is the intention of our corporation to grow hand-in-hand with our employees." To this end, the Sharp Group has been working together with the Sharp Workers Union and the Sharp Health Insurance Association to support the health of employees through Healthy Sharp 23, a company-wide initiative conducted since fiscal 2014. Starting in fiscal 2023, this initiative was relaunched as Healthy Sharp and has a focus on cancer, cerebrovascular disease and heart disease prevention, as well as prevention of lifestyle diseases like arteriosclerosis, diabetes, hypertension, and dyslipidemia, which are risk factors for cerebrovascular disease and heart disease. Since the onset of these diseases is closely related to daily lifestyle habits, Healthy Sharp focuses on five lifestyle-related factors ((1) diet, (2) exercise habits, (3) sleep, (4) smoking and (5) drinking), along with (6) prevention of mental health disorders, as its target management factors. The aim is to check whether the answers given to questions asked during health checkups satisfy the healthy lifestyle habit indicators and then to increase the percentage of people who satisfy each.

Mr. Get, the mascot for Healthy Sharp

■ Healthy Sharp—Five Lifestyle Habit-Related Target Management Factors

Target management factors	Regular health checkup questionnaire (medical examination items)	Desired answer
(1) Diet	Eats faster than other people	No
	Eats dinner within two hours before bedtime three or more times a week	No
	Eats snacks or other food in addition to three meals every day or sometimes	No
	Skips breakfast three or more times per week	No
(2) Exercise habits	At least two days per week, performs exercise that lasts for at least 30 minutes per session and produces a light sweat	Yes
	Performs physical activity equivalent to walking for at least one hour per day	Yes
	Walks faster than others of the same age and sex	Yes
(3) Sleep	Gets sufficient rest from sleep	Yes
(4) Smoking	Is not a habitual smoker	No
	Used to smoke but hasn't in the last month	Yes
(5) Drinking	Drinks alcohol every day and drinks two or more standard drinks (180 ml x 2) per day, or three or more standard drinks (180 ml x 3) five to six days per week, three to four days per week, one to three days per week, or one to three days per month	No

Making Employees Healthier

Sharp reviews the lifestyle habits of all its employees based on the regular health checkup questionnaire (medical examination items) and uses the Healthy Sharp initiative as a way of fostering improvement of those habits. The main approaches used include health education and information provision to employees, consultations and health guidance from industrial physicians and public health nurses based on the results of regular health checkups, and various health promotion measures that support improvement of lifestyle habits. Sharp also has ongoing, focused activities to follow up on employees' health. For example, employees who are at risk of brain or heart diseases are encouraged to undergo health checkups.

■ Main Activities

	Target factors for management				
	(1) Diet	(2) Exercise habits	(3) Sleep	(4) Smoking	(5) Drinking
Education/ information dissemination	• E-learning (all employees) • Monthly dissemination via the intranet of information relating to the five lifestyle habits • Training on Healthy Sharp and regular, healthy lifestyle habits (for new employees, online/group training) • Health education on the five lifestyle habits (online/group training)				
	• Education on metabolic syndrome and lifestyle disease prevention for people in their 30s (online/group training)				
Consultation	• Improving employee health literacy and providing guidance on lifestyle habit improvement • Individual consultations for those with high-risk health check results • Specific health guidance (including guidance on improving sleep and responsible drinking)				
	• Dietary guidance	• Guidance on developing exercise habits	• Health checkups for employees working long hours • Guidance on improving sleep	• Smoking cessation guidance during five-year dental checkups	• Guidance on responsible drinking
Other measures	• Providing healthy menus in company cafeterias	• Company-wide team walking competitions using a smartphone app • Measures to establish regular walking habits • Sporting events • Information about fitness club membership campaigns • Promotion of morning radio exercises	• Reducing overtime work	• Subsidies for smoking cessation outpatient services and smoking cessation medication • Requesting family members to help with quitting smoking • Sharp No Smoking Day and No Smoking Week • Prohibiting smoking inside buildings	

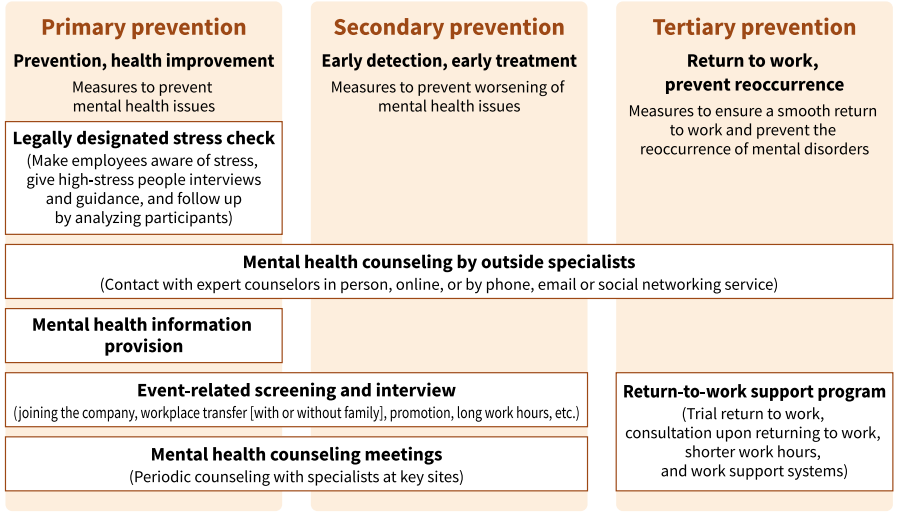
Social Initiatives: Human Resources

Promoting Occupational Safety and Health

Enhancing Mental Health Care

Sharp is promoting better mental health by making the prevention of mental health disorders one of its company-wide Healthy Sharp health initiative target management factors.
Sharp is working proactively to increase the rate of participation in the legally mandated stress check system, thereby contributing to the prevention of mental health problems by helping employees become aware of their own stress levels, and implementing early detection and treatment for highly stressed individuals through one-on-one guidance. Sharp is also implementing work environment improvement initiatives in departments with a high proportion of highly stressed individuals and in departments with a high overall health risk based on the results of analysis for each organization.
Sharp also offers comprehensive mental health services to employees, including consultations for new employees and employees working long hours, counseling with mental health doctors and workplace counselors and counseling at outside specialized institutions. Mental health information is also made available to employees on the intranet.
Our return-to-work support program also demonstrates our commitment to supporting reinstatement after absence and prevention of a recurrence of mental health issues. Employees returning to work will have a preliminary talk with the workplace physician and their department, and they can choose to return to work on a trial basis and work shorter or flexible hours.

■ Initiatives to Improve Employees' Mental Health



Example

Seminar on Mental Health Measures

Since the pandemic, mental health issues have become more serious, especially among young workers. SVN, Sharp's sales base in Vietnam, recognizes employee mental health care as an issue that human resources personnel must focus on and is working to create a support system. SVN took part in an external seminar and, based on evidence-based opinions from experts, examined the close relationship between mental health and employee engagement, as well as approaches to mental health care within a business context. Seminar participants learned about the impact that mental health issues and disorders, such as burnout, have on individual employees and business, how to identify mental health issues within teams, how to proactively address them, and how to foster a culture that supports employees and encourages mental care.

Social Initiatives: Human Resources

Promoting Occupational Safety and Health

Preventing Health Problems Caused by Overwork

Sharp strives to prevent health problems caused by overwork, such as by curbing long working hours, so that all employees can work in full physical and mental health.

Sharp Code of Conduct (excerpt)

We will actively make efforts to create a safety-first workplace environment and to manage proper working time and the like by placing maximum priority on human life, and by complying with global standards, the laws and regulations and internal company rules relating to work conditions and occupational health and safety.

Specifically, in order to limit the amount of overtime work, Sharp has set upper limits on working long hours and has designated days on which no overtime is allowed. Other measures which Sharp utilizes are securing break times between the end of working hours and the start of the next and mandating physician consultation and guidance for employees working long hours.

Measures Related to Work Hours

Item	Description
Upper limits on overtime work	• For all employees, including managers and supervisors, work hour management standards are established that are stricter than those set by law
No overtime days	• Two no-overtime days are set per week
Rules to secure rest time	• Seven consecutive workdays are prohibited • At least 10 hours of rest time should be secured between the end of one work period and the start of the next
Encouragement to take scheduled annual paid leave	• Employees are encouraged to schedule and take their annual paid leave • A joint labor-management campaign to promote taking annual paid leave
Criteria for mandatory physician consultation and guidance	• All employees whose overtime above the weekly limit of 40 hours has exceeded 80 hours in the given month must receive physician consultation and guidance

Social Initiatives: Human Resources

Human Resources Data

Employees

By Region, Consolidated

Item	Scope	Fiscal 2021	Fiscal 2022	Fiscal 2023	Unit
Number of employees*1	Sharp consolidated	-	-	43,445	Persons
	Japan	-	-	17,209	
	Americas	-	-	1,935	
	Europe, Middle East	-	-	3,254	
	China, Asia, Oceania	-	-	21,047	

*1 Permanent employees

Sharp Corporation

Item	Scope		Fiscal 2021	Fiscal 2022	Fiscal 2023	Unit
Directors, audit and supervisory committee members	Sharp Corporation		7	7	7	Persons
		Men	7	7	7	
		Women	0	0	0	
Number of employees*2	Sharp Corporation		5,674	5,321	5,029	
		Men	4,918	4,576	4,290	
		Women	756	745	739	
	Executive officers		9	4	8	
		Men	9	4	8	
		Women	0	0	0	
	Managers		1,212	1,134	1,086	
		Men	1,156	1,078	1,031	
		Women	56	56	55	
	General staff		4,453	4,183	3,935	
		Men	3,753	3,494	3,251	
		Women	700	689	684	
Average age*2	Sharp Corporation		45.5	45.6	45.5	Age
		Men	45.9	45.9	45.9	
		Women	43.0	43.4	43.3	
Average years of service*2	Sharp Corporation		22.7	22.4	21.6	Years
		Men	23.1	22.7	21.9	
		Women	20.4	20.7	19.6	

*2 Permanent employees

Hiring and Turnover

Item	Scope		Fiscal 2021	Fiscal 2022	Fiscal 2023	Unit
Number of hires*3	Consolidated subsidiaries in Japan		-	-	617	Persons
		Men	-	-	471	
		Women	-	-	146	
	Sharp Corporation*4		-	-	191	
		Men	-	-	138	
		Women	-	-	53	
Turnover*3*5	Consolidated subsidiaries in Japan		-	-	4.7	%
		Men	-	-	4.5	
		Women	-	-	6.0	
	Sharp Corporation		-	-	4.6	
		Men	-	-	4.4	
		Women	-	-	6.2	

*3 Permanent employees. *4 Does not include persons hired as employees of Sharp Corporation and transferred to affiliated companies on the same day of employment. *5 Number of employees who voluntarily left the company during fiscal 2023 to the number of employees as of March 31, 2023.

Diversity

Personnel, Consolidated Subsidiaries in Japan

Item	Scope			Fiscal 2021	Fiscal 2022	Fiscal 2023	Unit
Personnel composition ratio, by gender*6	Consolidated subsidiaries in Japan		Men	-	88.9	88.5	%
			Women	-	11.1	11.5	
		Managers	Men	-	-	96.4	
			Women	-	-	3.6	
		General staff	Men	-	-	87.0	
			Women	-	-	13.0	
	Sharp Corporation		Men	86.7	86.0	85.3	
			Women	13.3	14.0	14.7	
		Managers	Men	95.4	95.1	95.0	
			Women	4.6	4.9	5.0	
		General staff	Men	84.3	83.5	82.6	
			Women	15.7	16.5	17.4	
Personnel composition ratio, by age*6	Consolidated subsidiaries in Japan	Under 30 years old		-	-	11.8	%
		30 to 49 years old		-	-	38.6	
		50 years and older		-	-	49.6	
	Sharp Corporation	Under 30 years old		-	-	12.9	
		30 to 49 years old		-	-	38.0	
		50 years and older		-	-	49.1	

*6 Permanent employees

Social Initiatives: Human Resources

Human Resources Data

Diversity

Personnel Composition at Major Overseas Subsidiaries

Item	Scope			Fiscal 2021	Fiscal 2022	Fiscal 2023	Unit
Personnel composition ratio, by gender	SEC (US) Sales, production		Men	71.0	68.9	68.8	%
			Women	29.0	31.1	31.2	
		Directors, managers	Men	82.0	79.2	78.3	
			Women	18.0	20.8	21.7	
		Non-managers*1	Men	69.9	68.0	67.8	
			Women	30.1	32.0	32.2	
	SEE (UK) Sales, production		Men	74.8	74.1	74.7	%
			Women	25.2	25.9	25.3	
		Directors, managers	Men	76.6	77.6	73.7	
			Women	23.4	22.4	26.3	
		Non-managers*1	Men	74.4	73.3	74.9	
			Women	25.6	26.7	25.1	
	SEID (Indonesia) Sales, production		Men	71.0	71.5	71.9	%
			Women	29.0	28.5	28.1	
		Directors, managers	Men	83.0	83.3	83.5	
			Women	17.0	16.7	16.5	
		Non-managers*1	Men	70.3	70.8	71.1	
			Women	29.7	29.2	28.9	
	SATL (Thailand) Production		Men	30.5	32.4	33.3	%
			Women	69.5	67.6	66.7	
		Directors, managers	Men	65.8	63.3	60.6	
			Women	34.2	36.7	39.4	
		Non-managers*1	Men	29.7	31.8	32.6	
			Women	70.3	68.2	67.4	

Personnel Composition at Major Overseas Subsidiaries

Item	Scope			Fiscal 2021	Fiscal 2022	Fiscal 2023	Unit
Personnel composition ratio, by gender	SOCC (China) Production		Men	30.1	31.0	31.5	%
			Women	69.9	69.0	68.5	
		Directors, managers	Men	83.0	84.8	85.2	
			Women	17.0	15.2	14.8	
		Non-managers*1	Men	24.7	25.0	25.5	
			Women	75.3	75.0	74.5	
	NESC (China) Production		Men	65.0	64.5	64.4	%
			Women	35.0	35.5	35.6	
		Directors, managers	Men	63.9	64.6	66.1	
			Women	36.1	35.4	33.9	
		Non-managers*1	Men	65.1	64.5	64.2	
			Women	34.9	35.5	35.8	
	WSEC (China) Production		Men	47.2	47.1	46.3	%
			Women	52.8	52.9	53.7	
		Directors, managers	Men	49.0	60.1	60.5	
			Women	51.0	39.9	39.5	
		Non-managers*1	Men	46.9	46.0	44.9	
			Women	53.1	54.0	55.1	

*1 Permanent employees

Annual Average Wage Ratio, by Gender

Item	Scope			Fiscal 2021	Fiscal 2022	Fiscal 2023	Unit
Annual average wage ratio, by gender	Sharp Corporation		Men	-	100	100	%
			Women	-	80.0	79.6	
		Permanent employees	Men	-	100	100	
			Women	-	79.6	78.8	
		Part-time and fixed-term workers	Men	-	100	100	
			Women	-	71.7	72.5	

Employment of People with Disabilities

Item	Scope	June 2022	June 2023	June 2024	Unit
Employment rate of people with disabilities*2	Sharp Corporation, special subsidiary, applicable group companies	2.45	2.58	2.56	%

*2 Based on Japan's Act to Facilitate the Employment of Persons with Disabilities

Social Initiatives: Human Resources

Human Resources Data

Work-Life Balance

Item	Scope		Fiscal 2021	Fiscal 2022	Fiscal 2023	Unit
Annual paid leave	Sharp Group in Japan	Usage rate*1	70.1	74.0	75.8	%
Overtime		Average hours per person/month*1	19.5	15.5	15.3	Hours

*1 Permanent employees

Item	Scope			Fiscal 2021	Fiscal 2022	Fiscal 2023	Unit
Leave for purposes related to childcare*2	Sharp Corporation	Number of users*3		56	107	67	Persons
			Men	36	88	53	
			Women	20	19	14	
		Usage rate*3		44	97	88	%
			Men	34	95	84	
			Women	100	105	107	
Childcare leave, parental leave	Sharp Corporation	Return to work rate*4	Men	100	100	100	
			Women	93	90	94	
		Retention rate*4*5	Men	95	88	96	
			Women	95	94	96	
Reduced-hours employment during childbearing/childcare	Sharp Corporation	Number of users		3	5	5	Persons
Childcare support work program				230	230	205	
Nursing care leave	Sharp Corporation	Number of users		7	5	6	
Nursing care support work program				10	14	14	

*2 Childcare leave, parental leave, paternity leave
*3 The usage rate for fiscal 2021 was calculated in line with the Basic Survey of Gender Equality in Employment Management of Japan's Ministry of Health, Labour and Welfare. From fiscal 2022, the calculation includes parental leave and paternity leave, in accordance with the standards of the Act on Childcare Leave and Caregiver Leave.
*4 Figures for fiscal 2021 have been revised (rounded down to the nearest whole number).
*5 Percentage of employees still working 12 months after returning to work.

Human Resource Development

Item	Scope		Fiscal 2021	Fiscal 2022	Fiscal 2023	Unit
In-house programs for self-development*6	Sharp Corporation and affiliated companies in Japan	Total number of participants	4,905	5,310	9,044	Persons
		Total learning hours	11,676	9,557	26,219	Hours

*6 Includes management skills improvement training, specialized training, and (from fiscal 2023) study sessions and Sharp Language Academy.

Occupational Safety and Health

Item	Scope		Fiscal 2021	Fiscal 2022	Fiscal 2023	Unit
Industrial accidents	Consolidated subsidiaries in Japan	Frequency rate	0.28	0.27	0.36	-
		Number of fatalities	0	0	0	Persons

Social Initiatives: Efforts Related to Human Rights

Efforts Related to Human Rights

Guiding Principles on Human Rights

As a participant in the United Nations Global Compact, the Sharp Group promotes initiatives that conform to international principles about human rights and labor standards, such as those advocated in International Labour Organization (ILO) conventions.
The Sharp Group's fundamental policies with regard to human rights are embodied in the Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct. These stipulate that the Sharp Group respects fundamental human rights and individuality by eschewing practices that are discriminatory or which infringe upon human rights, such as child labor or forced labor, and every effort is made to ensure that all Sharp employees are aware of and adhere to these policies.

Human Rights Education and Training

In Japan, new employees and mid-career hires of the Sharp Group learn about Sharp's philosophy on human rights by studying the Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct.
Each site carries out ongoing human rights awareness activities, including annual human rights training. In fiscal 2023, Sharp held online training and e-learning on preventing all forms of harassment, as well as on other important topics. A total of 22 sessions were provided to around 15,860 employees.
In fiscal 2023, compliance-related training based on the Sharp Code of Conduct was also provided to all Sharp Group employees. In this training, employees learned about freedom to choose employment, young workers, eliminating discrimination and harassment, working hours, wages and benefits, and freedom of association, key themes in the human rights and labor field. About 18,000 employees took part in this e-learning program.

Sharp Group Charter of Corporate Behavior (excerpt)

The Sharp Group respects fundamental human rights and does not engage in discriminatory actions or human rights violations in any of our business activities. The Sharp Group does not sanction child labor or forced labor.

Sharp Code of Conduct (excerpt)

1. We respect the fundamental human rights and the dignity of individuals in all business activities, and will not be complicit in human rights violations. In case business activities, products and services are found to adversely affect human rights, we will take all appropriate measures.
2. We will not sanction child labor or any form of forced labor, and we will support its effective abolition.
3. In any corporate activities, including employment practices such as hiring, payment, promotion, opportunities for training and the like, we do not take any action that constitutes discrimination based on nationality, race, ethnic group, color, sex, physical health, pregnancy, sexual orientation, age, marital status, religion, creed, social status, birth, property, bodily feature, physical or mental disability, political opinion, and the like.
4. We do not engage in acts and speech that constitute inhumane acts, such as abusive behavior, expressions of contempt, verbal abuse, sexual harassment, power harassment and the like, in our offices and other work places.
5. Based on global standards and applicable laws and regulations, we will respect and consider the rights of employees, such as freedom to associate, freedom to join a trade union, freedom to take industrial action, freedom to join a worker's council and the like without revenge, threats, and/or harassments to employees.

Human rights-related initiatives in line with the Sharp Group Charter of Corporate Behavior, the Sharp Code of Conduct, local laws and regulations, and other requirements are also being promoted at Sharp's overseas bases.
Additionally, Sharp carries out ongoing human rights compliance checks at its production sites via SER self-assessment surveys* conforming to international principles, such as those advocated in ILO conventions.
In the UK, we have disclosed a statement to prevent forced labor and human trafficking based on the UK Modern Slavery Act 2015.
In Australia, we have submitted reports as required under the Modern Slavery Act.

* See page 015.

Related information: > Modern Slavery Act Transparency Statement

Social Initiatives: Efforts Related to Human Rights

Labor-Management Relationship

Good Labor-Management Relationship That Prioritizes Dialogue and Respect for Employee Rights

Sharp respects employees' right to organize and the right of collective bargaining based on the laws of each country or region, and it works to strengthen its trusting relationships with labor unions.
At Sharp Corporation, for example, labor agreements between the company and the union give the union the right to organize, the right to bargain collectively, and the right to take collective action.
Under labor agreements, Sharp provides periodic opportunities for labor-management meetings, such as the Central Labor-Management Council, which involves top executives from both sides, and labor-management meetings at each production site and affiliate. In addition, labor and management periodically meet to exchange opinions and information regarding the company's financial condition and issues in the work environment. When there are issues that will have an impact on the working conditions of union members, both sides meet for discussion before action is taken.
As of March 31, 2024, a total of 3,798 Sharp Corporation employees are members of the Sharp Workers Union. This represents a union participation rate* of 96.5%.
In Europe, Sharp holds European Works Council meetings every year to review the financial condition and managerial issues throughout Europe. In China, companies are obligated to hold meetings with employee representative assemblies to decide on issues such as employee working conditions. In line with relevant local laws, Sharp strives to build cooperative labor management relationships.

* Union members as a percentage of general staff. Some employees are not union members (managers and those performing specific jobs stipulated under labor agreements between the company and the union; in personnel affairs, accounting, etc.).

Preventing Workplace Harassment

Basic Concept

Workplace harassment is socially unacceptable behavior damaging to human dignity. It prevents employees from being effectively empowered, hinders workplace cohesion and operations, and negatively affects the company's image in society.
Harassment-related consultations are handled swiftly and fairly, and disciplinary action is taken in accordance with the rules of employment if any prohibited behavior considered to be harassment is identified.

Prohibited behavior considered to be harassment

- Sexual harassment
- Harassment relating to pregnancy, childbirth, childcare, caregiving, etc.
- Power harassment (workplace bullying)

Harassment Prevention Measures

In Japan, in order to help prevent harassment and to deal with it should it occur, Sharp provides all employees, including managers, with e-learning and other harassment-related training. There were 13,927 participants in fiscal 2023.
Additionally, Sharp utilizes employee surveys to help ascertain the status of workplace harassment and to identify whether warnings and guidance should be issued in order to prevent potential problems.

Harassment Consultation Service

Sharp has also set up a harassment consultation service for all of its bases in Japan in order to handle harassment-related reporting and consultations, thereby helping to ensure that, in the event that harassment occurs, a system is in place to immediately deal with it. In addition, Sharp has established the Crystal Hotline as a general consultation service for all workplace-related concerns, particularly those related to compliance.
Consultation services are available to Sharp employees, temporary staff, employees of business partners, and other relevant parties.
Sharp has developed harassment response guidelines, which stipulate the appropriate way to handle harassment reports, such as how to ensure those making the reports do not suffer any negative repercussions or have any personally identifiable information leaked or disclosed without their consent.

Social Initiatives: Efforts Related to Human Rights

Preventing Workplace Harassment

Example

Manager Training on Proper Conduct in the Workplace

In November 2023, Australian sales base SCA held training for managers in line with company values and societal laws to ensure that people are respected and can feel safe in the workplace. In addition to reinforcing the importance of protecting Aboriginal Australians and Torres Strait Islanders, the training touched on topics including dealing with workplace bullying and harassment, what employers should do to help build a safe and fair workplace, and the latest on harassment-related laws.

The training day included the sharing of statistics of concern from the Australian Human Rights Commission, a look at the difference between proper management and bullying, and ways to deal with workplace problems using rules and support systems.

Slides used in the training

Social Initiatives: Promoting Supply Chain CSR

Determining Procurement from the Standpoint of Providing Equal Opportunity and Fair Evaluation

Sharp's business philosophy states, "Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders." In line with this, Sharp works with suppliers and all other stakeholders to provide solutions to social issues through business and to mitigate impacts on society and the environment as it pursues sustainable growth and mutual prosperity.
To these ends, Sharp emphasizes impartiality and fairness in all purchasing activities and chooses who it will procure parts, materials, and equipment from by providing Japanese and overseas suppliers with an equal opportunity to do business with Sharp. This opportunity includes a fair evaluation of whether a supplier meets Sharp's requirements in such areas as quality, standards, and performance.

Close Communication and Mutual Understanding

To ensure sustainable growth and mutual prosperity with its suppliers, Sharp is going beyond initiatives related to the quality, price, and delivery of parts and materials. Sharp is also seeking to fulfill its social responsibilities over a wide range of areas across the entire supply chain. These areas include product safety, environmental protection, human rights and labor, and health and safety.
Sharp's basic concept, concrete policies, and requests to suppliers pertaining to procurement activities are set out in the Basic Purchasing Principles. In its Basic Purchasing Principles Requests to Suppliers, Sharp makes clear that it expects suppliers to actively work to ensure that, in addition to complying with all relevant laws, they also protect the environment and are in compliance with social norms, such as those regarding the arrangement of a proper labor environment, the prohibition of child and forced labor, the prohibition of discrimination, and the prohibition of bribery and unfair acts.
To deepen the understanding between Sharp and its business partners about sustainable procurement, Sharp communicates actively with supplier sales representatives on a daily basis.

Basic Purchasing Principles

Basic Procurement Concept

1. Sharp's procurement activities are conducted in an open and impartial manner, with a fair evaluation given to suppliers in and outside Japan.
2. Sharp will comply with all laws and regulations, and achieve mutual prosperity with suppliers.
3. Sharp will fulfill social responsibility such as the conservation of the environment through its procurement activities.
4. Sharp pursues optimal quality and cost to the fullest.

Related information: > Basic Purchasing Principles

Basic Purchasing Principles Requests to Suppliers

1. Compliance with laws and social standards that are applicable in countries and regions where suppliers do business
2. Promotion of sound business operations
3. Consideration for the environment
4. Securing optimal quality and cost
5. Stable supply of parts and materials
6. Leading technology
7. No disclosing of confidential information

- Compliance with laws related to the manufacture and distribution of parts and materials
- Compliance with laws related to labor
- Compliance with laws related to health and safety and arrangement of proper labor environment
- Prohibition of child and forced labor
- Prohibition of discrimination based on race and sex and respect for the dignity of each employee
- Compliance with environmental laws
- Prohibition of bribery and unfair acts

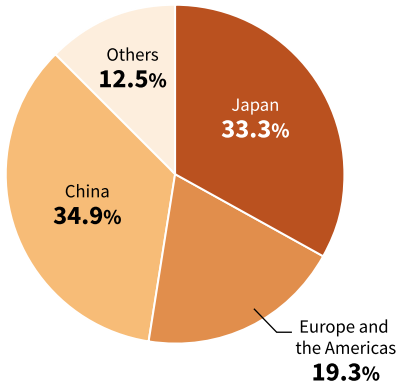
Social Initiatives: Promoting Supply Chain CSR

Determining Procurement from the Standpoint of Providing Equal Opportunity and Fair Evaluation

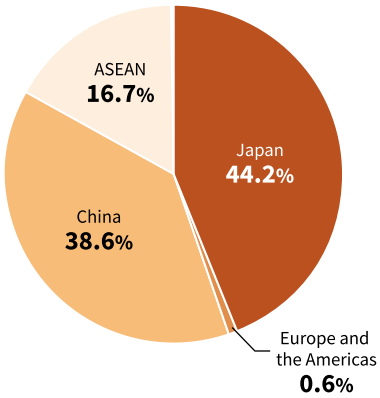
Overview of the Global Supply Chain

Sharp has 19 consolidated subsidiaries in Japan and 97 overseas (as of March 31, 2024). In line with the globalization of its business, 66.7% of sales are from overseas business; similarly, 55.8% of materials procurement, in terms of monetary amount, is by overseas production bases.
Sharp has established an international procurement office (IPO) in Hong Kong and South Korea to further procurement activities such as increased procurement of materials locally and more streamlined distribution.
Through increased procurement of local parts and materials, Sharp contributes to mutual prosperity with suppliers and advancement of regional economies.

■ Sales by Region (Fiscal 2023)



■ **Procurement Amount Composition Ratio by Production Base (Fiscal 2023)**



Example

Conference for Suppliers in Vietnam

In December 2023, a supplier conference (large-scale business meeting) promoting VE* was held at SMV, Sharp's production base in Vietnam, with several dozen outstanding suppliers in Vietnam invited to attend.
At this event, products were broken down into their component parts and displayed. Local suppliers and SMV engineers and purchasing representatives engaged in lively discussions aimed at improving the value of these products.
Through efforts such as this business meeting, Sharp also strives to enlist new suppliers and thus expand local procurement of parts and materials.

* VE: Value engineering. VE efforts focus on the relationship between function and cost in order to better understand and improve the value of products and services.

Promoting VE at the supplier conference

Social Initiatives: Promoting Supply Chain CSR

Promoting CSR across the Entire Supply Chain

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Continue CSR/Green procurement survey	■ Carried out CSR/Green procurement survey within Japan (February 2024)	★★	■ Continue CSR/Green procurement survey in fiscal 2024

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Participation in Industry Standard Initiatives

In December 2021, Sharp joined the RBA (Responsible Business Alliance), an alliance of companies that pursue social responsibility across the global supply chain. The RBA's vision and mission are shared throughout the entire Sharp Group. Sharp also actively participates in the activities of groups such as the Japan Electronics and Information Technology Industries Association (JEITA), through which it contributes to the promotion of industry-wide CSR procurement.

Supply Chain CSR Policies and Systems

The Sharp Group's fundamental policies with regard to CSR are established in the Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct. Every effort is made to ensure that all Sharp employees are aware of and adhere to these policies.
The Corporate Procurement Group, which promotes supply chain CSR, has been organizationally strengthened as a business unit directly under the president & CEO from June 2024. It coordinates with each business unit and subsidiary's procurement department to pursue Group-wide implementation of sustainable procurement activities.
In addition, the Sustainability Committee*, which is chaired by the president & CEO, has set supply chain ESG risk reduction as a key initiative. At committee meetings, members from relevant head office departments, along with business units and subsidiaries, share their policies and measures. The committee also monitors and manages progress on supply chain CSR-related measures.

* See page 010.

Sharp Supply-Chain CSR Deployment Guidebook

To help suppliers understand and put into action CSR philosophy as stated in Sharp's Basic Purchasing Principles, in fiscal 2007 the company formulated and distributed its own Sharp Supply-Chain CSR Deployment Guidebook in Japanese, English, and Chinese. The Basic Products Purchase Agreement also includes articles on CSR initiatives, based on the guidebook, that suppliers are requested to follow.

In fiscal 2015, Sharp fully revised the content of its guidebook to conform to the RBA Code of Conduct. Since then, it has revised the guidebook as needed in line with revisions to the RBA Code of Conduct. In this way, Sharp strives to comply with the increasingly sophisticated international standards for CSR. In addition, Sharp asks its business partners' suppliers to also support and implement the guidelines in this guidebook.

Related information: > Sharp Supply-Chain CSR Deployment Guidebook

Content of Sharp Supply-Chain CSR Deployment Guidebook

A. Labor
1) Freely Chosen Employment 2) Young Workers 3) Working Hours
4) Wages and Benefits 5) Humane Treatment 6) Non-Discrimination
7) Freedom of Association

B. Health and Safety
1) Occupational Safety 2) Emergency Preparedness 3) Occupational Injury and Illness
4) Industrial Hygiene 5) Physically Demanding Work 6) Machine Safeguarding
7) Sanitation, Food, and Housing 8) Health and Safety Communication

C. Environmental
1) Environmental Permits and Reporting
2) Pollution Prevention and Resource Reduction 3) Hazardous Substances
4) Solid Waste 5) Air Emissions 6) Materials Restrictions 7) Water Management
8) Energy Consumption and Greenhouse Gas Emissions

D. Ethics
1) Business Integrity 2) No Improper Advantage 3) Disclosure of Information
4) Intellectual Property 5) Fair Business, Advertising, and Competition
6) Protection of Identity and Non-Retaliation 7) Responsible Sourcing of Minerals
8) Privacy

E. Management System
1) Company Commitment 2) Management Accountability and Responsibility
3) Legal and Customer Requirements 4) Risk Assessment and Risk Management
5) Improvement Objectives 6) Training 7) Communication
8) Worker Feedback and Participation 9) Audits and Assessments
10) Corrective Action Process 11) Documentation and Records 12) Supplier Responsibility

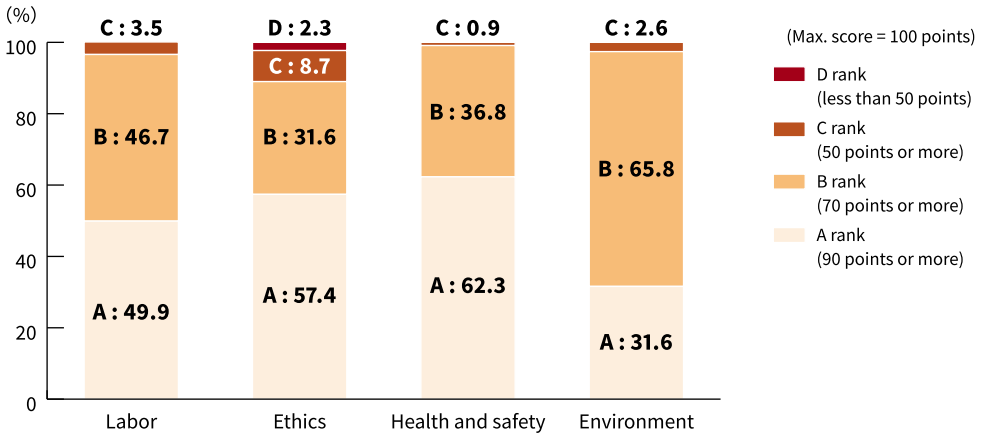
Social Initiatives: Promoting Supply Chain CSR

Promoting CSR across the Entire Supply Chain

Promoting CSR Awareness and Conducting Risk Assessment at Suppliers

Sharp periodically carries out CSR/Green procurement surveys to confirm how well suppliers are carrying out CSR based on the Sharp Supply-Chain CSR Deployment Guidebook and to identify, assess, and reduce CSR risk in the supply chain.
On the survey form, there are areas that conform to the RBA self-assessment questionnaire—labor, health and safety, environment, and ethics—as well as a wide range of items particular to Sharp, including biodiversity/chemical substances management and business continuity planning (BCP). In fiscal 2020, Sharp added another area, information security, to deal with cyber security risks across the supply chain.
To help suppliers understand things like the purpose and background of the survey, Sharp adds its own explanations to major questions. This helps make the survey a medium that prompts suppliers to further their understanding of international CSR standards.
The survey is carried out separately at each factory that makes products for Sharp. Survey scorecards are given to participating suppliers and those with low-scoring areas are asked to submit corrective action plans. Through such post-survey communication with suppliers, Sharp is continuously working to improve CSR across the supply chain.

Assessment Distribution of CSR/Green Procurement Survey (Japan)



In fiscal 2023, the survey was carried out at 393 bases of 99 companies in Japan. At production and procurement bases in China and ASEAN countries, since fiscal 2017 Sharp has been introducing two types of supplier management systems through which it has been carrying out ongoing risk management equivalent to that of Sharp in Japan.

CSR/Green Procurement Survey: Examples of Ethics Issues and Solutions

Area	Issues	How to Improve
Health and safety	Health and safety-related goals and indicators not disclosed	Disclose goals and indicators within one year
	No programs, procedures, etc., have been implemented to manage health and safety risks at business partners	Add confirmation of ISO 45001 certification and the existence of company rules related to occupational health and safety to the items investigated when evaluating business partners
Ethics	Lack of a manual for properly managing ethical conduct	Formulate a corporate ethics policy
	Employees are not sufficiently informed of permissible ethical conduct	Post information on bulletin boards in all departments
		Provide e-learning to employees
	It cannot be confirmed whether suppliers are conducting themselves ethically	Conduct a questionnaire among suppliers
BCP	BCP is not regularly reviewed	Implement regular review
	The division of roles and actions to be taken in the BCP have not been thoroughly communicated to all involved parties	Thoroughly communicate the information to relevant parties through in-house training and other means
	Not able to check the status of suppliers' BCP	Add items to the supplier evaluation form (renewing and new) that will help to ascertain the status

Social Initiatives: Promoting Supply Chain CSR

Promoting CSR across the Entire Supply Chain

There has been increasing concern around the world in recent years about issues such as slave labor and forced labor. Europe and North America have led the way in enacting, enforcing, or discussing laws promoting due diligence of human rights in the supply chain. Examples include the Uyghur Forced Labor Prevention Act and the EU Corporate Sustainability Due Diligence Directive (CSDDD). With companies today expected to be stricter than ever in implementing CSR in the supply chain, Sharp makes human rights abidance in the supply chain key to the selection of suppliers.
Through such ongoing efforts, Sharp has found that across its supply chain there are no serious problems such as forced labor or child labor. If, through our continuing due diligence, it was determined that a human rights violation did occur, we would immediately enter into discussions with the supplier in question based on the supplier contract, and take the necessary corrective and relief measures. If no remediation is expected, Sharp will take strict measures, such as suspending transactions, while prioritizing relief measures for victims.
Sharp will continue to step up its efforts in response to trends in international human rights due diligence as it fulfills its corporate social responsibility in every facet of the supply chain.

Education for Procurement Personnel

To help all those in procurement positions company-wide improve their understanding and implementation of CSR, a thorough explanation of the Basic Purchasing Principles, along with a curriculum relating to supply chain CSR, is included in training materials for new employees, transferred employees, and management skills improvement. Additionally, all Sharp Group employees in Japan take compliance-related training based on the Sharp Code of Conduct*1 in order to foster respect for human rights, and ESG-related training in order to gain basic knowledge about sustainable procurement. This is done to ensure that all procurement personnel within the company have undergone training on sustainable procurement.
In addition, since February 2022, Sharp has started more in-depth training—primarily targeted at those who will take on the role of CSR procurement promotion leader in each procurement department—on the RBA Code of Conduct using the RBA e-Learning Academy. A total of 153 people, including domestic procurement staff and employees at production bases in Thailand and China, have taken a total of 765 courses. Moving forward, Sharp will continue to hold these educational programs in order to promote greater understanding of sustainable procurement.

*1 See page 134.

Procurement BCP

In order to enable the continuation and rapid recovery of business with its business partners in the event of large-scale disasters, such as earthquakes and typhoons, or epidemics of infectious diseases, Sharp uses the Rules of Business Risk Management*2 to create and periodically revise business continuity plans (BCPs).
To ensure that corporate procurement departments secure a stable supply of parts and materials at fair prices, Sharp continuously strengthens partnerships with suppliers regarding long-term supply contracts and other matters, as well as purchases from multiple suppliers. Sharp also requires suppliers to periodically check and update the factories that produce items delivered to Sharp. It also carries out CSR/Green procurement surveys to confirm how well suppliers are making and maintaining BCPs.

*2 See page 133.

Social Initiatives: Promoting Supply Chain CSR

Promoting CSR across the Entire Supply Chain

Strengthening the Hotline and Consultation System for Suppliers

Sharp Corporation and its affiliated companies in Japan have set up the Crystal Hotline to handle organizational and individual legal and ethical violations. The hotline accepts reports and consultation requests from suppliers*1

Additionally, in order to develop a grievance mechanism as required of companies by the United Nations Guiding Principles on Business and Human Rights (UNGP), Sharp is an inaugural member (regular member) of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER). Since October 2022, a broad range of stakeholders, including employees in global supply chains (including second-tier and lower suppliers) and the labor unions and NGOs that support them, have been able to make use of JaCER's Engagement and Remedy Platform to submit reports in Japanese or English of human rights-related grievances.

*1 See page 135.

Related information: > Japan Center for Engagement and Remedy on Business and Human Rights (JaCER)

Encouraging Business Partners to Conduct Sustainable Procurement

To help suppliers deepen their understanding of sustainable procurement, Sharp Corporation, as a member of the CSR Committee and the Responsible Minerals Trade Working Group*2 of the Japan Electronics and Information Technology Industries Association (JEITA), is involved in educational and awareness-raising activities on sustainable procurement, including planning and running lectures for suppliers and disseminating the latest information.

*2 See page 106.

Example

Solar Module Traceability*1 and Ethical Sourcing Receive High Marks from External Auditing Organization

SESE, Sharp's German solar module sales company, underwent a third-party audit by Clean Energy Associates (CEA) as part of its supply chain mapping*2 initiative and received a high score of 4.2 out of 5.

The audit was focused on supply chain sourcing and transparency, taking into account the origins at each processing stage of silicon photovoltaic module components, including raw materials, polysilicon, ingots, wafers and cells, and examining key factors such as the location of supplier factories, transparency of purchasing contracts, geographic distribution of high-risk areas, and the resulting resilience of the supply chain.

The audit served to highlight SESE's unwavering commitment to working towards a responsible and transparent supply chain.

SESE has refrained from production activities in high-risk areas and has not been subject to any relevant sanctions. It will continue to engage in responsible sourcing in the future.

*1 A system for understanding where products are made, distributed, and sold.

*2 Collection of information on suppliers, sites, operations, and workers in the supply chain in order to create a detailed global map.

Social Initiatives: Promoting Supply Chain CSR

Audits and Education to Ensure Full Compliance with the Subcontract Act

In Japan, Sharp Corporation and its affiliated companies implement compliance checks and in-house education on an ongoing basis to comply with the Subcontract Act (Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors), a law aimed at protecting the earnings of subcontractors.
The compliance checks are self-audits conducted every year by business units, procurement departments, head office departments, and domestic affiliated companies to ensure thorough compliance with the Subcontract Act. To further raise awareness of complying with the Subcontract Act and ensure all employees related to procurement are knowledgeable in matters such as government policy on dealing with subcontractors, in fiscal 2023 Sharp held in-house study sessions at each of its domestic affiliates, e-learning for approximately 13,000 group-wide employees, and had employees take outside seminars.

An in-house Subcontract Act study session (relayed live to all Sharp bases in Japan)

Social Initiatives: Promoting Supply Chain CSR

Responsible Minerals Procurement

Policies and Systems for Responsible Minerals Procurement

In recent years, companies have had to take a broader range of increasingly complex efforts regarding the minerals, regions, and risks involved in the responsible procurement of minerals. This means not only abiding by legal frameworks related to minerals procurement such as the Dodd-Frank Wall Street Reform and Consumer Protection Act of the United States and the EU's Conflict Minerals Regulation, but also keeping abreast of newly enacted laws and guidelines that obligate companies to carry out due diligence in human rights and the environment.
In the supply chain for procuring minerals from conflict-affected and high-risk areas, Sharp has a basic policy in place to ensure it is not complicit in human rights abuses and environmental destruction, and so that it does not inhibit sound, legitimate business activities.
Based on this basic policy and the Sustainability Committee*1, which is chaired by the president & CEO of Sharp, we have made responsible minerals procurement a key theme. A survey system has been created in major business units and production subsidiaries and we constantly check on the progress of relevant measures under this system.

Related information:> Responsible Minerals Procurement

Cooperation with Industry

To ensure that responsible minerals procurement is carried out effectively, Sharp believes in the importance of collaborating with industries in Japan and other countries and acting based on widespread consensus. Since fiscal 2012, Sharp has been a member of the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA).
We also actively take part in JEITA's Responsible Minerals Sourcing Inquiry Briefings by helping in planning, creating documents, and joining the briefings as part of our efforts to spread understanding of responsible minerals procurement in the industry supply chain and boosting the capabilities of downstream companies. Together with JEITA, we periodically send outreach letters to smelters or refiners that are not yet participants of the RMAP*2 (created and operated by the RMI*3) urging them to undergo audits. These efforts are part of our contribution to effectively stamping out human rights abuses and other problems in the global procurement of minerals.
Furthermore, since December 2021, Sharp has been a member of the RMI, working to deepen our global collaboration and due diligence initiatives while ensuring we stay abreast of the latest international developments relating to responsible minerals procurement.

Survey Activities in Accordance with International Standards

Sharp uses the RMI's international reporting templates (CMRT*4 and EMRT*5) to conduct surveys on 3TG (tantalum, tin, tungsten, and gold), as well as minerals such as cobalt and mica if requested by customers.
In the surveys, primary suppliers are urged to procure minerals from RMAP-conformant smelters or refiners. And based on the CMRT and EMRT returned by survey participants, we identify and evaluate risk based on the OECD*6 Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
In fiscal 2023, as a result of about 330 surveys carried out at major business units and production subsidiaries, 339 smelters and refiners were identified and the RMAP conformance rate was about 79%*7.
For smelters and refiners that are not yet conformant with RMAP and those with high risk levels, we urge their participation in RMAP through the supply chain. If any smelters or refiners have been found to be dealing with militant forces or complicit in serious human rights abuses, this information is shared with suppliers, with whom we discuss measures such as switching to RMAP-conformant smelters or refiners.

Education and Awareness Raising on Responsible Minerals Procurement

To deepen employees' understanding of responsible minerals procurement, as a rule we hold monthly meetings with those in charge of surveys at major business units and production subsidiaries, where participants share information on the latest international developments and discuss practical survey issues and how to improve the survey system.
Procurement personnel and new employees take part in periodic supply chain CSR training, which covers responsible minerals procurement. Another way we further employees' understanding on responsible minerals procurement is by uploading new and relevant material to the management skills improvement training page on the Sharp intranet.

*1 See page 010.
*2 RMAP (Responsible Minerals Assurance Process) is an RMI program for validating conformance of RMI-listed smelters or refiners.
*3 RMI: Responsible Minerals Initiative.
*4 CMRT (Conflict Minerals Reporting Template) is a free, standardized reporting template developed by the RMI.
*5 EMRT (Extended Minerals Reporting Template) is a free, standardized reporting template developed by the RMI. It covers the cobalt and mica supply chains.
*6 Organisation for Economic Co-operation and Development.
*7 Conformance rate as of July 2024.

Social Initiatives: Promoting Supply Chain CSR

Responsible Minerals Procurement

Due Diligence Efforts in Line with OECD Guidance

To carry out responsible minerals procurement, Sharp integrates into its management a five-step framework for risk-based due diligence recommended in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance).

OECD Five-Step Framework	What Sharp Is Doing
Step 1: Establish strong company management systems	• Formulate and make public a basic policy for responsible minerals procurement, and convey this throughout the company and industry. • Make responsible minerals procurement a key theme under the Sustainability Committee, and constantly check on the progress of relevant measures. • Put articles, including responsible minerals procurement requirements, of the Sharp Supply-Chain CSR Deployment Guidebook into basic parts purchase agreements. • Take part in JEITA's Responsible Minerals Sourcing Inquiry Briefings and promote capacity building through supplier mobilization.
Step 2: Identify and assess risk in the supply chain	• Conduct supplier surveys using CMRT and EMRT. • Use a proprietary survey system to check CMRT/EMRT returned by suppliers and assess risk. (Detect and identify risks according to Annex II of the OECD Guidance.)
Step 3: Design and implement a strategy to respond to identified risks	• Provide suppliers with information on high-risk smelters/refiners and urge them to stop using such smelters/refiners.
Step 4: Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain	• Periodically confirm and verify RMAP audit results on the RMI website. • Work with industry in sending outreach letters to smelters/refiners that are not yet participants of RMAP urging them to participate.
Step 5: Report on supply chain due diligence	• Disclose the state of due diligence in the Sharp Sustainability Report.

Social Initiatives: Quality

Ensuring Quality and Safety

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Ensure reliability and strengthen efforts to raise product/brand value to achieve quality that customers around the world will acknowledge	■ Announced a policy of disclosing information on vulnerabilities of networked products to boost product security, and began gathering information on such vulnerabilities on the Sharp website ■ Began efforts to step up accessibility, including holding workshops with disabled persons	★★	■ Ensure reliability and strengthen efforts to raise product/brand value to achieve quality that customers around the world will acknowledge (ongoing)

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Quality Philosophy

To respond to society's needs and make products that satisfy our customers, we keep the slogan "Quality First" in mind at all times.

Quality Slogan

Quality First in Heart and Mind

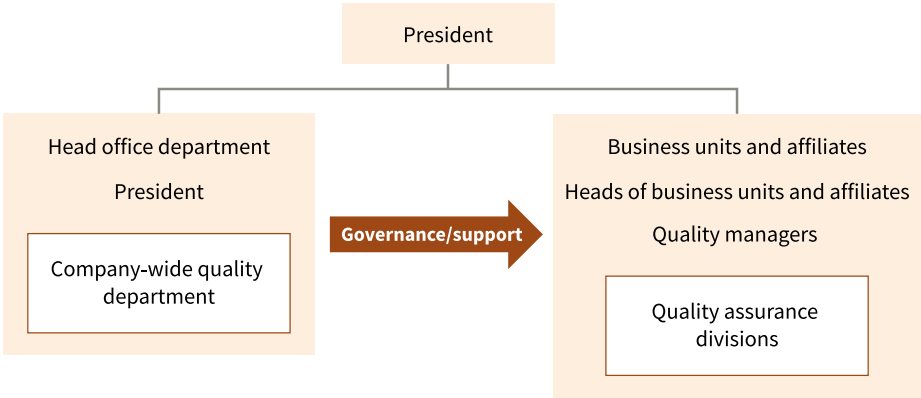
Basic Stance and Vision on Quality

To gain customer trust and improve customer satisfaction, based on its Quality Philosophy and Quality Slogan, the Sharp Group constantly strives to respond to customer needs and demands by providing products and services that are safe, high quality, and reliable.

Quality Assurance System

Under the supervision of the president, the company-wide quality department leads governance and supports related efforts for the entire Sharp Group, with each business unit and affiliate taking responsibility for their respective products. Company-wide functional divisions and business departments collaborate to continuously improve product quality.

■ Sharp Group's Quality Assurance System



Social Initiatives: Quality

Ensuring Quality and Safety

Quality Management System

To enable it to conduct a variety of quality assurance activities in all stages of the manufacturing cycle, including planning, design, procurement, production, assessment, and after-sales, the Sharp Group established the Sharp Corporation Standard based on the ISO 9001 international quality management standard. Stipulating systems and methods necessary for quality assurance, the Sharp Corporation Standard is strictly adhered to by all Sharp sites in Japan and other countries, and by consolidated subsidiaries carrying out design, production, and sales.

Through ongoing revision and implementation of the standard, all employees—in product planning, design, production, sales, and after-sales service—know exactly the level of quality they should be guaranteeing customers in Sharp's continuous efforts to improve quality.

As of April 30, 2024, 40 of 42 sites are certified for quality management systems*1. The certification rate is 95.2%.

Quality Policy

In line with the Quality Policy stipulated in Sharp Corporation's company rules (Quality Assurance Basic Rules), the Sharp Group sets quality targets and makes plans to achieve these, implementing these plans by using the PDCA cycle towards achieving the targets.

Quality Policy

Provide high quality and attractive products that customers can continuously use them with safety and satisfactory.

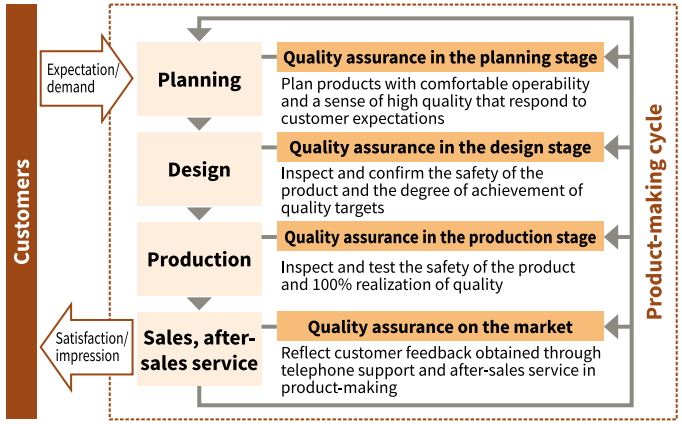
(1) Observe laws and regulations and place top priority on safety and reliability.
(2) Pursue convenience and comfort from usability.
(3) Squarely face with voice of the customer and reflect it in products

Efforts to Improve Quality

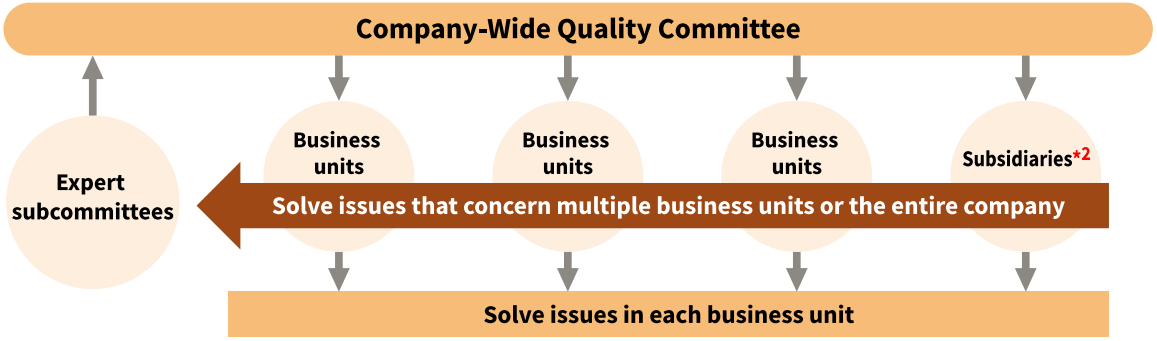
As a way to advance quality technologies, the Sharp Group has established the Company-Wide Quality Committee, which is chaired by the president and includes the general managers of each business unit and the presidents of affiliated companies. The Committee carries out improvement initiatives to boost quality company-wide by formulating annual quality-related targets, checking progress on quality KPIs (key performance indicators) that have been set, and having committee members work together to confirm activities towards achieving these targets.

In addition, a Quality Strategy Promotion Committee comprising quality managers from the various business units is convened under the auspices of the Company-Wide Quality Committee to serve as a forum for discussing specific quality measures. Issues that span the entire Sharp Group or multiple business units are taken up by topic-specific expert subcommittees, made up of experts from the various business units, which work to find prompt solutions.

■ Quality Assurance Activities in the Product-Making Cycle



■ Company-Wide Quality Committee System



*1 ISO 9001, IATF 16949 (automotive quality management system), ISO 13485 (medical devices quality management system), etc.
*2 Subsidiaries of Sharp business unit status.

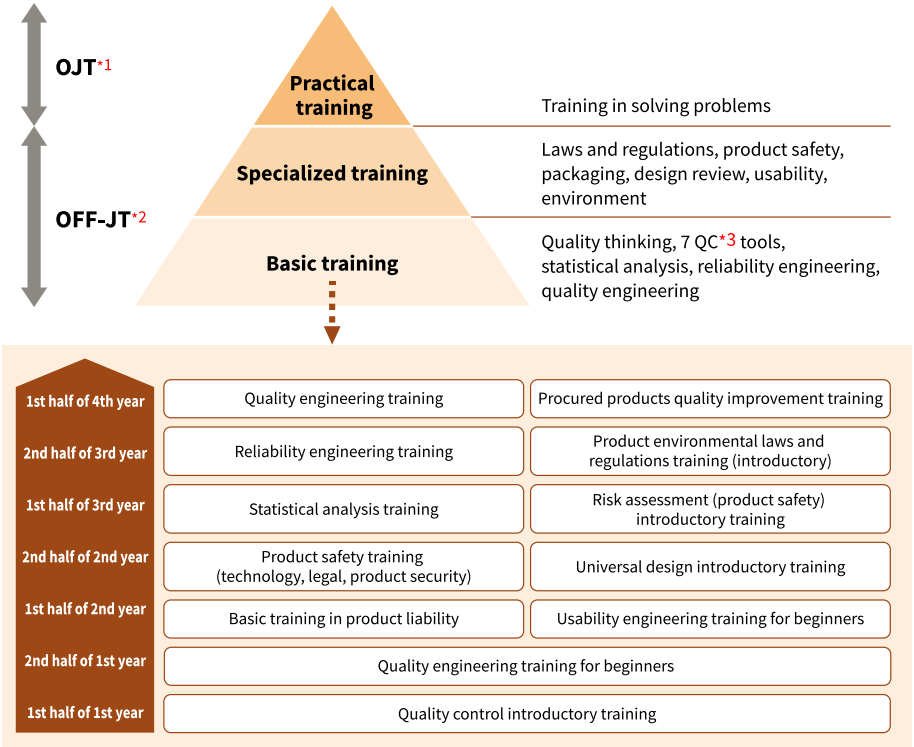
Social Initiatives: Quality

Fostering Quality Experts

Fostering Quality Experts

Based on its Quality Philosophy, Sharp works to foster quality thinking and boost quality-related techniques by carrying out systematic quality-related education with the aim of making products that customers can use with safety and peace of mind.
In particular, the company is stepping up basic training through programs that allow young employees (in their first four years with the company) to gradually acquire quality-related techniques.

■ QC Practical Training System



*1 OJT: On the job training. *2 OFF-JT: Off the job training. *3 QC: Quality control .

Sharp implements training in a variety of forms and formats adapted for different educational objectives. First, there are e-learning programs and videoconference classes, which are used to help maximize learning efficiency. There are also group training courses to improve practical skills, which are carried out at the different business units and affiliated companies. In fiscal 2023, there were 34 courses in quality training, with a total of 9,186 participants.

■ Fiscal 2023 Training Courses and Number of Participants

Training form	No. of courses	No. of participants
E-learning	23	8,505
Group training	11	681
Total	34	9,186

Social Initiatives: Quality

Ensuring Product Safety

Sharp Voluntary Product Safety Action Policy

Keenly aware that product safety assurance is the most important aspect of a company's business and one of its social responsibilities, Sharp strives to provide customers with safety and peace of mind. It does this by prioritizing the safety of the products it manufactures and sells and by making safety-related information public. To this end, the company has formulated voluntary action guidelines on product safety in efforts to earn an even higher level of trust from society.

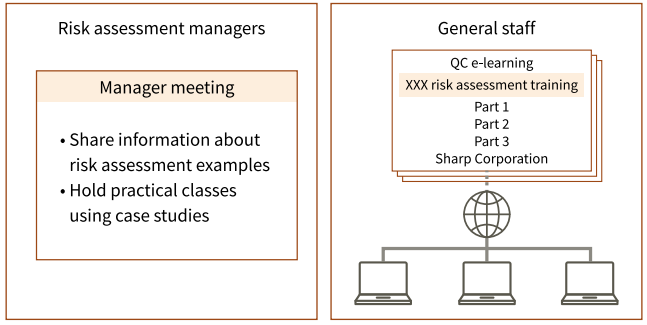
Efforts to Ensure Product Safety

Sharp strives to ensure its products are safe and to constantly raise levels of safety. Besides abiding by laws and regulations of countries and obtaining safety certifications through activities such as factory audits by third parties, the company utilizes its own risk-assessment-based safety standards. To ensure safety even in cases where unforeseen defects arise, these in-house safety standards stipulate items like flame-retardant construction and testing for abnormal conditions. These standards are revised as needed and are taught to all relevant employees in design, quality, and other divisions so that they are understood and followed thoroughly.

Since fiscal 2020, Sharp has been striving to expand the practice of risk assessment related to product safety. Besides providing skills improvement courses via e-learning, we have been strengthening our risk assessment system by appointing a risk assessment manager in each business unit with the goal of developing increasingly safer products.

Sharp will continue to step up efforts to promptly respond to social changes and legal revisions regarding product safety so that customers can use Sharp products with peace of mind.

■ Initiatives to Strengthen Risk Assessment

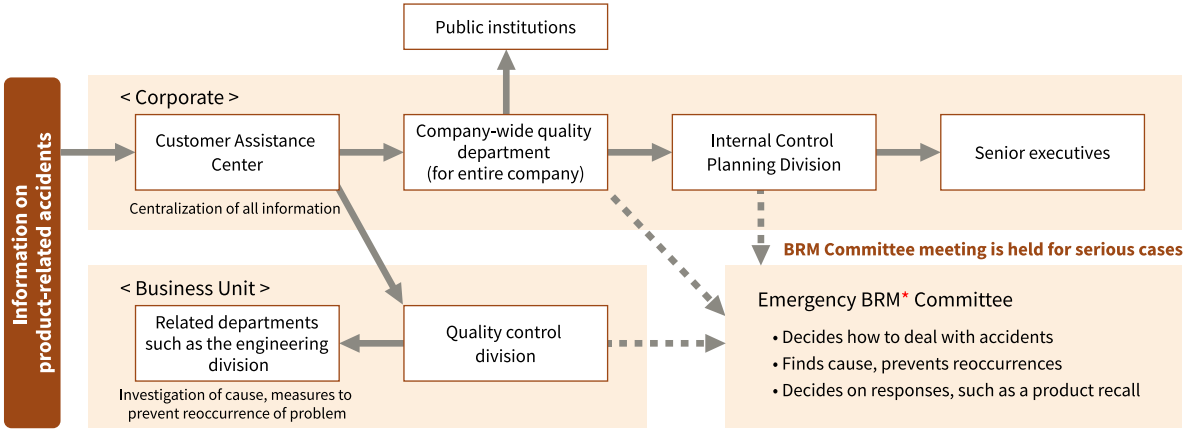


Information Disclosure and Response When Problems Occur

If an accident caused by a Sharp product occurs on the market, the company immediately gathers information on the accident and analyzes it to determine the cause. If it is determined that there is a risk of harm or damage to the customer, information is promptly disclosed via media such as newspapers and the Sharp website, and all appropriate measures are taken to ensure the safety of customers.

For major product-related accidents stipulated in the Consumer Product Safety Act, the Sharp website, in line with the Sharp voluntary product safety action policy, has information on major product-related accidents for which the cause is thought to be the product itself.

■ Flow for Dealing with Product-Related Accidents



* BRM: business risk management.

Social Initiatives: Quality

Ensuring Product Safety

Product Security Policy and Efforts

Products connected to networks are exposed to growing risks as information technology advances and the value of information they handle increases. They are at a risk of cyber-attack taking advantage of their vulnerabilities, which can result in information leakage or a hijacking of the device being hacked. Security measures once considered adequate are now seen as insufficient, owing to technological advances and other factors. Around the world, there is an urgent and growing need to improve legislation on product security.

Such a situation has been prompting Sharp to act to ensure that customers can use its products without worries. We have established teams and reporting lines dedicated to enhancing product security, along with the rules to be followed at the stages of planning, developing, operating, and maintaining products. Based on a vulnerability information disclosure policy, we gather information on vulnerabilities and work to minimize their risk. We have introduced an e-learning program into employee education in efforts to boost their knowledge and skills in product security as we continuously strive to ensure that customers can feel safe and secure using Sharp products.

We are expecting a future in which standalone systems are interconnected with one another, perhaps creating added vulnerabilities. To prepare for such a future, the Sharp Group has adopted security by design, a concept that intends to build in security from early stages before design. Efforts like these are part of Sharp's ongoing aim of improving product security and providing products that customers can use with peace of mind.

Related information: > Global Basic Policy on Information Security

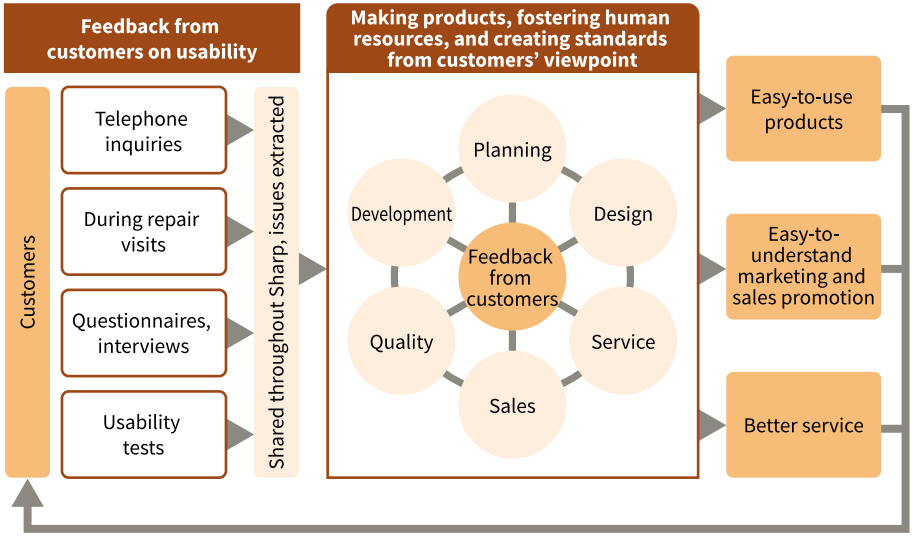
Social Initiatives: Quality

Making Easier-to-Use Products

Practicing User-Centered Design

Sharp practices user-centered design (UCD) in order to provide products that customers find easier to use.
UCD is a concept—as outlined in the international ISO 9241-210 standard—to provide products and services that satisfy customers by seeing things from their perspective, understanding their needs, and reflecting them in product design. Sharp has its own UCD Basic Policy and the Eight Principles of UCD based on this concept and shares them across the Sharp Group. Sharp investigates customers' latent dissatisfaction and needs as part of its product development process and reflects those findings in the specifications and design of its products. By repeatedly going through evaluations and improvements, Sharp is bringing forth products and services that customers find easy to use and attractive.

■ **Flow of Customer-Oriented Manufacturing**

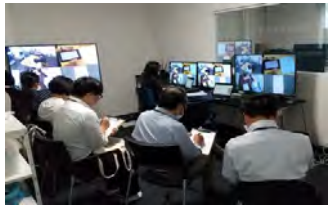


Customer-Oriented Manufacturing

In user-centered design (UCD), Sharp collects customer feedback on ease of use through various methods and applies it to product design.
Through usability tests*, questionnaires, interviews, and opinions gathered from customers during Customer Assistance Center phone calls and repair visits, anonymous information from customers is compiled and shared among Sharp development personnel, who put it to use in new product design.
In support of these activities, Sharp has established a usability engineering training program (beginners to advanced levels) to raise employees' awareness of the importance of product usability and provide a practical, specialized curriculum that ensures they continue to maintain and improve their skills and motivation.

* Tests that involve observing how people use Sharp products and services.

Usability test for a washing machine



The observation room of a usability test

Voice

Comments from Participants in Usability Tests

- We could observe people outside our division who are similar to general users actually trying and giving their feelings on the products, and freely ask them questions, so I was able to obtain valuable information. (Sharp product planning staff member)
- As well as confirming there were no problems with product areas that were improved, we were also able to discover other issues moving forward. (Sharp app development staff member)

Social Initiatives: Quality

Making Easier-to-Use Products

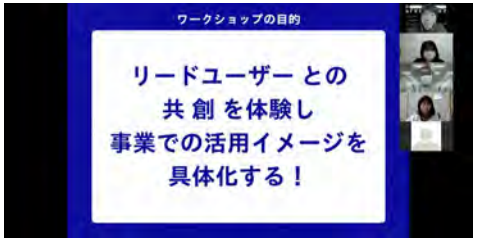
Efforts in Accessibility and Universal Design

In line with the UCD Basic Policy, Sharp also pursues accessibility and universal design (UD). These efforts are rooted in a philosophy of building products, information, and environments so that they can be used by many more customers—regardless of things like nationality, age, gender, or disability. Sharp strives to develop products and services that can be used comfortably by as many people as possible by conducting evaluations and surveys of mainly home appliances and digital multifunction printers (MFPs).
As of May 2024, Sharp's efforts have produced 18 models of Sharp home appliance products that support the UD considerations listed on the website of the Association for Electric Home Appliances in Japan.

Evaluating the usability of a multifunction copier for the vision-impaired
(a kiosk terminal to provide government services)

Evaluating the accessibility of a front-loading washer/dryer (for wheelchair users)

To continue the aforementioned activities company-wide, Sharp works to foster human resources through training. The training focuses on accessibility and universal design, and is conducted within a usability training system providing specialized education. Introduction to universal design (e-learning), which is mainly aimed at imparting understanding and acquisition of basic UD knowledge, has been completed by a cumulative total of approximately 6,500 employees (as of April 2024).
As well, to deepen understanding of the needs of disabled users, there is UD experience learning where employees see firsthand what it's like to be physically disabled so that they can know how to make products more accessible, and workshops where employees and disabled users discuss and brainstorm product accessibility ideas.



Screenshot from an online workshop

Participants in an online workshop with disabled persons

Voice

Comments from Participants in Workshops

- The workshop was valuable because it made me realize that it's not enough to just imagine what disabled users need. (Sharp product planning staff member)
- In the brainstorming session we came up with concrete ideas with potential for actualization. There were other valuable takeaways; for example, I learned that in some cases functions I thought were helpful were actually not usable from a user standpoint, and that we should always think about how we can improve a product's usability. (Sharp new product development staff member)

Social Initiatives: Quality

Making Easier-to-Use Products

Efforts to Ensure Accessibility

Accessibility is the concept of making products and services so that they can easily be used by people who are in some way limited in their physical functions; for example, senior citizens and the physically disabled. Under U.S. federal law*1, federal agencies purchasing equipment and services are obligated to choose those that are accessible to everyone, including the physically disabled. For Sharp digital MFPs and other products, assessment results of accessibility standards stipulated by federal law are compiled on a product evaluation sheet (VPAT*2), which is disclosed on the website of Sharp Electronics Corporation (SEC), Sharp's U.S. sales company.

*1 Section 508 of the Rehabilitation Act.
*2 VPAT: Voluntary Product Accessibility Template. A table containing information regarding how a particular product or service conforms with Section 508 of the U.S. Rehabilitation Act.

Related information: > Sharp Electronics Corporation website

Sharp Imaging and Information Corporation of America
Accessibility Conformance Report
VPAT® Version 2.2

Name of Product/Version:

BP-70M31, 70M36, 70M45, 70M55, 70M65
BP-50M26, 50M31, 50M36, 50M45, 50M55, 50M65

Product Description: Monochrome Multifunction Document System

Date: September, 2022

Contact information: VPAT_Support_Team@sharpusa.com

Notes: Covers MFP, Applications and Drivers

Evaluation Methods Used: Hardware, Application and Driver Testing

Applicable Standards/Guidelines: Section 508 standards

Example of VPAT for a digital MFP

Honors from Third Parties

Sharp Corporation Wins Gold Prizes in 2023–2024 Kaden Awards (Japan)

A number of Sharp products were given a gold prize in the 2023–2024 Kaden ("home appliances") Awards. The FJ-HM7K Gourmet Cool freezer won in the second freezer category, the FP-S120 Plasmacluster air purifier won in the air purifier category, and the AX-LSX3A Healsio superheated steam oven won in the kitchen appliances category. In the Kaden Awards, now in their ninth year, winners are chosen from home appliances released that year based solely on votes by readers of the GetNavi and the Kaden Watch media outlets. Winners are recognized as "the best of the best" based on the high praise they garner from customers. For the Sharp products, readers gave high marks for things such as superb performance, convenience, ease of use, and ease of maintenance.

Related information: > Sharp's Fan Type Freezer Gourmet Cool, Plasmacluster Air Purifier and Water Oven Healsio Won the Gold Award in Home Appliance Awards 2023–2024, a Joint Award Held by GetNavi and Kaden Watch

From left: FJ-HM7K Gourmet Cool freezer, gold prize, second freezer category; FP-S120 Plasmacluster air purifier, gold prize, air purifier category; AX-LSX3A Healsio superheated steam oven, gold prize, kitchen appliances category

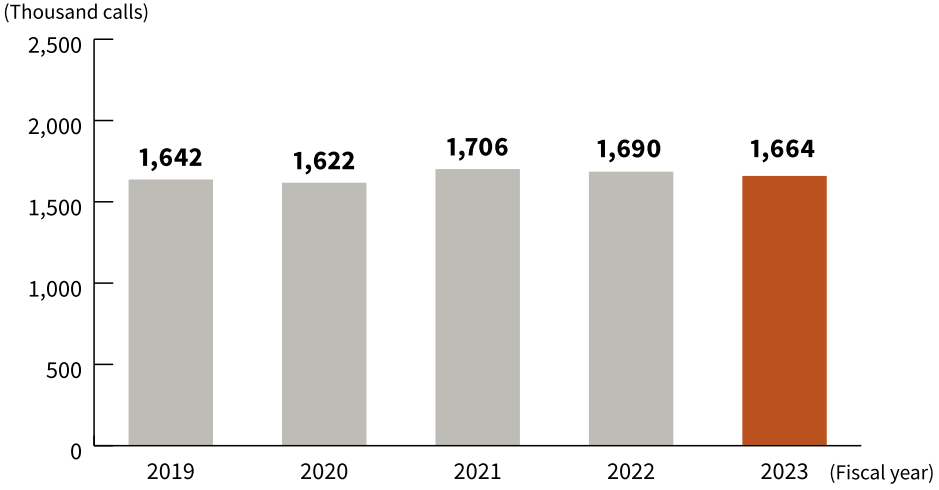
Social Initiatives: Customer Satisfaction

Enhancing Customer Satisfaction

Aiming for Customer-Oriented Services

The Customer Assistance Center responds to a wide range of product-related inquiries from customers—approximately 1.66 million annually—so that Sharp can provide customer-oriented support. To this end, the center meets periodically with product development departments to give them feedback in the form of customer inquiries, which leads to the development of improved and new products.
We are also enhancing the customer support website to make it more user-friendly in line with the spread of smartphones.
In October 2018, we started providing chatbot-based automated responses. In November 2020, we started an operator chat service for customers who were unable to resolve their issues using the chatbot. In this way, we have been expanding support channels in order to respond to diversifying customer needs and achieve its goal of always serving in a customer-oriented manner.

■ **Number of Calls Received from Customers in Japan**

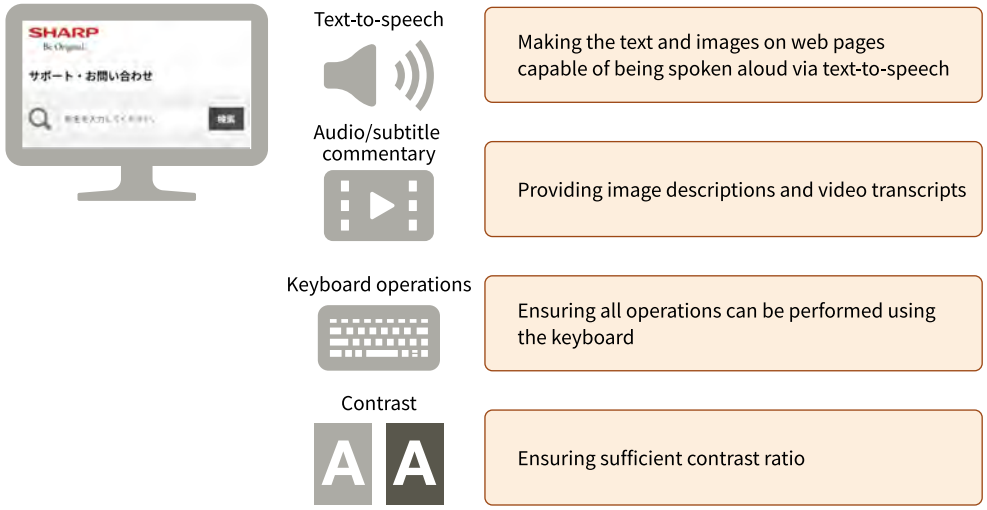


Reasonable Accommodations

Since April 1, 2024, in accordance with the revised Act for Eliminating Discrimination against Persons with Disabilities, we are gradually working to improve web accessibility so that all customers can use the support site operated by our Customer Assistance Center.
We also take part in seminars on the telecommunications relay service*, which is used by people with hearing or speech difficulties, to deepen our understanding of issues such as how to make phone usage easier for people with hearing or speech impairments. We are committed to operating a people-friendly Customer Assistance Center so that no customer who needs support is left behind.

* A service that allows people with hearing or speech impairments to communicate by phone with people who are not hearing impaired by using an interpreter operator to translate the conversation between them via sign language, text, and voice.

■ Main Examples of Web Accessibility Support



Social Initiatives: Customer Satisfaction

Enhancing Customer Satisfaction

Reliable Operation

The Customer Assistance Center must be able to provide customer support even in challenging times, such as during natural disasters such as earthquakes and typhoons.
Our business continuity plan (BCP) ensures the continued operation of our customer support services even in emergency situations. Our support offices are distributed across multiple locations and are connected through a system that makes them ready to complement one another.

Improving Response to Customers

As the face of Sharp, customer consultants study products and learn how to interact properly with customers before they start their jobs. Even after they have begun their jobs, consultants periodically undergo training and study sessions to boost their skills.
The department that runs the Customer Assistance Center improves person-to-person dealings with customers by having consultants take periodic qualification upgrading tests to brush up their customer service and quality control skills. It also uses text messaging to conduct questionnaires that will help better respond to customer wishes and improve the support site.

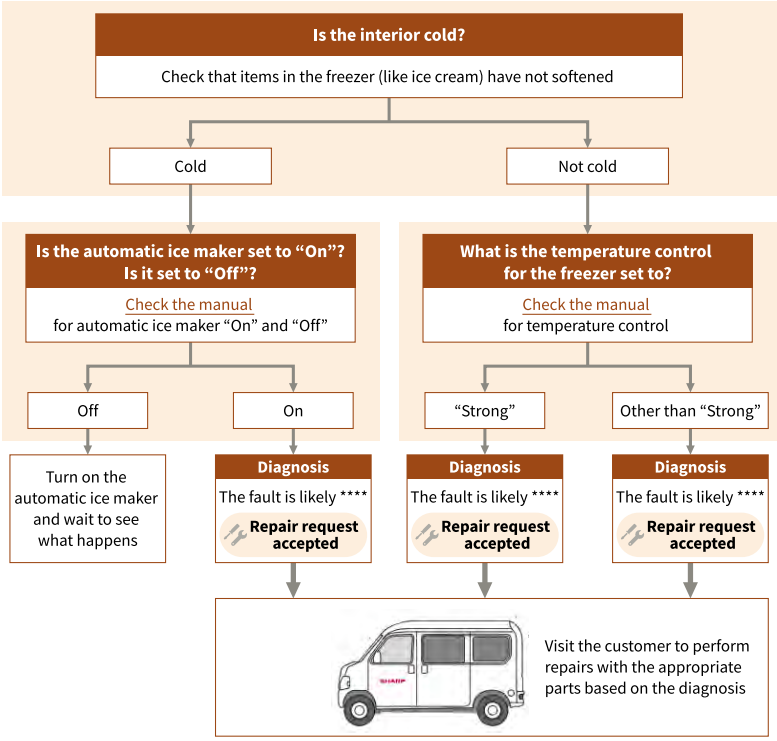
■ Skills Training and Qualification Upgrading

Personnel		Implementation
Customer consultants	Trainees	Acquire basics in manners, product knowledge, and consumer-related laws and regulations
		Test ability to serve as customer consultants
	After starting their jobs	Improve customer consultant skills through periodic training and study sessions
		Determine how well customer consultants have acquired skills by having them periodically take qualification upgrading tests
Supervisors		Ensure person is fit to be a supervisor
		Improve supervisor skills through periodic training and study sessions
		Determine how well supervisors have acquired skills by having them periodically take qualification upgrading tests

Improving Accuracy in Accepting Repair Requests

When a customer has an issue with a product he or she purchased, the details taken down by the Customer Assistance Center when accepting the repair request will have a significant impact on the subsequent repairs performed.
Our consultants use a knowledge system to diagnose product faults and provide the repair technician with accurate information based on the results so that repairs can be completed in a single visit.

■ Fault Diagnosis Example (Refrigerator's Automatic Ice Maker Not Working)



Social Initiatives: Customer Satisfaction

Enhancing Customer Satisfaction through After-Sales Service

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Increase customer satisfaction Customer satisfaction rate 90.0% or higher	■ Improved service quality By improving employees' CS awareness and repair skills: Customer satisfaction rate was 97.2%	★★★	■ Increase customer satisfaction Customer satisfaction rate 90.0% or higher

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Basic Stance on Customer Satisfaction

Providing Products and Services That Offer Peace of Mind and Satisfaction

Sharp always thinks from the customer's point of view and, as a rule, develops and provides products and services with the customer in mind. To ensure that customers can continue to use Sharp products for many years with peace of mind, Sharp strives to improve its products and its sales and after-sales services by reflecting the opinions of customers.
Sharp will continue to pursue customer satisfaction (CS) so that customers choose Sharp now, next time, and every time.

CS Slogan

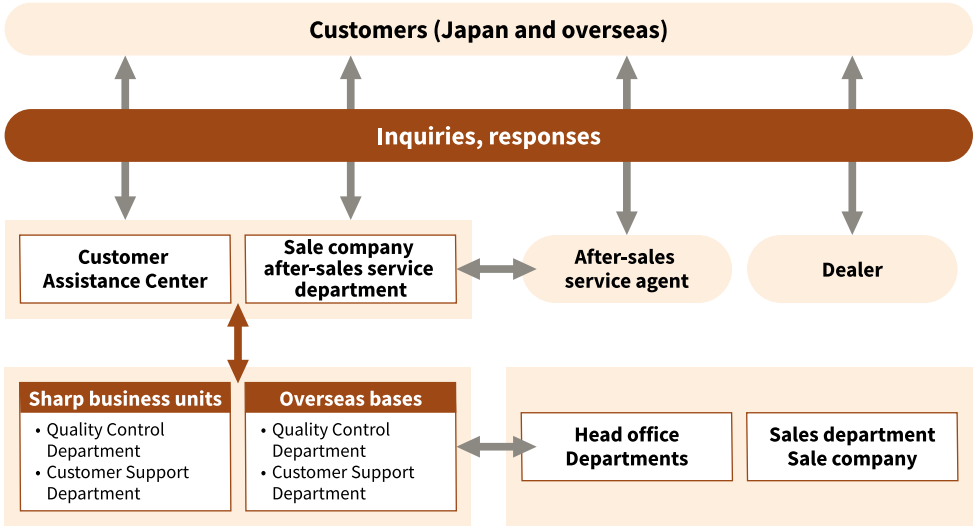
Building a relationship of trust through quality and service so that customers choose Sharp now, next time, and every time

Related information: > Sharp Group Charter of Corporate Behavior

After-Sales Service System

Sharp has an after-sales service system that can handle all kinds of customer inquiries, whether it's instructing them how to use products or repairing products that are not working properly. Centered on Sharp Corporation's Customer Assistance Center and after-sales service departments at Sharp sales companies, the entire Sharp Group worldwide collaborates to provide high-quality, fast, accurate, and friendly service that truly satisfies customers.

■ Flowchart



Social Initiatives: Customer Satisfaction

Enhancing Customer Satisfaction through After-Sales Service

Repair and Servicing System (in Japan)

Repair of Sharp products in Japan is carried out by Sharp Marketing Japan Corporation, Customer Service Company. Service engineers, who work out of more than 90 service bases*1 all over Japan and are familiar with local customers, provide repair service that truly satisfies customers. The entire company works together with a user-oriented mindset to satisfy customers and realize its slogan: “A customer’s smile makes my job worthwhile.”
Service inquiries are accepted every day of the year*2. The company puts special effort into prompt response to problems with home appliances that are indispensable to daily life, such as washing machines, refrigerators, and air conditioners.

*1 As of May 2024.
*2 Business days vary from region to region.

Slogan

Looking customer smile is my pleasure

Voice

Service That Gives Customers Peace of Mind
Striving for Greater Satisfaction through Customer Questionnaires

Service engineers of Customer Service Company, Sharp Marketing Japan Corporation get opinions straight from customers through questionnaires conducted during repair visits. These questionnaires result in compliments, concerns, and other opinions. Comments, both good and bad, about products are relayed to the quality departments of the relevant business units. At Sharp in-house training sessions and other such meetings, questionnaires are discussed to examine customer opinions about how Sharp handled requests for repair visits and how service engineers conducted repair visits. The aim is to constantly raise the level of after-sales service.
We strive to provide customers with service that is prompt, exacting, and that brings them peace of mind so that they will want to buy Sharp next time and every time.

Itsuki Toyosaki
Nagoya Service Center, Customer Service Company, Sharp Marketing Japan Corporation

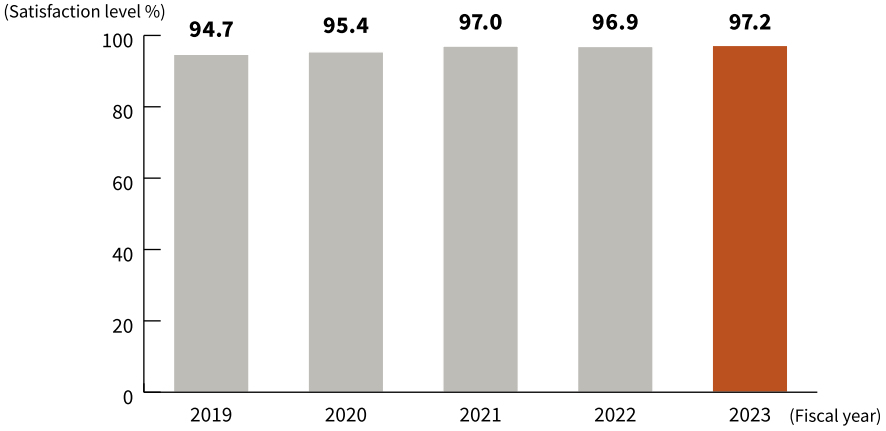
Social Initiatives: Customer Satisfaction

Enhancing Customer Satisfaction through After-Sales Service

Customer Questionnaire

At Sharp, all customers who are visited by service engineers are asked to answer a questionnaire covering the entire service process, from initial inquiry and appointment to product repair. More than 100,000 customer opinions are received annually via this questionnaire.
To improve convenience for customers and to speed up response, the traditionally postcard-based questionnaire has also been available on the Sharp website since fiscal 2017. Starting in fiscal 2022, the survey is completely web-based.
Sharp will continue to pass on customers' valuable opinions to relevant company departments, closely analyze problems, and use the information gathered to improve service mechanisms and manufacturing.

■ **Percentage of Customers Giving Satisfactory and High Marks to Service Engineers (postcard and online surveys)**



Example

Leaflet Message: "Be Ready for Summer by Trial-Running Your Air Conditioner"

When Sharp service engineers make repair visits to customer homes, they distribute leaflets educating them on the importance of a pre-summer trial operation and filter inspection of air conditioners. This is important in ensuring customers don't suffer from heat stroke when summer is in full swing.

Social Initiatives: Communication with Shareholders and Investors

Communication with Shareholders and Investors

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Actively disclose information by, for example, having senior executives continue to take part in conferences and putting more information on the IR website	■ Had senior executives participate in conferences; new content and other features added to the IR website to make it easier to use	★★	■ Strengthen communication with shareholders and investors by having senior executives take part in various IR events

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Basic Policy

By strengthening two-way communication with shareholders and investors, Sharp aims to build a relationship of trust with the stock market and increase its corporate value.
In line with this, Sharp not only discloses information in a fair, timely, and appropriate manner but also proactively creates opportunities for its senior executives to engage in dialogue with shareholders and investors.

Information Disclosure

Not only does Sharp disclose information designated under the laws and regulations of Japan; it also discloses in detail any information that it deems useful to stakeholders, such as business overview, management policies, and strategies. In particular, for financial results, presentation materials, and other items of high interest to investors and shareholders that require rapid reporting, Sharp posts the English versions on its IR website at the same time that the Japanese versions are released.

General Shareholders' Meetings

Sharp strives to create an environment that enables shareholders to easily exercise their voting rights. Efforts include disclosing notices of the meetings before they are sent out, posting English notices about the meetings and other information on its website, participating in an electronic voting platform (for institutional investors), and allowing shareholders to exercise voting rights via the Internet or their smartphones. Additionally, Sharp makes other efforts, such as providing enhanced explanations of its management policies at the general shareholders' meeting, to deepen shareholders' understanding of its management policies and business operations.
At the general shareholders' meeting, senior executives make use of presentation materials to explain the current situation, management philosophy, and other matters before engaging in frank dialogue with shareholders.

Financial Results Briefings, One-on-One Meetings

In addition to the general shareholders' meeting, Sharp actively works to create opportunities, such as at financial results briefings and management policy briefings, for its senior executives to communicate with shareholders, investors, and analysts. Sharp also conducts individual and group meetings, which includes participation in conferences hosted by securities firms. And whenever senior executives are unavailable, the IR department meets with shareholders and investors.

Main Items of Interest Gleaned from Dialogue

The IR department compiles the concerns and opinions of investors gleaned from these dialogues and regularly provides feedback to senior executives and relevant departments, striving to incorporate this information into company management and business activities, including the formulation of management policies.
Furthermore, there was a great deal of interest in Sharp's performance trends and the direction of its display business for fiscal 2023, and the company received many questions about growth strategy for its brand business and about its capital policy.
In recent years, there has been an increase in surveys and meetings with investors on the topic of ESG, which is an important management issue. As this is a relatively new topic, Sharp is working closely with related departments to share information and coordinate responses.

Social Initiatives: Communication with Shareholders and Investors

Communication with Shareholders and Investors

Enhancing the IR Website

Sharp maintains an accessible and easy-to-understand IR website. It is compatible with smartphone viewing and has a page tailored for individual investors. Also, Sharp has given the home page an intuitive and easy-to-access design which, in addition to allowing the latest IR materials to be accessed immediately, offers a robust array of content, such as “Sharp at a Glance,” which provides a compact summary of a variety of information, including financial data. There’s also a page providing graphs of major performance data. Since fiscal 2023, Sharp has had a new section called “Sharp by Numbers” on its website for individual investors in an effort to help them gain a deeper understanding of the company.

Preventing Insider Trading

Sharp has effectuated regulations restricting insider trading, established strict controls on undisclosed material facts (“insider tips”), and instituted restrictions on the buying and selling of stocks and other securities. Sharp has also implemented in-house training related to insider trading. This training includes, among other approaches, an educational campaign on the corporate intranet that targets Sharp Group employees in Japan with the aim of preventing insider trading by Sharp Group directors, audit and supervisory board members, executive officers, or employees.

In addition, given the importance of disclosure, when “material facts specified in the Financial Instruments and Exchange Act” and/or “important company information that should be disclosed in a timely manner as stipulated by securities exchanges” is generated, Sharp does its utmost to promptly disclose and publicize the relevant details. Further, regarding media and analyst coverage, Sharp deals with it while fully honoring the spirit of disclosure and remaining attentive so as not to violate insider-trading regulations.

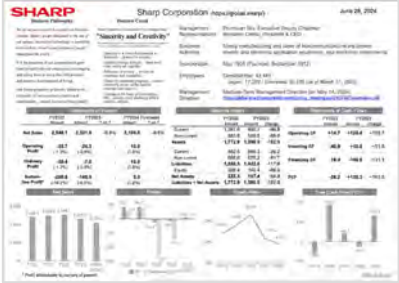
Basic Policy on Allocating Profits

Sharp considers distributing profits to shareholders to be one of management’s top priorities. It comprehensively takes into account consolidated business performance, financial situation, and future business development, while making active investments in R&D and other areas and strengthening the financial standing from a long-term perspective. Sharp’s basic policy is to ensure stable dividends at a payout ratio of 30%.

Investor relations website

2023 Annual Report

Webpage for “Learn about Sharp”



Sharp at a Glance

Related information: > Investor relations
> Annual Report
> Learn about Sharp
> Sharp at a Glance

Social Initiatives: For Local Communities

Contributing to the Community

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Continue to support career education for people with disabilities ■ Participate in local community service activities	■ Career education provided to a total of 2,155 people with disabilities (in 400 sessions across 5 courses) ■ A total of 484 people participated in 72 volunteer activities organized by local communities around Sharp business sites	★★	■ Continue to support career education for people with disabilities ■ Participate in local community service activities

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Based on its business philosophy of "contributing to the culture, benefits, and welfare of people throughout the world," Sharp is working to address local social issues as a member of the communities where it does business. In order to continue fostering relationships of mutual prosperity with communities, Sharp employees take the initiative in carrying out voluntary and ongoing community service activities.

Career Education for People with Disabilities

As part of a larger program of community service activities that draws on its founder's commitment to helping disabled individuals, Sharp works with Sharp Tokusen Industry Co., a Sharp special subsidiary*, to conduct career education activities for people with disabilities. The aim is to foster a career-minded perspective and motivate them to work and achieve greater self-sufficiency.
Starting in fiscal 2023, Sharp added a new online class and held a total of 400 sessions across the following five courses for a total of 2,155 people with disabilities and their supporters.
(Since the start of this program in fiscal 2012, a total of 4,180 sessions have been held and 25,938 people have participated.)

• Workplace tour:	Visit the workplace of employees with disabilities and attend a lecture
• Workplace experience:	Experience work where employees with disabilities are active
• School visits:	Employees with disabilities visit schools to give talks on what it means to work
• Online class (video-based):	Instruction using videos and worksheets
• Lecture (in-person):	A wide-range of hands-on lectures given by employees with disabilities

Sharp, in partnership with D&I, Inc., collaborates with the Osaka Prefectural Board of Education in providing career and vocational education to facilitate the social independence of children and students attending prefectural special-needs schools. Sharp's contributions include welcoming students for workplace tours. It has received a letter of appreciation from the board for two consecutive years in recognition of these efforts to foster students' desire to work and to provide steady employment support toward their future social independence.

* A subsidiary that a company establishes and that gives special efforts to employ the disabled, in order to provide them with more employment opportunities and greater job security.

Workplace visit

Workplace experience

School visit

Online class

Lecture

Support for Disaster-Affected Areas in Japan and Overseas

Sharp donated 10 million yen in relief funds through nonprofit organizations and others to support recovery and reconstruction efforts in areas affected by the Turkey-Syria earthquakes that occurred in March 2023.
Also, following the Noto Peninsula Earthquake that hit Ishikawa Prefecture in January 2024, Sharp donated 20 million yen in relief funds, as well as approximately 9.61 million yen in donations from employees. Sharp also provided a range of other support to the affected areas, including special repair services for Sharp products and dispatching employee volunteers.

Social Initiatives: For Local Communities

Contributing to the Community

Example

Resuming School Visits and Continuing Online Classes

The school visit program for special-needs schools begun in fiscal 2012 has been requested by schools all over Japan, from Hokkaido to Kagoshima, and classes have been held at approximately 30 schools per year.
However, in 2020, with the pandemic making it difficult for schools across the country to visit companies, Sharp began offering online classes for a limited time.
In the four years since the start of these classes, Sharp has received requests from many special-needs schools, 412 in total. Among these schools were some Sharp had never visited before, such as schools for the blind and special-needs schools located inside hospitals where it would be difficult to host an outside instructor. This brought to Sharp's attention the importance of providing career education to students attending such schools. Since online classes do not require instructors to travel, schedules can be adjusted more flexibly, meaning classes can be provided to a larger number of schools. As online classes can be adapted to the needs of each school, regardless of whether or not infection control measures are in place, Sharp has decided to continue them even after the shift to Class 5 classification of Covid-19 in May 2023.
The school visit program, which had been curtailed in order to help prevent the spread of Covid-19, has been resumed with visits taking place across the country from fiscal 2023. In this program, instructors visit schools and give lectures based on their own experiences. These classes may include hands-on group work that allows students to gain a first-hand understanding of the importance of teamwork, or have the instructor talk about their experiences working as an employee with a disability.
Many teachers have thanked Sharp for the opportunity to have actual employees come to their classrooms to reinforce the things they regularly tell their students. Moving forward, Sharp will continue its school visits and online classes to provide career education that meets the needs of participants and will continue to explore ways to make these activities more effective in order to help as many disabled people find employment as possible.

Example

Lecture on Working at a Special Subsidiary Company

In April 2024, Sharp Tokusen was asked by Tanpisou Hospital in Habikino, Osaka Prefecture, which provides daycare services for people with mental disabilities, to give a lecture on the current employment situation for, and systems available to, people with mental disabilities.
A total of 29 people, including daycare service users, took part. A Sharp Tokusen employee with social welfare expertise discussed trends in employment of people with disabilities and the special subsidiary company system, types of people companies are looking for, and initiatives to help people continue working.
After learning about the diverse range of work available in companies and the wide range of opportunities available to people, regardless of level or type of disability, the participants asked many questions, demonstrating a strong desire and interest in working.
After the lecture, Sharp interviewed daycare staff member Mr. Kano (a mental health social worker at the Regional Medical Support Office) and the participants. They said that they felt there was a possibility of finding employment after learning that there are companies where people with mental disabilities can work, that accommodating work environments are being created, and that employment quotas are expanding.
Sharp will continue to work to carry on its founder's passion for helping people with disabilities.

Ms. Hirano, a lecturer from Sharp Tokusen

Q&A session

Mr. Kanou, a mental health social worker

A participant in the lecture

Social Initiatives: For Local Communities

Contributing to the Community

Voice

Comment from a Special-Needs School Participating in Career Education

Yutaka Morimoto
Principal, Osaka Prefectural Murano High School for Special Needs Education

We are very grateful to Sharp Tokusen Industry Co. for their ongoing support in our career planning efforts. Our school is a special-needs high school offering vocational education and is celebrating its 10th year. Based on the keywords of “chance,” “challenge,” and “change,” we strive to be a school that cultivates individuals who can achieve social independence through employment to live full lives.

I come from the private sector and have been involved in employing people with disabilities. At our school, we fully understand that companies prefer students to acquire soft skills over hard skills, and we tell our students to focus on their energy (physical strength), greetings (manners), and smiles (communication skills).

Since last year, Sharp Tokusen has visited us to give easy-to-understand talks on teamwork and what it means to work.

Hearing from a company directly was a valuable opportunity for the students, and it allowed them to deepen their understanding of the concept of work in a personally relatable way.

A workplace and society that is accommodating of students with disabilities would be accommodating of everyone. Sharp Tokusen’s operations focused on people with disabilities and its educational support for children with disabilities expand the opportunities for students to excel and shine by allowing them to demonstrate their abilities through the use of their individuality and strengths. This ties into the idea of an SDGs-focused society in which “no one is left behind.”

The teachers and staff of our school will continue to work together as one to provide education that lets our students spend each day with a smile on their faces, both at school and after they graduate.

I humbly ask that Sharp Tokusen continue providing us with its guidance and support, and it is my sincere wish that it will see further growth in the future.

Message from a School Visit Employee Instructor

Kaede Tanaka
Sharp Tokusen Industry Co.

I have been an instructor in the school visit program since fiscal 2023. Although I had little experience speaking in public, I accepted the role because I wanted to share my experiences with as many students as possible. Since I am close in age to the students, I try to communicate what it means to work from a young person’s perspective.

In class, I emphasize the importance of consulting with others as a key workplace skill. I didn’t really consult with others much when I was a student, but, after I started working, I came to realize how important it is. I believe that, especially when you are going through a difficult time, it’s important to consult with others. I want students to know that, by developing their ability to consult with others during their student days, they will feel more at ease once they start working.

As a student, I had a negative impression of working. But once I actually began working, I came to realize that both the joys and difficulties of working contribute to a richer life. I hope to continue using these school visits as opportunities to help students think about the significance of working.

Social Initiatives: For Local Communities

Contributing to the Community

Activities around the World

Sharp bases around the world actively carry out community service activities.

Example

Supporting Children and Their Families, and Military Veterans

SEC, Sharp's production and sales base in the U.S., established a committee called Sharp Community Outreach Programs and Events (SCOPE), which works to improve people's lives; for example, families struggling financially and military veterans.
The company strives to create meaningful opportunities and provide invaluable resources so that it can ensure a bright and fair future for people who require support.

Main SCOPE Activities

- Support for equine therapy for autistic children (organized by Pony Power Therapies)
- Donation of coats to households needing financial support
- Hiking to raise money for needy children to take part in summer programs
- Donation of food to the Military Assistance Pantry, which supports the lives of military veterans
- Donation of Sharp products to housing projects supporting military veterans

Donation of new and used coats

Donated food

Ceremony at housing project for military veterans

Example

Education and Donations for Orphanage

During Ramadan, Indonesian production and sales base SEID held a charity program for an orphanage in Bogor. The program provides enjoyable opportunities to learn about Islam and the environment.
Held in March 2024 during Ramadan, the program taught the 40 participating children the basics of environmental protection, such as the types of hard-to-decompose garbage, the dangers of global warming, and planting trees. SEID also made donations to improve the facilities of the orphanage, providing a washing machine and two rice cookers that will make daily life better for the children.

Presenting a donation to the orphanage

Children hear a talk about the dangers of global warming

Social Initiatives: For Local Communities

Contributing to the Community

Activities around the World

Sharp bases around the world actively carry out community service activities.

Example

Donation Program Held During Ramadan

During Ramadan, Indonesian production and sales base SEID held a special program called Sharp Bersedekah. Started 15 years ago, the program is a way to work with the community in raising awareness of and helping those in need.

In fiscal 2023, the company held the Food for Good Cooking Game, in which SEID donates one pack of food to an orphanage each time a customer takes part in the game. SEID also donated a refrigerator to use for cooked food and beverages that are donated.

Food for Good Cooking Game, a charity program

Refrigerator donated to use for food and beverages

Example

Teaching CPR and Mental Health Emergency Measures

In January 2023, 15 employees from 11 offices of SBSUK, Sharp's sales base in the UK, completed a two-day mental health emergency measures training course conducted by Mental Health First Aid England. The purpose of this training is to teach participants to recognize the early symptoms of mental health problems and to provide the initial support and guidance mental health sufferers need.

Participants with completion certificates

Posters were hung in offices

In February 2023, 20 employees of SBSUK's head office took part in Creating a Nation of Lifesavers, an initiative of the British Heart Foundation. In the training, videos showed simulated situations to stress the importance of CPR, and participants practiced CPR on training dummies. Online training was also provided to all SBSUK employees.

Practicing CPR

Governance

Corporate Governance 129
Internal Control 132
Risk Management 133
Compliance 134
Innovation Management 143
Information Security 145
Export and Import Control 146

Governance: Corporate Governance

Corporate Governance

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Pursue structural development aimed at further improving the functioning of the Board of Directors ■ Pursue effective and efficient operation of the Executive Management Meeting	■ Increased the number of independent outside directors from three to four ■ Had related functional division heads take part in order to deepen discussions through specialists' viewpoints	★★	■ Pursue structural development aimed at further improving the functioning of the Board of Directors ■ Check progress of large investments and verify their success upon completion

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Basic Policy

Sharp's basic policy on corporate governance is to maximize corporate value through timely and appropriate management while ensuring transparency, objectivity, and soundness supported by the concept, "Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders..." as stated in the company's Business Philosophy.

Based on this policy, Sharp is strengthening the supervisory function over the Board of Directors and enhancing the flexibility of decision-making by appointing outside director and operating an Audit and Supervisory Committee.

Sharp has also introduced an executive officer system that clearly separates supervisory and decision-making functions from business execution functions, thereby creating a structure that steadily facilitates nimble and efficient business execution. Further, Sharp is implementing deep-rooted enhancements to individual fields of business and operations by establishing a divisionalized management system in which each business unit assumes responsibility for their earnings, to be regulated by the Chairman's Office, President's Office, and the Corporate Strategic Planning and Control Group at the head office.

In addition, Sharp has formulated the Sharp Group Charter of Corporate Behavior as action guidelines for all directors, executives, and employees to raise their awareness of compliance, and it is working for its permeation across the entire Sharp Group.

Corporate Governance System: Supervisory and Decision-Making Functions

Sharp Corporation Board of Directors meetings make decisions on matters stipulated by law and on management-related matters of importance, and supervise the state of business execution.

The Board of Directors comprises internal directors who are experts in the fields of business of the Sharp Group and outside directors appointed from talent with high specialism and abundant experience in fields such as social and economic trends and management.

Sharp has established a voluntary Nominating Committee and Compensation Committee as advisory committees to the Board of Directors. The Nominating Committee recommends candidates for directorships to the Board of Directors and the Compensation Committee determines the value of remuneration for directors undertaking a role on the Board of Directors. As a way to strengthen corporate governance, the majority of members of both committees are independent outside directors and independent outside directors serve as the committee chairs. Additionally, important matters pertaining to dealings between the parent company group and the Sharp Group and that should be discussed at the Executive Management Meeting shall, before any decision is made, be subject to study and approval by the Board of Directors (the majority of who are independent outside directors) with regard to the necessity, reasonableness, and appropriateness of the dealings in question. On the Sharp website can be found the "Standards for Independence of Outside Directors," which stipulates standards for judging the independence of outside directors.

In addition, Sharp has established an Internal Control Committee to serve as an advisory committee to the Board of Directors. The Internal Control Committee discusses basic policy, maintenance and operation of internal control and internal audits, reports to the Board of Directors, and, when necessary, refers matters for discussion to the Board of Directors.

■ **Composition of Supervisory and Decision-Making Organs (As of June 28, 2024)**

	All Members (Persons)	Internal Directors (Persons)	Outside Directors (Persons)	Non-directors (Persons)	Chairperson / Committee Chair
Board of Directors	9	2	7	0	Chairperson: Vice chairman
Nominating Committee	5	2	3	0	Committee chair: Independent outside director
Compensation Committee	5	2	3	0	Committee chair: Independent outside director
Internal Control Committee	6	2	3	1	Committee chair: President & CEO

■ **Directors (Except Audit and Supervisory Committee Members)/ Directors Who Are Audit and Supervisory Committee Members (As of June 28, 2024)**

	All Members (Persons)	Internal Directors (Persons)	Outside Directors (Persons)	Independent Directors (Persons)	Term
Directors (except Audit and Supervisory Committee members)	6	2	4	4	1 year
Directors who are Audit and Supervisory Committee members	3	0	3	2	2 years

Governance: Corporate Governance

Corporate Governance

Business Execution Functions

The Board of Directors' rules stipulate matters on which the Board must decide upon. These matters include Sharp's basic management policy, management plans, other important matters of management, and matters prescribed by laws, regulations, and articles of incorporation.
As for decisions on other matters of management and business operations, these are stipulated in in-house rules such as the Internal Authorization Rules, and the most relevant rules are used to make decisions. For matters that are key to company-wide management and business operations, these are deliberated on at an Executive Management Meeting that comprises Sharp executives. The meeting convenes in a timely manner, which allows rapid management decision-making.

Audit Functions

The Audit and Supervisory Committee is composed of three directors, all of whom are outside directors with a high level of expertise. Two members are independent directors and one is a full-time member of the Audit and Supervisory Committee. Further, two of them have specialisms to an appropriate extent in finance or accounting.
The Audit and Supervisory Committee exchanges opinions periodically with executive directors, the accounting auditor, and the internal audit division, among others, and it seeks to attain legality, propriety, and efficiency in business execution.
Sharp has also established an Audit and Supervisory Committee Office composed of employees with specialisms in specific fields such as accounting and law, which supports the Audit and Supervisory Committee.
Sharp undergoes audits by its accounting auditor, PricewaterhouseCoopers Japan LLC. Through audits, Sharp receives proposals on how to make operational improvements.
To preserve the independence of the internal audit division from the business execution divisions, an Internal Audit Division has been established directly under the jurisdiction of the president. It audits the legality and rationality of management, operations, and job execution across all business activities. Using the results, the divisions audited are given information, as well as advice and proposals to improve and streamline. This protects company assets, raises management efficiency, and strengthens the internal control system.

Related Information: > Corporate Governance

Management of Related Party Transactions and Others*

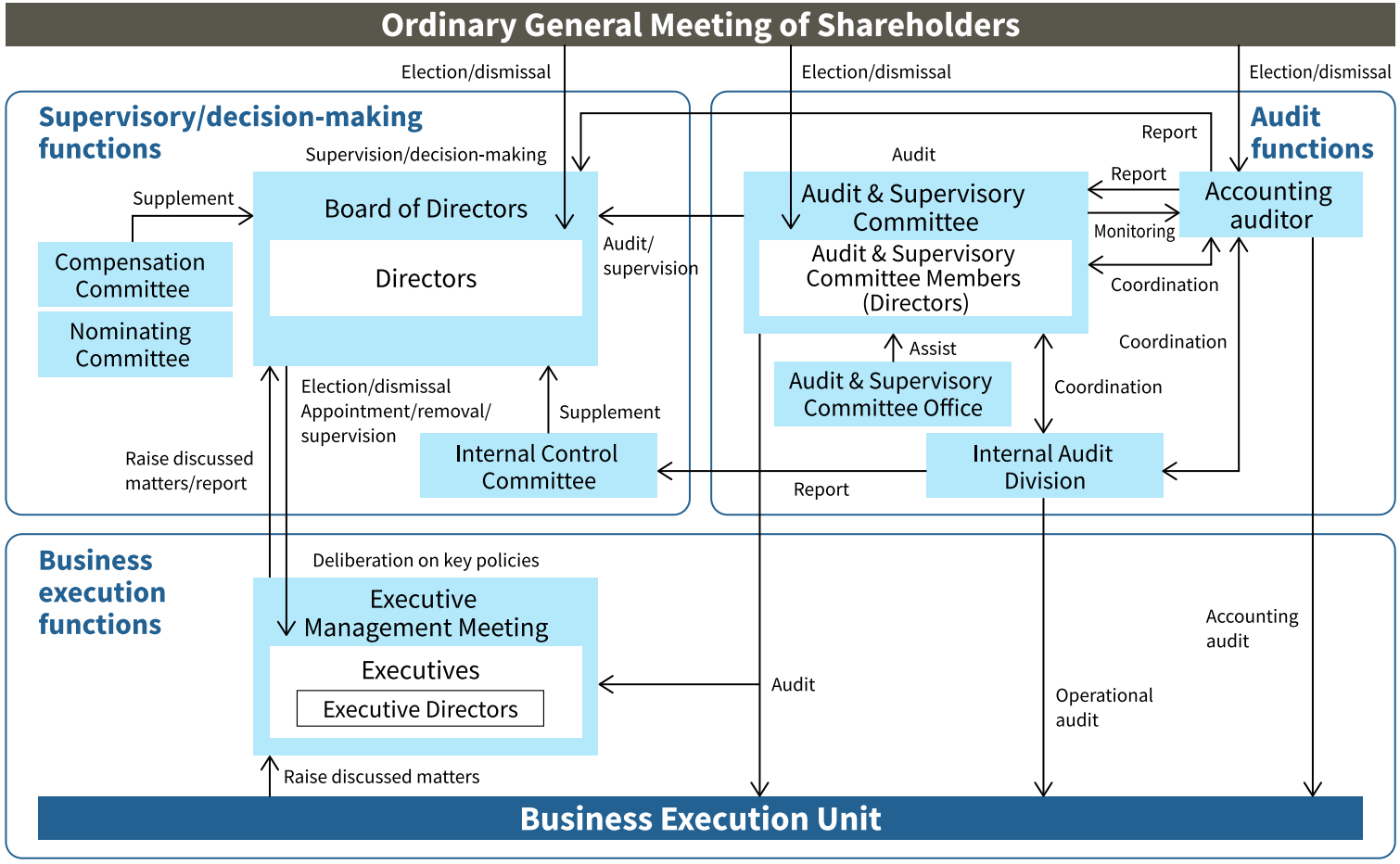
Sharp has established the Regulations on Related Party Transactions. Sharp manages these transactions so that they will not adversely affect the company's finances or business performance.
Sharp has also created a list of related parties. When entering into business with the counterparty, Sharp determines whether or not the transaction should be considered a related party transaction. Such transactions undergo all of the internal procedures that are followed for conventional transactions. In doing so, Sharp assesses the necessity, reasonability, and appropriateness of the transaction terms and conditions. This allows Sharp to exercise prudence when deciding on business deals.
Once a year Sharp verifies the content of transactions specified by outside directors, and the results are reported to the Board of Directors.

* Related party transactions and management-involved transactions:
Related party transactions are transactions with a company or person having a certain level of connection with Sharp, including Sharp's officers, subsidiaries, and major shareholders.
Management-involved transactions are transactions that Sharp's management personnel have introduced or planned.

Governance: Corporate Governance

Corporate Governance

■ Corporate Governance System of Sharp Corporation (As of June 28, 2024)



Governance: Internal Control

Internal Control

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Implement comprehensive design and operation of internal controls based on the Basic Policy for Internal Control ■ Assess the design and operation of internal controls focused on material issues (problems) discovered in each control domain	■ Implemented 55 measures based on the Basic Policy for Internal Control ■ Assessed and improved the design and operation of internal controls, such as how to respond to material issues (problems) discovered in each control domain	★★	■ Implement comprehensive design and operation of internal controls based on the Basic Policy for Internal Control ■ Assess the design and operation of internal controls focused on material issues (problems) discovered in each control domain

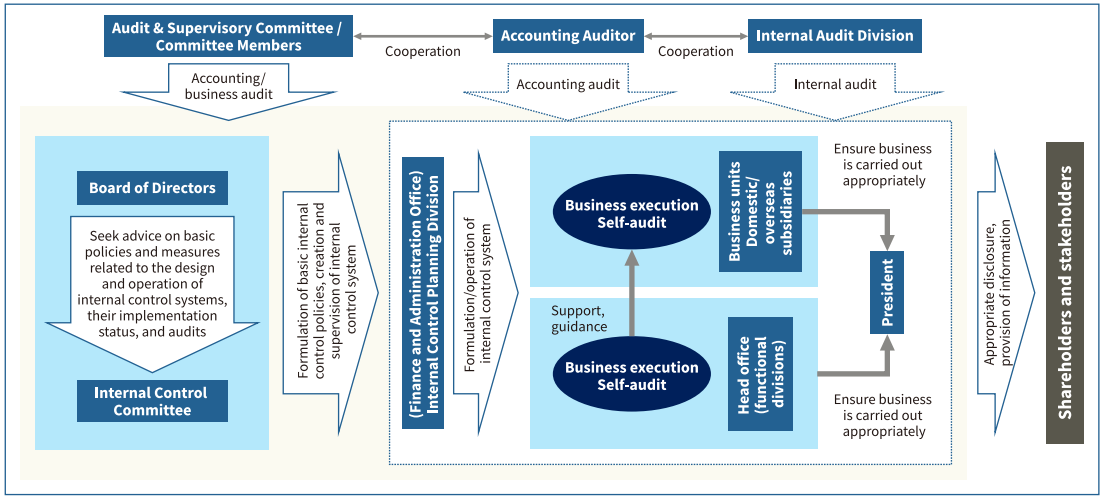
Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

As a means of facilitating the effective functioning of corporate governance, Sharp has designed and operates an internal control system for ensuring the propriety of business activities across the entire Sharp Group based on the provisions of Japan's Companies Act and of the Internal Control Report System, which falls under the Financial Instruments and Exchange Act.
Specifically, in order to establish Sharp's basic approach to internal control, the Basic Policy for Internal Control was adopted by the Board of Directors. In accordance with this policy, Sharp also established the Internal Control Committee, chaired by the president and CEO, to serve as an advisory panel to the Board of Directors. The Internal Control Committee discusses various internal control system-related policy measures, while also affirming their design and operation, and, when necessary, carries out other duties, such as proposing revisions to the Basic Policy. Sharp also develops and maintains systems and structures, such as specialized departments, in accordance with the Basic Policy, establishing and implementing measures to facilitate them and comprehensively checking and evaluating their status of operation, as well as working to entrench and improve them. In particular, Sharp endeavors to, among other things, improve its financial reporting-related systems, strengthen compliance, and reduce business risks all for the sake of increasing the effectiveness of its internal control system.

In fiscal 2023, Sharp designed internal controls for the Sharp Group and conducted an exhaustive confirmation and evaluation of their operations, part of efforts to redesign and improve operations of internal controls for the Sharp Group. The Internal Control Committee convened twice during the fiscal year and reported its results to the Board of Directors. These efforts helped to ensure the effective functioning of the Group internal control system in each of the control domains in fiscal 2023 (as of March 31, 2024), as detailed in an Internal Control Report, which was submitted in June 2024.

In fiscal 2024, we began applying, and are currently responding to, "On the Revision of the Standards and Practice Standards for Management Assessment and Audit Concerning Internal Control over Financial Reporting (Council Opinions)," announced on April 7, 2023 by the Financial Services Agency. We will continue to strengthen the control functions of each control domain, and more efficiently evaluate them. We will also conduct concentrated efforts to resolve the material issues (problems) discovered during evaluation as we strive for the most efficient and effective internal control.

■ **Internal Control System (As of June 2024)**



Governance: Risk Management

Risk Management

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Review the rules for reporting to executives and relevant departments in the occurrence of a major risk incident, and ensure that business units and affiliated companies thoroughly understand these revisions	■ Ensured that business units and affiliated companies thoroughly understood the rules for reporting to executives and relevant departments in the occurrence of a major risk incident	★★	■ Continue to ensure that business units and affiliated companies thoroughly understand the rules for reporting to executives and relevant departments in the occurrence of a major risk incident

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Basic Approach to Risk Management

Sharp positions risk management as one its most important efforts in fulfilling corporate social responsibility, which entails meeting the expectations of stakeholders through the sustainable development of business.

Sharp has formulated the Rules of Business Risk Management as a basic approach to risk management. In the Rules, risk items that could have a major impact on management are identified and managed as “specific risks” through the creation of a risk management system. For each specific risk, a functional department responsible for risk management across the entire company and business units and affiliated companies responsible for risk management in their respective business domains collaborate to minimize risks and to prevent risks from actually occurring.

To be able to respond to changes in the business environment and market, Sharp is constantly defining and revising specific risks, evaluating and grading them, working to prevent them from occurring, and considering and formulating responses should they occur. The results are reviewed by the general manager of the Corporate Strategic Planning and Control Group and reported to the Internal Control Committee, which is chaired by the president & CEO. Reports to the Internal Control Committee include overviews of and countermeasures to the below-mentioned major risk incidents, and their numbers. The content of reports to the Internal Control Committee is also relayed to the Board of Directors.

Response to Occurrence of Major Risks

The Rules of Business Risk Management prescribe rules for response if a major risk incident does come to pass. Taking prompt and appropriate action when an emergency situation occurs works to minimize loss and to prevent the damage from spreading not only across the company, but also to society at large. These emergency rules also specify action items to be implemented to ensure prompt and appropriate information disclosure to stakeholders. When a major risk incident occurs, depending on its severity and priority level, a report is made to the president, head of the Corporate Strategic Planning and Control Group, head of the Finance and Administration Office, full-time audit and supervisory committee members, and heads of relevant departments.

In fiscal 2023, 95 major risk incidents were reported. Improvements were made to the Sharp Group’s management system based on rules related to risk management. At the same time, rules on responses in the event of major risk incidents were reinforced. We will continue and step up these efforts in fiscal 2024.

Promoting Business Continuity Management

Sharp has formulated BCPs (business continuity plans) to expedite the continuation or early recovery of business in a large-scale disaster, such as an earthquake or an outbreak of an infectious disease. Basic policies for BCPs shared across the Sharp Group are “First priority to human life,” “Proactive program and program for recovery from disasters,” and “Support for local community and business connections.” Besides periodically reviewing these basic policies, Sharp seeks to maintain and improve the business continuity performance of its organization through reviews to account for organizational and business changes and through drills. If, in the event of a major disaster, a significant impact on its business activities is anticipated, Sharp will establish an emergency headquarters at the head office to support and work with Sharp sites in affected areas and to implement an initial response focused on ensuring the safety of employees and their families and a business continuity and recovery response.

In fiscal 2023, at major manufacturing bases in Japan, we checked the details of BCPs and the status of periodic BCP reviews and drills. We also surveyed problems discovered and continued to step up business continuity measures.

Going forward, Sharp will continue to work towards business continuity management as responses to all forms of disasters and pandemics.

Governance: Compliance

Compliance

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Continue compliance enhancement in Japan and other countries ■ Continue to respond to China's Personal Information Protection Law, and establish a personal information management system and in-house rules in accordance with laws in and outside Japan	■ Established in-house rules in accordance with laws in and outside Japan. Continued to respond to China's Personal Information Protection Law	★★	■ Build a global management system that allows timely reporting and information sharing ■ Enhance various templates for data acquisition and provision associated with global business activities

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

System to Promote Compliance

Sharp defines compliance as "observing laws, regulations, and company rules, and acting in line with corporate ethics." Accordingly, Sharp is pursuing management practices that give priority to compliance.

The person most responsible for leading compliance at Sharp is the CEO. This person's job is to take a global outlook in formulating basic policies for compliance and making sure these policies are firmly established within the company. Meanwhile, the person responsible for leading compliance for the entire Sharp Group is the head of the Corporate Strategic Planning and Control Group. This person is in charge of devising concrete measures for compliance and thoroughly implementing them. As well as affirming the implementation status of compliance measures, they draw up corrective measures where necessary and makes sure they are thoroughly executed.

Under these two heads, the presidents of the business units are responsible for compliance within their respective organizations. The business unit presidents are also responsible for guiding and supervising compliance measures at subsidiaries and affiliated companies (hereafter, "affiliates") under their business units. Promoting compliance at each affiliate in and outside Japan is the responsibility of the affiliate president.

Among the laws and regulations that pertain to business execution, some are considered to be critically important and capable of affecting the entire Sharp Group. For each of these material categories of laws and regulations, the company sets up a dedicated legal department. The aim is to achieve thorough compliance with these laws and regulations. Each legal department fully understands the content of the critically important law and studies the effects it could have on the business of the entire Sharp Group and on operations shared by different departments. It then reviews—as needed—business operations and processes, revises company regulations, formulates or revises routine operation standards, communicates these changes, and provides guidance and supervision to executives and employees.

If a compliance-related risk occurs, Sharp will respond appropriately in accordance with the Basic Rules for Compliance and the Rules for Business Risk Management, and take comprehensive corrective measures and prevent recurrence.

Compliance Training

As a means of promoting compliance, the Sharp Group has formulated the Sharp Group Compliance Guidebook, which states defined standards for matters to be observed, matters which are prohibited, and actions to be taken for all executives and employees, and publishes and disseminates this throughout the company.

Sharp also periodically carries out training (including e-learning) on the Sharp Code of Conduct and material categories of laws and regulations (such as competition laws, anticorruption, and personal information protection). In fiscal 2023, the approximately 18,000 who took part in this training included members of Sharp Corporation, affiliated companies in Japan, and the labor union. The Sharp Code of Conduct was communicated to employees at all Sharp overseas bases.

Governance: Compliance

Hotline for Compliance Issues

In line with revisions to Japan's Whistleblower Protection Act in June 2022, Sharp Corporation and its affiliated companies in Japan have established the Crystal Hotline, a hotline to report problems in the workplace, such as work-related violations of laws, and words and actions that are counter to the Sharp Group Charter of Corporate Behavior, the Sharp Code of Conduct, in-house rules, social norms, and ethics. The company has also set up a competition law hotline, which serves as a contact point specifically for issues related to competition laws. These hotlines have been set up both inside the company and externally (via an outside law firm providing legal counsel). They are available via email, phone, and other means for employees and temporary staff, as well as business partners*, to make reports. The Crystal Hotline also accepts anonymous reports. Sharp also has a consultation service dedicated to addressing workplace harassment (which includes sexual harassment, pregnancy discrimination, and abuse of authority).

The hotlines and consultation service receive reports and conduct fact-finding investigations in line with strict operating rules. Those who have submitted a report or requested a consultation are informed of the details of the response. If the investigation reveals any violation of laws, regulations, or company rules, or any other compliance issues (actions counter to social norms or ethics), Sharp will put into effect measures for remediation and recurrence prevention.

The hotlines are operated in line with the clear stipulation of both the Sharp Code of Conduct and the rules governing hotline service operation that information identifying the individual contacting the hotlines and details of the individual's report will be strictly protected and that those persons will suffer no unfavorable treatment or penalties. Such rules are thoroughly communicated to all executives and employees through training and other means.

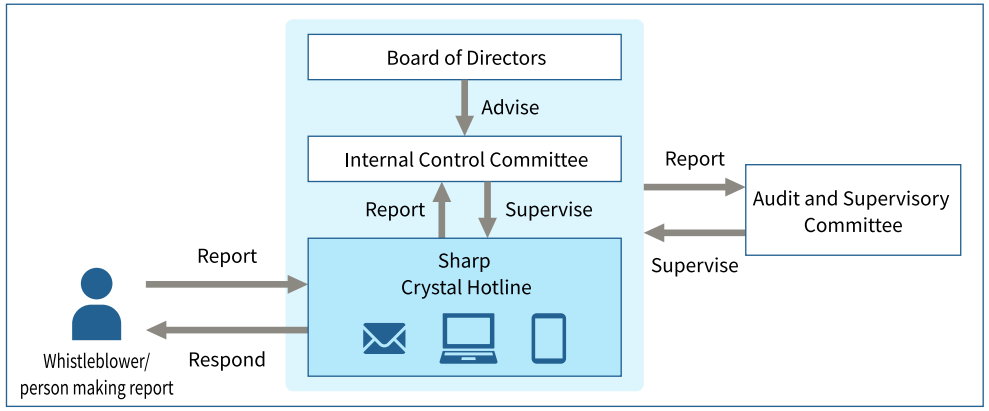
Six months after any corrective action is taken, we check that the whistleblower contacting the Crystal Hotline has not been disadvantaged. After a further period, we also check whether the corrective actions and recurrence prevention measures are working effectively.

In fiscal 2023, the Crystal Hotline received 44 reports and the harassment consultation service received three reports. For each of these, Sharp investigated the facts of the matter and issued orders for any necessary corrective measures. Meanwhile, the competition law hotline received zero reports in fiscal 2023.

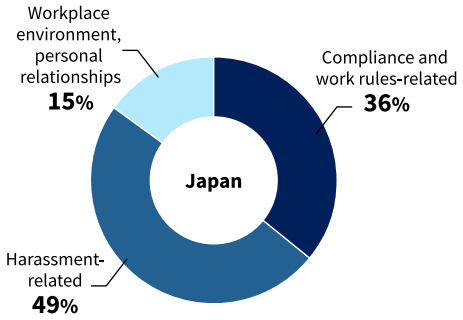
Hotlines have been set up at Sharp's major overseas bases, with consideration for the legal system and other matters in each country. Action is taken to swiftly address any problems. In fiscal 2023, there were 92 reports.

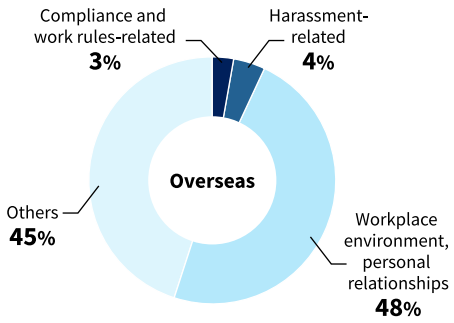
The number of cases in and outside Japan and their summaries are reported regularly to the Internal Control Committee, which is chaired by the president & CEO, and to the Board of Directors and the Audit and Supervisory Committee.

■ Crystal Hotline Reporting System



■ Breakdown of Whistleblowing/Reports





* Only the Crystal Hotline is available for use by employees of business partners.

Governance: Compliance

Compliance with Competition Laws

In order to comply with Japan's Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, as well as with equivalent overseas laws and treaties enacted to protect the interests of consumers by maintaining and promoting free and fair markets (hereafter, "competition laws"), Sharp has put in place rules across the entire Sharp Group on observing competition laws. It has also created an Antimonopoly Act Compliance Manual (Action Guidelines). These guidelines stipulate basic compliance matters that employees must adhere to in their duties with regard to cartels.

To raise awareness amongst employees, Sharp has prepared and revised a guidebook summarizing the key points of competition laws for each field of business, and it carries out periodic internal training via e-learning. Sharp also raises awareness internally of case studies relating to competition laws from within Japan and internationally as well as information on major revisions to the laws. When considering raising product prices in response to rising costs in society, to ensure that Sharp does not violate competition laws by, for example, taking part in cartels, circulars are sent periodically to every part of the company. Sharp prevents actualization of competition law-related risks in transactions by reviewing all contracts and consulting with its legal department when approving new contracts.

To enable Sharp to more effectively prevent the occurrence of competition law risks (such as cartel activities or bid-rigging), business departments periodically confirm their dealings and interactions with competing companies. Depending on the risk, it may be reported to the legal department, which monitors the status of Sharp's compliance with competition laws. Such efforts maintain the effectiveness of Sharp's compliance program.

Governance: Compliance

Preventing Corruption in All Forms and Dealing Properly with Donations

General Policy

The Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct contain provisions that strictly prohibit any form of corrupt behavior, such as extortion or direct or indirect bribes of money, goods, or services. The Group Charter and Code of Conduct also stipulate that donations must be handled in a proper manner.

The Compliance Guidebook follows the Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct in stipulating policies, for example, on providing gifts and entertainment, and on prohibiting bribery.

We also have the Rules for Prohibition of Bribery (hereinafter "the Rules"), which detail the actions that both executives and employees should and should not take in order to prevent corruption such as bribes, and which describe Sharp's system for preventing bribery (see below). Under the Rules, Sharp is working to clarify and strengthen an internal checking system and prevent any act of bribery. In order to amend or abolish the Rules, in principle, a proposal must be submitted to the Executive Management Meeting, which is chaired by the CEO and comprised of executive officers.

Systems and Rules for Preventing Bribery and Other Forms of Corruption

Sharp has established a clear and effective system for preventing bribery with regard to the offering of entertainment, gifts or invitations to government officials and others, the providing of entertainment or gifts to executives and staff in private businesses, the use of agents, consultants and other third parties (hereinafter "third parties, such as agents"), or the leveraging of memberships in organizations. This system includes an internal approval process that uses a checklist covering all points that should be confirmed in advance by the relevant departments. In addition, Sharp has established prohibitions and determination criteria for each of the following.

1. Offering entertainment, gifts, or invitations to government officials and others

The Rules for Prohibition of Bribery specify the maximum amounts, and prohibited matters, for offering entertainment, gifts, or invitations to public officials and others. The rules define "facilitation payments" as "small payments to government officials and others for the sole purpose of speeding up routine administrative procedures." The rules clearly state that these payments are considered a form of bribery and are prohibited in principle.

2. Using third parties, such as agents

The Rules for Prohibition of Bribery stipulate that the use of third parties, such as agents, is permitted only when there is a reasonable basis from which to confirm that remuneration and other payments to these third parties are not likely to constitute bribery. In addition, in Sharp's contracts with third parties, such as agents, they are required to comply with Sharp's prohibition of bribery as well as the anti-corruption laws of each country, and Sharp carefully monitors these third parties to ensure that they do not engage in any acts of bribery.

Working with Business Partners

We only deal with business partners who agree to abide by our Basic Purchasing Principles, which were created to prevent things like bribes and unfair actions.

We also ensure that our business partners abide by the Sharp Supply-Chain CSR Deployment Guidebook, aimed at preventing inappropriate profits.

Working with Overseas Affiliates

Sharp's overseas affiliates also follow the Sharp Group Compliance Guidebook and the Sharp Code of Conduct, which stipulate rules that employees must abide by, such as avoiding bribery and other corrupt actions.

In order to ascertain the risk of bribery and corruption among overseas affiliates and institute a more effective checking system, Sharp has investigated and analyzed risks at overseas affiliates. Based on the results, Sharp has proceeded to update its overseas affiliates' internal rules of anti-bribery and introduce to overseas affiliates the bribery risk management processes utilized at Sharp in Japan, depending on the level and type of risk at each overseas affiliate.

Governance: Compliance

Preventing Corruption in All Forms and Dealing Properly with Donations

Raising Awareness within the Sharp Group

To raise awareness among Sharp Group employees in Japan and overseas, Sharp has created and published an in-house guidebook and training materials, which give information on anti-corruption and anti-bribery laws and describe real world examples. Sharp also conducts annual in-house training related to preventing bribery and other corrupt actions.
Sharp's intranet for affiliates in Japan and its global intranet for overseas affiliates periodically feature articles on bribery and corruption in Japanese, English, and Chinese. These articles present bribery- and corruption-related cases and analyze and explain related issues. The aim is to deepen understanding and raise awareness of bribery among employees of affiliates in Japan and overseas. As a result of these efforts, there were no violations of any bribery-related rules in fiscal 2023.

Dealing Properly with Donations

In Japan, Sharp prevents illegal payoffs and improper expenditures through a system of reviews that check legality, reasonableness, and transparency. In place since December 2008, this system serves to assess the propriety of monetary disbursements such as donations and contributions made by Sharp Corporation and its affiliated companies. In fiscal 2022, 12 cases of contributions were reviewed.
The Sharp Code of Conduct states, "Regarding political donations, we will observe all applicable laws and regulations and we will ensure transparency and proceed in strict conformance with internal company rules when making such donations in line with the company policy to build a healthy and responsible relationship with politics and government." Based on this policy, any political donations abide by relevant laws and follow the necessary internal procedures.

Exclusion of Antisocial Forces

Basic Policy

As a matter of basic policy, Sharp prevents or excludes any association with antisocial forces without exception, and deals with them in a resolute manner. It has established specific guidelines in the Sharp Group Charter of Corporate Behavior under the section entitled "Practice of Fair and Open Management," as well as clearly stipulated in the Sharp Code of Conduct that Sharp shall seek to exclude antisocial forces by being "cooperative in the maintenance of social order, and will not engage in antisocial activity."

Activities Aimed at Excluding Antisocial Forces

Sharp Corporation has established Rules for Excluding Antisocial Forces, which serve as the basis for Sharp's effort to prevent antisocial transactions, as well as Sharp's preparation and updating, as needed, of such resources as manuals for dealing with antisocial forces.
In order to facilitate its handling of antisocial forces, Sharp maintains a system of prompt communication and cooperation with the police, legal advisors, and other external experts, from whom it regularly obtains information, which is then thoroughly disseminated and managed amongst the Sharp Group. Sharp also works to raise employee awareness by conducting once-a-year compliance training, which includes how to deal with antisocial forces.
In addition, Sharp Corporation and its affiliated companies in Japan take other steps to exclude antisocial forces, such as including a stipulation of antisocial forces exclusion in all basic agreements for ongoing transactions and concluding memorandums containing the equivalent stipulation with existing suppliers.

Governance: Compliance

Management of Personal Information

Companywide Policy

The Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct clearly state the principles and standards of conduct to be followed to ensure strict management of the personal information of customers, business partners, employees, and others held by the Sharp Group.
With regard to the handling of the personal information of customers and business partners held by the Sharp Group, the Group has announced its "Privacy policies" and "Privacy notice for business partners." For each of Sharp's services that handle customer personal information, the company has formulated and announced its privacy policies.

Related Information: > Sharp Code of Conduct
Sharp Group Charter of Corporate Behavior
Privacy policies
Privacy notice for business partners

Personal Information Protection System and Regulations

Sharp has appointed a chief information officer (CIO) and chief privacy officer (CPO). The CIO, who is responsible for overall information management across the company, oversees the information management department, responding to any issues that arise regarding information management across the company and promoting information management. In addition, the CIO appoints information managers in each business unit and affiliated company to implement measures related to information management.
Meanwhile, the CPO, who is responsible for personal information protection across the company, oversees the Personal Information Protection Team to promote measures related to personal information protection. In addition, the CPO appoints managers in each business unit and affiliated company to implement measures related to personal information protection.
As part of Sharp's efforts to protect personal information, it has established internal rules and guidelines regarding personal information protection, as well as prepared a guidebook explaining these rules and guidelines, and is working to ensure that these are thoroughly disseminated throughout the Group. Sharp's internal rules and guidebooks are updated as necessary when relevant laws and regulations are enacted or amended.
To ensure the effectiveness of Sharp's efforts to protect personal information, processes that require approval from the department specialized in personal information protection (for customer personal information this is the legal department, for employee personal information this is the HR department) are incorporated into Sharp's internal approval system regarding the handling of personal information. This contributes to consistently appropriate management of personal information obtainment, sub-processing, and provision to third parties by relevant departments. Also, following approval, the handling status—e.g., obtainment, storage, management, usage, deletion—of each customer's personal information is to be recorded in Sharp's own management database and updated as needed so that it can be checked and reviewed by the legal department on an ongoing basis.
In addition, the Personal Information Protection Team takes the lead in using the management system to conduct audits of all departments that acquire customer personal information to check whether the information is handled in accordance with the contents of the database for registration. For specific departments that require stricter management, on-site audits are also conducted to ensure thorough management.

Working with Business Partners

When personal information held by the Sharp Group is provided to a business partner, the Sharp Group requires that the business partner handle the personal information appropriately and strive to ensure strict management of such information in accordance with the circumstances of the specific transaction being undertaken. This is done through the stipulation of various matters in the agreement concluded with the business partner, such as prohibitions on taking actions that would identify individuals or on using the information for purposes other than those intended and stipulation of the terms of data use.

Working with Overseas Affiliates

Data protection has become an increasingly important issue around the world. Sharp has been sharing information with its overseas subsidiaries as part of periodic group-wide fact-finding surveys and risk analysis on the various areas related to the acquisition and processing of personal information in the EU and other overseas regions. Based on findings, the company has been taking measures that include providing appropriate advance notice of personal data to be handled, concluding agreements that set forth necessary conditions, and putting in place internal rules required for proper handling of personal data. Sharp is also raising awareness among employees by periodically issuing information about the enactment of—and amendments to—laws and regulations on global protection of personal information. Along with that, Sharp shares examples of financial penalties for breaches of these laws and regulations. This information is posted on the company intranet for all employees to see.

Governance: Compliance

Management of Personal Information

Raising Awareness within the Sharp Group

To ensure that personal information is appropriately managed and to prevent incidents of data leakage, Sharp provides regular compliance training (including e-learning). In addition, individual training sessions are held for employees who handle personal information as part of their job duties.

Governance: Compliance

Appropriate Advertising and Promotion, Representation-Related Law Compliance

Under its business creed of "Sincerity and Creativity," Sharp strives to reliably fulfill its corporate social responsibilities to customers and all stakeholders in the provision of correct information useful for selecting products and services. To this end, Sharp prioritizes appropriate advertising and promotion activities. It also complies with product and service representation-related laws, such as the Act against Unjustifiable Premiums and Misleading Representations, Pharmaceutical and Medical Device Act*1, and Fair Competition Code. Sharp positions compliance with these laws as a control item within its Rules of Business Risk Management*2, and implements various measures to promote compliance.

Systems and Rules for Preventing Legal Violations

With regard to product and service representation within Japan, Sharp follows internal rules (listed below), which stipulate the basic approach to representation and a system for checking appropriate representations.

1. A dedicated supervisor is appointed to work with departments involved in the production of representations and to perform a final check prior to the publication of brochures and mass advertising
2. A senior committee is established to make decisions about any questionable representations (Representation Review Committee, Sharp Fair Representation Council)
3. Operations are carried out in line with the Fair Competition Code*3, formulated by the Home Electric Appliances Fair Trade Conference, with regard to product representations and premiums
4. Public external organizations*4 are consulted for objective guidance and advice

Also, overseas, Sharp follows local laws along with the Fair Expression Guidelines, which have been developed based on the same thinking utilized in Japan, in order to facilitate appropriate decision-making.

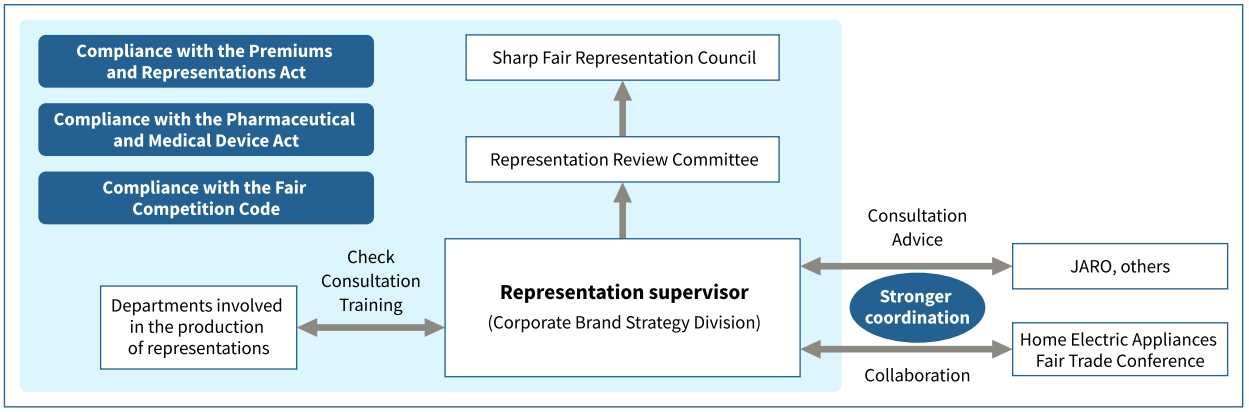
Awareness Activities Boost Knowledge for Relevant Personnel

Awareness activities are held for employees in departments involved in the production of representations.

1. Training on the Premiums and Representations Act, Pharmaceutical and Medical Device Act, and Fair Competition Code
2. Utilization of the Home Electric Appliances Fair Trade Conference's Fair Competition Code e-learning
3. Participation by Sharp employees in outside seminars led by public institutions, and dissemination of what is learned (the latest trends) to the rest of Sharp
4. Information on the Premiums and Representations Portal Site on the intranet
   • Laws, public standards, in-house rules, revisions to laws and regulations, etc.

In fiscal 2023, there were no violations of the Premiums and Representations Act or the Pharmaceutical and Medical Device Act by the Sharp Group.

■ **Representation Review Framework**



Sharp will continue to work to ensure there are zero violations in fiscal 2024.

Adapting to Stricter Laws and Regulations

In response to the stealth marketing regulations that came into effect in Japan in October 2023, Sharp has, in addition to issuing a company-wide caution notice, sought to ascertain the status of implementation of promotional measures that use social media and to provide individual guidance to the relevant departments on important points to note.
Sharp is also gathering information in relation to the revised Premiums and Representations Act (including direct punishment provisions), which is scheduled to come into effect in 2024.

*1 Act on Securing Quality, Efficacy, and Safety of Products Including Pharmaceuticals and Medical Devices.
*2 See page 133.
*3 Voluntary industry standards formulated by the Home Electric Appliances Fair Trade Conference and recognized by the Consumer Affairs Agency and Japan Fair Trade Commission.
*4 Home Electric Appliances Fair Trade Conference, Japan Advertising Review Organization (JARO), others.

Governance: Compliance

Tax Management Initiatives

Tax Policy

Sharp demonstrates sincerity and creativity in its pursuit of sound business activities, in the process fulfilling its responsibilities as a member of society. A basic policy of the Sharp Group Charter of Corporate Behavior and Sharp Code of Conduct is the "Practice of fair and open management" in all corporate activities and operations, conforming to the laws and regulations of each country and region, international rules and company rules, as well as social norms and corporate ethics. Based on this basic policy, Sharp works to maintain and improve its compliance with tax laws and other tax-related regulations through proper payment of taxes and employee education.

Tax Governance System

The general manager of the Finance and Administration Office oversees tax obligations for the Sharp Group as a whole. In line with Sharp's global tax policy, group companies have a responsibility to understand and comply with the relevant tax laws and regulations that apply to their operations. The Accounting Department in the Finance and Administration Office supports group companies and handles overall tax-related duties for the Sharp Group to reduce tax-related risk.

When faced with a tax-related issue, Sharp works together with relevant affiliated companies in Japan and overseas and, when necessary, seeks advice from tax professionals in order to address the issue. When the issue is deemed to be one of significant importance, it is reported to top management who then decide on a course of action.

Proper Payment of Taxes

Legal and regulatory compliance is Sharp's top priority, endeavoring to fulfill all fair and appropriate tax obligations. When filing tax returns, we do not seek to evade the legislative intent of the tax system nor engage in tax avoidance in violation of international tax rules. Sharp endeavors to appropriately meet its tax obligations while making use of preferential tax measures available to it as part of normal business operations.

In fiscal 2022, Sharp recorded 15.7 billion yen* (Japan: 34%, overseas: 66%) in corporate income tax.

* Based on Country-by-Country Report submitted to the tax authority.

Compliance with Transfer Pricing Rules

Regarding transactions with parties related to the Sharp Group, appropriate pricing is established based on the arm's-length principle, in line with OECD (Organisation for Economic Co-operation and Development) transfer pricing guidelines and in accordance with each company's functions and risks. Sharp also draws up transfer pricing documentation based on the laws and regulations of each country. Also, for important transactions, Sharp takes steps, such as actively working with tax authorities to make use of APAs (Advance Pricing Arrangements), to reduce tax-related uncertainty, and to prevent double taxation.

Relationship with Tax Authorities

In order to maintain good relations with tax authorities, Sharp endeavors to be diligent and responsive to the requests of tax authorities in each country, such as by providing them with information in an appropriate and timely manner. Whenever tax authorities raise questions about Sharp's filing and payment of taxes, Sharp examines the validity of their claims and, if it has an objection, may opt to formally file a petition against the tax authority with regard to the matter. However, if any corrective action is required, such action will be promptly implemented.

Example

In-house Training and Briefings Held to Explain the Invoice System

Invoice system briefing

The Accounting Department in the Finance and Administration Office holds training sessions and briefings to better disseminate information on tax systems and proper accounting procedures.

In fiscal 2023, staff members of Japan's National Tax Agency was invited for a briefing for all divisions on compliance with the invoice system.

Governance: Innovation Management

Corporate R&D Initiatives

R&D Aimed at ESG Management

The Corporate Research and Development Group is pursuing a mission to develop pioneering, groundbreaking, proprietary technology that creates new ecosystems and new and expanded businesses contributing to the realization of a sustainable society.
To put into practice ESG-focused management, Sharp is using “One Sharp” partnership and collaboration to step up its contributions to carbon neutrality, carry out digital transformation in infrastructure and other areas, and accelerate new business development in growth fields that will help create a more comfortable living environment. In particular, Sharp is pursuing people- and earth-friendly innovations centered on the application and deployment of AI technology, which is an area where rapid technological innovation is taking place.
Amidst an increasingly diverse and complex array of issues facing society and to realize sustainable societies and management, the Corporate Research and Development Group is contributing to Sharp’s continued growth through technological development aimed at creating innovative services and solutions that capitalize on change.

Notable Initiatives

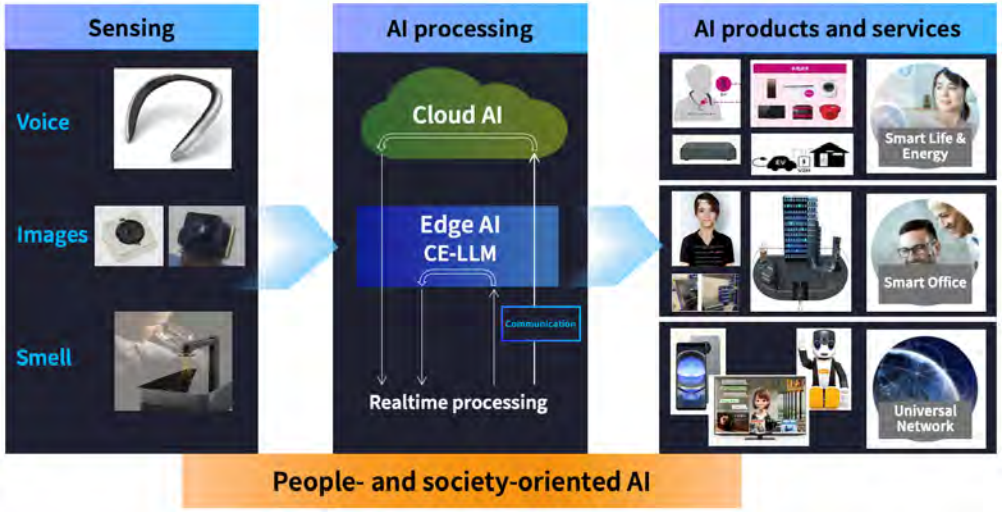
Sharp aims to change the game by creating technologies that will serve as the core engine of future company growth. With a focus on achieving industry DX and AI/robotics applications, lifestyle innovation, green innovation, and communication innovation, we are working towards the early realization of new businesses that drive sustained growth into the future.
Turning to communications technology, Sharp holds more than 7,500 patents of critical importance for communications standards in more than 50 countries worldwide, and it grants licenses to numerous leading companies.
Sharp has dived headfirst into activities to create standards in the field of video communications and is contributing to creating the social infrastructure that will realize innovation and DX.
As part of its open incubation activities, Sharp is also strengthening inter-company collaboration with external partners in order to promote technological development and early commercialization.
Focusing on the areas of generative AI and digital transformation, Sharp will incorporate the wealth of ideas and knowledge offered by startups, expand the results of its research and development into new business areas, and accelerate technological innovation by engaging in cross-industry co-creation.

Searching for the Next Innovation

In the fields of AI, next-generation communications, and EVs, which Sharp sees as new industries, the company will accelerate its search for the next innovation using two perspectives: improving added value by strengthening technological capabilities and expanding business domains. Sharp will continue to challenge itself to create unique new value by developing people- and society-oriented AI that utilizes Sharp’s proprietary CE-LLM* edge AI technology, next-generation communication technologies that will become increasingly important in the future, and by treating mobility as a living space.

* CE-LLM (communication edge-LLM) is a registered trademark of Sharp Corporation.

■ Sharp’s Direction for Technological Development—Expanding CE-LLM Edge AI Technology to All Businesses



Governance: Innovation Management

Intellectual Property Protection

Intellectual Property Strategy and Management System

Sharp regards its intellectual property strategy as one of its critically important management strategies, and it is promoting it together with its business strategy and R&D strategy. By aggressively obtaining patents, Sharp is boosting the superiority of its product and device businesses and strengthening its business foundation. The company's intellectual property department was spun off into Sharp IP Infinity Co., Ltd. (SIPI), with a view to making it a profit center of Sharp. Because SIPI is well versed in Sharp's products, technologies, and businesses, it can offer a high level of specialized service and improved efficiency. SIPI gives Sharp more driving force in its intellectual property management, generating strong patents and economic value from Sharp's state-of-the-art technologies.

Regarding patent applications, Sharp defines core technology areas with respect to each business and strategically files patent applications that are tightly coupled with its business development. Sharp is also acquiring useful patents invented in cooperation with other companies or derived from the activities of alliances, such as industry-university cooperation.

In addition, Sharp is filing applications and registering rights for designs and trademarks globally under its brand strategy.

Protecting Intellectual Property

Sharp maximizes the use of its intellectual property by linking it to its business strategy and R&D strategy. It is also firmly committed to protecting its own intellectual property rights, while also respecting the intellectual property rights of others. While Sharp takes an amicable approach to resolving issues of infringement, it is the company's policy to seek the judgment of a third party, such as the courts, when its intellectual property rights are not respected.

Sharp is also working to bolster protection for trade secrets and to prevent unauthorized disclosure of production technologies and manufacturing know-how, particularly those that are unique or critically important to Sharp. Further, counterfeit Sharp-brand products have had a growing impact in overseas markets in recent years, and Sharp is taking measures to counter these imitations through cooperation with industry groups and with regulatory authorities taking enforcement actions.

Governance: Information Security

Information Security

Fiscal 2023 Objectives	Fiscal 2023 Achievements	Self-Evaluation	Priority Objectives for Fiscal 2024
■ Pass the certification renewal screening for ISO 27001 ■ Step up educational measures for employees as a way to deal with targeted email attacks, and expand education to more overseas affiliates	■ Maintained ISO 27001 certification (renewed June 17, 2023) ■ Improved the practicality of content of training for employees who did not take proper measures in response to targeted email attacks. Also expanded training to more overseas affiliates (fiscal 2023 results: 33 companies out of 40; up 21)	★★	■ Pass the recertification and transition screening for ISO 27001 ■ Continue training and education on targeted email attacks (in Japan and overseas) ■ Add cybersecurity measures to IT general control requirements

Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

Sharp is working to ensure information security by setting forth a Global Basic Policy on Information Security for the safe and appropriate management and use of information and information systems.
As part of its efforts to enhance information security, Sharp also acquired ISO 27001 certification in 2015 and has secured an appropriate information security management system. Sharp's overseas bases (Sweden, Indonesia) have also acquired and maintain ISO 27001 certification.

■ **Summary of ISO 27001 Certification Activities**

Organization	Sharp Corporation
Scope of Certification	• The administration and operation of an affiliated web site. • The implementation of in-company information management.
Certification Number	IS 635826
Certification Body	BSI Group Japan K.K.
Initial Certification Date	June 30, 2015

Related Information: > Global Basic Policy on Information Security

Information Security Measures

Sharp strives to raise security awareness with thorough dissemination of in-house information security rules; for example, through compliance-related training based on the Sharp Code of Conduct.
To focus on targeted email attacks, which are an increasingly serious and direct security risk for employees in Japan and overseas, Sharp is stepping up drills in which employees receive malicious mock emails.
In fiscal 2023, Sharp tested its response capabilities by having not only all employees at Sharp and its affiliates in Japan but also employees at overseas affiliates receive several types of malicious emails that mimicked real-life ones. Employees who did not deal with the email appropriately were given further guidance on the dangers of email attacks to raise their security awareness. We will continue to provide such training that mimics the latest email attack methods, as well as step up measures by continuing to expand training to more overseas affiliates to strengthen our global security.
Meanwhile, Sharp will continue to maintain and strengthen its security by stepping up activities. For example, to prevent external information leaks, Sharp checks the vulnerability of publicly accessible Sharp-related websites and puts in place measures to prevent hacking and the access of illicit websites.
In addition, the revised J-SOX* now includes a new statement about the importance of ensuring security for information systems in light of increasing cyber risks. Starting this fiscal year, Sharp will also strengthen its controls by adding cybersecurity measures to its IT general control requirements.

* An internal control reporting system aimed at ensuring the reliability of financial reporting.

Governance: Export and Import Control

Export and Import Control

Security Export Control

The security environment worldwide is characterized by instability and growing uncertainty in the international order, including in the form of moves to strengthen military capabilities by some states, for example through the development of nuclear weapons, missiles, and other weapons of mass destruction; the pursuit of military action against other countries; territorial disputes among states; and the threat of international terrorism. Looking to implement export controls to ensure security, Japan has adopted the Foreign Exchange and Foreign Trade Act ("FEFTA") and put in place stringent procedures to prevent the proliferation of weapons of mass destruction as well as ordinary weapons. Against this backdrop, Sharp has long engaged in security-related export controls, including by becoming one of the first companies in Japan to incorporate provisions adopted by the Coordinating Committee for Multilateral Export Controls (so-called COCOM regulations) into its own internal rules during the Cold War.

As technology advances and the line between civilian and military technologies blurs, the number of items of concern, for example dual-use products that potentially allow civilian technologies to be harnessed for military purposes, is growing. Adherence to security-related export controls is becoming more complex as countries impose sanctions in response to a variety of geopolitical tensions and strengthen associated export control laws.

To accommodate this state of affairs, Sharp Corporation and affiliates in Japan have incorporated thorough compliance with security-related export controls as a model for behavior into the Sharp Code of Conduct. The company has also formulated the Sharp Compliance Program on Export Control based on FEFTA to govern export controls.

When exporting products overseas, Sharp conducts an internal investigation to determine whether controls apply to goods and technologies; to confirm destinations, counterparties, and end-users; and to assess whether there are any concerns about applications and uses. Sharp strives for legal compliance by reviewing internal rules in a timely manner whenever export control laws are revised. Sharp also strictly complies with the Export Administration Regulations of the U.S.

To maintain export control structures like these, Sharp regularly offers various export control-related education programs, including with e-learning components, for all employees.

Sharp will maintain and further improve these systems to secure comprehensive export control.

Trade Control

The Customs Act and other laws of Japan require proper export and import controls (trade controls). In particular, there is a strong need for appropriate logistics control regarding the security of imported and exported goods, for example to stop the flow of supplies to domestic and international terrorist groups and to address the problem of illegal cross-border movements of goods like illegal drugs and products violating intellectual property rights, a major social issue.

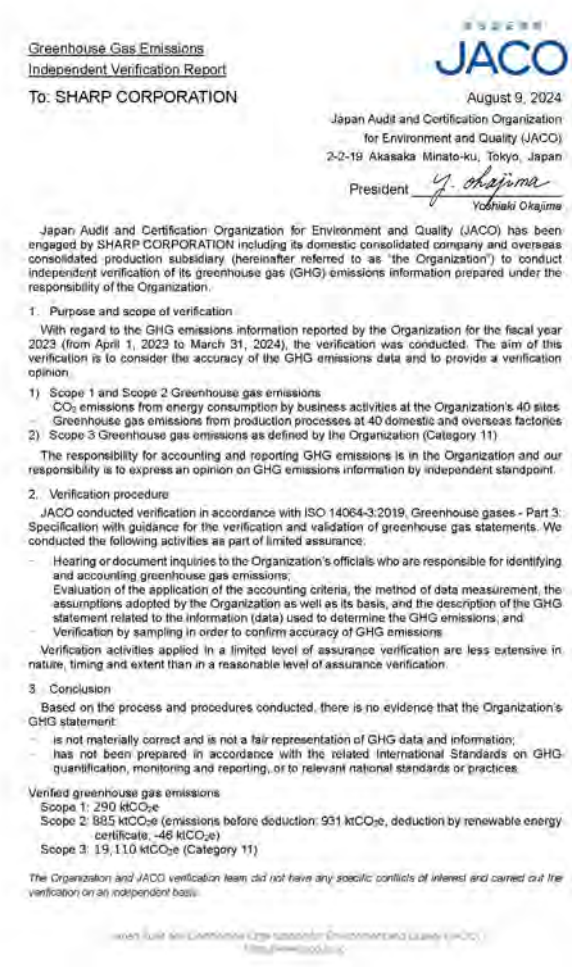
Sharp strives to ensure its import and export operations are conducted in an appropriate manner by maintaining licensing as an AEO (authorized economic operator) exporter* and importer* and by strictly observing laws and regulations across every import/export process, including management of security, distribution, and customs clearance procedures as well as payment of import consumption tax and duties. This approach provides benefits such as simplification of customs procedures while helping ensure the safety of the global supply chain. When it comes to a diverse range of export/import items other than those described above—for example, international courier/mail or hand luggage carried by business trip travelers and visitors—Sharp has put in place compliance structures to ensure appropriate trade controls and strengthened internal management, including reviewing and updating operational rules, making a database of export/import records, and conducting thorough training.

Sharp will continue to conduct appropriate trade controls.

* An exporter or importer recognized by the Japan Customs as having put in place a system for security control of goods and compliance.

Third-Party Verification

Sharp has undergone independent third-party verification by JACO (Japan Audit and Certification Organization for Environment and Quality) to ensure the reliability of its data on greenhouse gas emissions and environmental and social initiatives.



Greenhouse Gas Emissions
Independent Verification Report

JACO

To: SHARP CORPORATION

August 9, 2024
Japan Audit and Certification Organization
for Environment and Quality (JACO)
2-2-19 Akasaka Minato-ku, Tokyo, Japan
President Y. Okajima
Yoshiaki Okajima

Japan Audit and Certification Organization for Environment and Quality (JACO) has been engaged by SHARP CORPORATION including its domestic consolidated company and overseas consolidated production subsidiary (hereinafter referred to as "the Organization") to conduct independent verification of its greenhouse gas (GHG) emissions information prepared under the responsibility of the Organization.

1. Purpose and scope of verification

With regard to the GHG emissions information reported by the Organization for the fiscal year 2023 (from April 1, 2023 to March 31, 2024), the verification was conducted. The aim of this verification is to consider the accuracy of the GHG emissions data and to provide a verification opinion.

1) Scope 1 and Scope 2 Greenhouse gas emissions
- CO_2 emissions from energy consumption by business activities at the Organization's 40 sites
- Greenhouse gas emissions from production processes at 40 domestic and overseas factories

2) Scope 3 Greenhouse gas emissions as defined by the Organization (Category 11)

The responsibility for accounting and reporting GHG emissions is in the Organization and our responsibility is to express an opinion on GHG emissions information by independent standpoint.

2. Verification procedure

JACO conducted verification in accordance with ISO 14064-3:2019, Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements. We conducted the following activities as part of limited assurance.

- Hearing or document inquiries to the Organization's officials who are responsible for identifying and accounting greenhouse gas emissions;
- Evaluation of the application of the accounting criteria, the method of data measurement, the assumptions adopted by the Organization as well as its basis, and the description of the GHG statement related to the information (data) used to determine the GHG emissions; and
- Verification by sampling in order to confirm accuracy of GHG emissions

Verification activities applied in a limited level of assurance verification are less extensive in nature, timing and extent than in a reasonable level of assurance verification.

3. Conclusion

Based on the process and procedures conducted, there is no evidence that the Organization's GHG statement:

- is not materially correct and is not a fair representation of GHG data and information;
- has not been prepared in accordance with the related International Standards on GHG quantification, monitoring and reporting, or to relevant national standards or practices.

Verified greenhouse gas emissions
Scope 1: 290 $ktCO_2e$
Scope 2: 885 $ktCO_2e$ (emissions before deduction: 931 $ktCO_2e$, deduction by renewable energy certificate, -46 $ktCO_2e$)
Scope 3: 19,110 $ktCO_2e$ (Category 11)

The Organization and JACO verification team did not have any specific conflicts of interest and carried out the verification on an independent basis.

Greenhouse gas emissions verification report

Environmental and Social Activities Performance Data
Independent Verification Report

JACO

To: SHARP CORPORATION

August 9, 2024
Japan Audit and Certification Organization
for Environment and Quality (JACO)
2-2-19 Akasaka Minato-ku, Tokyo, Japan
President Y. Okajima
Yoshiaki Okajima

Japan Audit and Certification Organization for Environment and Quality (JACO) has been engaged by SHARP CORPORATION including its domestic consolidated companies and overseas consolidated production subsidiaries (hereinafter referred to as "the Organization") to conduct independent verification of its environmental and social activities information under the responsibility of the Organization. The aim of this verification is to consider the accuracy of reported information and to provide a verification opinion.

Verification was conducted as limited assurance according to the procedure agreed with the Organization based on JACO verification standards in accordance with International Assurance Business Standard (ISAE) 3000. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Summary of verification

With regard to the following Environmental Performance Data for the fiscal year 2023 (April 1, 2023 to March 31, 2024), verification was conducted.

Verification scope	Sampling sites
The following Environmental Performance Data of business activities in the Organization's 40 sites (20 sites overseas consolidated production subsidiaries): - Energy usage (Electricity, City gas, LPG, LNG, Fuel oils, Renewable energy, Hot water·cold water·steam); - Water withdrawal	Sites visited: 2 sites Verification was conducted based on confirmation of related documents formulated, interviews with or inquiries to the responsible persons and persons in charge, confirmation of the method of obtaining data, and comparison between the reported data and its supporting documented information (evidence). Data sampling sites: 7 sites Verification was conducted based on comparison between the reported data and its supporting documented information (evidence).

With regard to the following Social Activities Performance Data, verification was conducted.

Verification scope	Calculation period/ Calculation date	Scope
Percentage of Disabled Employees	June 1, 2024	SHARP CORPORATION, a Sharp special subsidiary and group companies
Percentage of Female Managers	March 31, 2024	SHARP CORPORATION
Average Age	March 31, 2024	SHARP CORPORATION
Average Years of Service	March 31, 2024	SHARP CORPORATION
Number of Leave for Purposes Related to Childcare	April 1, 2023 - March 31, 2024	SHARP CORPORATION
Number of Nursing Care Leave	April 1, 2023 – March 31, 2024	SHARP CORPORATION
Industrial Accident Rates (Frequency Rate of Lost-Worktime Industrial Accidents)	April 1, 2023 – March 31, 2024	SHARP CORPORATION and its domestic consolidated companies

Environmental and social activities performance data independent verification report

Related information: > Independent Verification Report

SHARP

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